

Svitlana Ostapa, Vadym Miskyi, Ihor Rozkladai

under the general editorship of Natalia Lyhachova

PUBLIC BROADCASTING IN UKRAINE: History of Creation and Challenges





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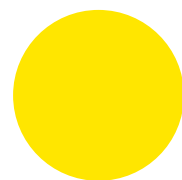
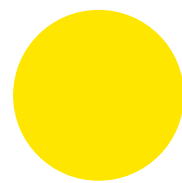
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S.V. Ostapa, V.V. Miskyi, I.Ye. Rozkladai
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Media experts directly involved in the establishment of the Public Broadcasting in Ukraine reveal the history of the transformation of state broadcasters into the National Public Broadcasting Company of Ukraine. It was a path from advocating for the legislation necessary for the formation of a legal entity and its first steps. This brochure also describes the main challenges faced by the National Public Broadcasting Company of Ukraine at the end of the first two years of its operation.

UDC 654.19





Natalia Lyhachova-Chernolutska,

Head of the Detector Media NGO,
Chair of the Independent Media Council

I
N

December 2004, on the threshold of the third round of presidential elections which Viktor Yushchenko would eventually win, in the apartment of Tetiana Lebedieva - the head of the Independent Association of Broadcasters - a meeting of several "adherents of Ukrainian public broadcasting" took place. Those included the then Chairman of the Verkhovna Rada Committee on the Freedom of Speech Mykola Tomenko and public figures, in particular Valerii Ivanov, I, Oleksandra Chekmysheva, and Dmytro Kotlyar. We believed that after the predicted Yushchenko's victory a window of opportunity for the creation of Public Broadcasting in Ukraine will open, and we gathered to develop an action plan. According to this plan, in January 2005, the Coalition of public organizations – "Public Broadcasting" – was established. The coalition developed a number of draft documents on editorial policy, financial management, and other aspects related to the activities of the future public broadcaster. At the same time, Oleksandr Tkachenko, who had resigned from the post of the head of the Novyi Kanal TV channel and was obviously hoping to create and public television and become its head, began to develop the alternative concept. The Coalition and Oleksandr Tkachenko's group were cooperating for some period of time.

After the elections, Serhii Pravdenko – representative of the new opposition, who was not making it a secret that he wanted to make history as the person who gave "the green light" to the Ukrainian public broadcasting in the parliament – became the head of a specialized committee in the Verkhovna Rada. Therefore, a working group which consisted of parliamentarians from different factions and members of the public – media lawyer Taras Shevchenko and your author – was created under the Committee. A compromise bill prepared by the group was approved during the first reading in the Verkhovna Rada; however, at the second reading, which was held on December 22, 2005, it was voted down, primarily by the

INTRODUCTION

presidential faction "Nasha Ukraina". "Hawks" in the circle of Viktor Yushchenko blocked the creation of public broadcasting, having convinced the President of the need to preserve the state media. We were rigidly criticizing Yushchenko for the lack of political willpower to create the "National Public Broadcasting Company". One of my articles of that time was entitled "Are they intending to hammer the nails of propaganda with the help of Pershyi TV channel?"

Despite this, there was an attempt to reform the then UT-1 TV channel: at the beginning of 2005, the channel was headed by Taras Stetskiy, whereas Andrii Shevchenko, Kateryna Kyrychenko, Vasyl Samokhvalov, and others were engaged in the organization of information broadcasting. Ihor Kuliash conducted trainings on journalistic standards for all employees engaged in the production of news at the UT-1, and the newsroom was supposed to work according to the principles we had developed within the "Public Broadcasting" coalition. But eventually, under the pressure of "hawks" from the Yushchenko's team, the team of reformers of Pershyi TV channel was forced to leave... The process of the creation of public broadcasting in Ukraine was once again on pause for the next ten years.

Why did I bring back these almost nostalgic memories in the preface to the "initial" history of Public Broadcasting in Ukraine you are now

holding in your hands? It was done for the sole purpose: not only to show the complexity and quantity of "episodes" on the way to the creation of Public broadcasting, but also to mention many people, their efforts, and the emotions accompanying this process. I would like to emphasize: those were very different people with very different motives; for example, a contribution to these difficult processes was even made by such an ambiguous figure as Eduard Prutnyk, who was heading the State Committee on Television and Radio Broadcasting of Ukraine at the time of Yanukovich's premiership in 2007-2009...

Dramas, desire, as well as willingness or unwillingness of certain people, lie behind every matter-of-fact line of official chronology, which, eventually, became the foundation of what is now the "National Public Broadcasting Company" PJSC. "When the desirable becomes possible" - that is how, in my opinion, this result can be called. This is what makes the process of creation of the Public Broadcasting Company in Ukraine an excellent example of a path from an idea to reality, from opposition to support, from the efforts of a small group of romantics to the everyday work of thousands of people... And let this path have such an end that other authors of books about public broadcastings in Ukraine could later call it a bright illustration of the real reform which took place for the benefit of Ukrainian people.

A large, stylized white number '1' is centered on a blue background. To the right of the '1', there are two solid yellow circles stacked vertically. Below the '1', the word 'SECTION' is written in a white, sans-serif font on a white rectangular background.

SECTION

1985-
2005

STATE BROADCASTING: FROM PROPAGANDA TO ADMINISTRATIVE RESOURCE

- 1985
1995 • Part 1:
A possibility without
understanding
- 1995
2000 • Part 2:
The first attempts
- 2005 • Part 3:
A dream that has not been
fulfilled

**Ihor Rozkladai,**

media lawyer at the Media Law Institute,
the Center for Democracy and Rule of Law,
expert on the Reanimation package of reforms

The idea of public broadcasting appeared almost a century ago, from the formation of a commercial project of a non-commercial broadcaster at the beginning of the radio era, which we know as the BBC, formation of broadcasting in Germany after the World War II, and the transformation of the Soviet propaganda resource into successful public broadcasting services, which were called public due to historical circumstances in Ukraine. The main forces powering state/public broadcasting include independence, high quality standards, the obligation to provide financing through various models and, of course, trust, when during a crisis, citizens know for sure where to obtain exact and reliable information.

Among the members of the Council of Europe, Ukraine is de jure and de facto the last one to create public broadcasting. There are several reasons for this: the fact that in the early 90s there was the lack of experience and understanding of the fact that there can be something which is neither private nor public; that politicians, in particular, new democratic forces, should abandon the idea of state television as such; the continued interest of politicians (both during the regime of President Kuchma and after it) in using television and radio resources for their own interests, especially during elections; the myth that state broadcasting will necessarily adhere to state-oriented and patriotic statements, and a considerable interest of journalists, editors, and other workers in an old haunt which does not presuppose competition.

Since the adoption of the Law on Television and Radio Broadcasting in 1993, all attempts to create public broadcasting were a complete fiasco mainly because of these factors. Current opponents of the reform continue to spread the arguments that were made 25 years ago with the same persistence.

In order to really understand the reasons why Ukraine repeatedly failed to implement public reforms, it is necessary to understand the specifics of the media space in Ukraine and the process of its formation since the fall of the USSR. Figuratively, we can identify several stages of development (and therefore attempts to create public broadcasting), which are globally associated with the following three revolutions: the Revolution on Granite of 1990, the Orange Revolution of 2004, and the Revolution of Dignity of 2014. It is the elimination of non-democratic regimes that opened up a window of opportunity for the reform, and only the last revolution provided the biggest margin for the completion of the reform, but still did not make it possible to make this reform the way it was supposed to be.



PART 1

A POSSIBILITY WITHOUT UNDERSTANDING (1985-1995)

Since the Bolshevik Revolution, the Soviet government established state censorship, which, despite certain thaws, lasted until the very end of the totalitarian system. The media controlled by the Soviet government – starting from the "Pravda" newspaper and to the "Rabotnitsa" magazine – were its main mouthpiece, whereas in the field of electronic media¹ it was the State Television and Radio Broadcasting system. The peculiarity of broadcasting in the USSR was that it was actually provided by the directorates of broadcasting, which were part of the structure of the state executive body – the USSR State Television and Radio Broadcasting and the State Television and Radio Broadcasting of the Union Republics, which were subordinated to it (as for Ukraine, this was the State Television and Radio Broadcasting of the Ukrainian SSR). Such a system was typical of a totalitarian state, where an alternative point of view, *de jure* and *de facto*, was considered to be a crime called "anti-Soviet propaganda". However, such a system was very vulnerable to any major changes, because *a priori* it could not be effective. It was this vulnerability that caused the crisis on the Ukrainian television in the early 90s.

As a stable system electronic television in the USSR was formed in 1951. Since 1982, in the USSR there was the first all-union program TsT-1, entertaining and educational program TsT-2, the third regional program (Moscow or republican program), and educational program TsT-4.

When the conciliatory general secretary of the Central Committee of the Communist Party of the Soviet Union, Mikhail Gorbachev, came to power in 1985, he announced *perestroika* and *glasnost* in the USSR, which provided for the weakening of the state censorship, cooperation (small business), and the possibility of creating private media. However, this possibility was limited by the planned Soviet economy and the legal system, because, if we talk about the media, the first independent studios were either created

within a particular media or as an addition to it. In particular, the legendary "Vzglyad" studio (later - "VID"), which is primarily associated with the murdered journalist Vladislav Listyev, was created as part of a creative youth association on central television. Growing popularity and respect were the only benefits for the journalist, whereas the parent company was receiving all the income.

The first structural, but, in fact, formal attempts to change the state broadcasting system were made in 1988, when the structure of the USSR State Television and Radio Broadcasting was changed. 1990 became the turning point. On June, 16, 1990, the USSR adopted the Law on the Press and Other Mass Media², which gave the green light to the development of private printed and "other" media, that is, radio and television. This primarily strengthened the position of the "VID" independent studio, which "occupied" the late prime-time on the Central Television, and later, upon the collapse of the USSR, became the main - but independent - studio-producer and was holding this position for many years.

On July, 14, 1990, the USSR President gave an order to draft a law on television and radio broadcasting and to develop a temporary regulation on media licensing. At the same time, it was noted that it was important to ensure the existence of state broadcasting, which was supposed to "provide objective and comprehensive coverage of processes that were taking place in the country", and, at the same time, "provide information services for the local authorities".

On July 16, 1990, the newly elected Verkhovna Rada of the Ukrainian SSR adopted the Declaration³ of State Sovereignty of Ukraine, which started distribution and autonomization of powers of republican and all-union state bodies. Despite the formal distribution, republican deputies and officials continued to copy actions



Radio Tower in Kyiv



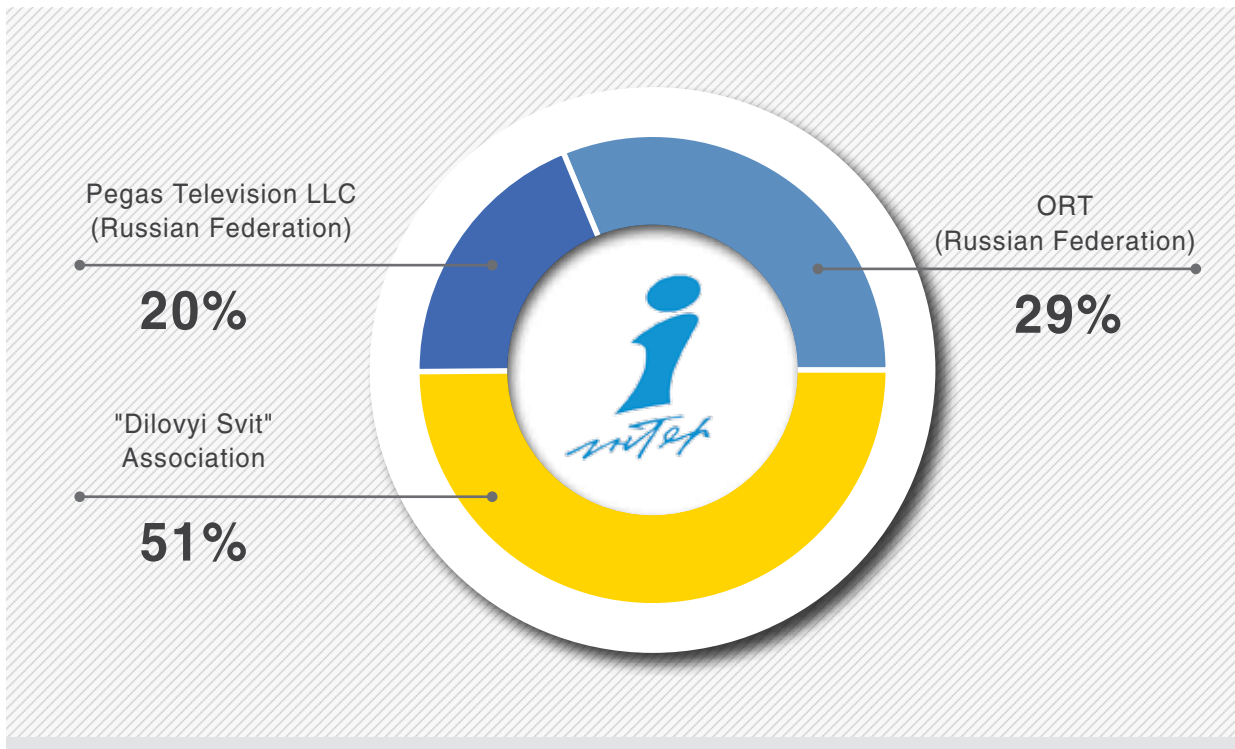
Mykola Okhmakevych

of Soviet officials and deputies. This was manifested both in the consistent copying of the reforms and in the legislation, which, in turn, was copied from the Soviet – and later Russian – law. In the same year, a procedure for media registration⁴ was introduced in the Ukrainian SSR, and in the fall, the first private terrestrial television channel *Super Channel* appeared. **On February 8, 1991**, the USSR State Television and Radio Broadcasting became⁵ an All-Union State Television and Radio Broadcasting Company, and rights and obligations of the body which was subject to liquidation were transferred to the latter. That is, the company received both the rights of a broadcaster and the rights of a state body, thereby carrying on the tradition of the USSR State Television and Radio Broadcasting.

On **May 15, 1991**, the Verkhovna Rada of the Ukrainian SSR adopted a law “On the list of ministries and other central government bodies of the Ukrainian SSR”, thereby providing the list of ministries and granting the Cabinet of Ministers of the Ukrainian SSR the right to create committees of the Ukrainian SSR (which were analogous to agencies). A week later, the transformed Cabinet of Ministers of the Ukrainian SSR issued a decree according to which the **State Television and Radio Broadcasting Company of Ukraine** was created on the basis of the liquidated State Television and Radio Broadcasting of the Ukrainian SSR. And on **August 8, 1991**, the Cabinet of Ministers of the Ukrainian SSR issued a decree according to which **the property and powers of the State Committee of the Ukrainian SSR** were transferred to the newly established company

Thus, a broadcaster which was soon broadcasting on two national channels (UT-1, UT-2) and on three radio channels (UR-1, UR-2, UR-3) was created. In addition, it subordinated and acted as a founder of 14 existing broadcasters that existed within the so-called television centers⁶, the number of which increased to 30 over the next years. In addition to the functions of a broadcaster, this institution also performed the function of a quasi-licensor of broadcasting – it was issuing permits for the use of air. This stage would be ideal for creating public broadcasting, but at that moment in history, there were no peo-

- Structure of the "Ukrainian Independent TV-Corporation" CJSC as at 2005



ple who could understand and implement such a reform.

Tellingly, Mykola Okhmakevych – former head of the State Television and Radio Broadcasting of the Ukrainian SSR, a man with a traditional Soviet mentality – became the chairman of the Ukrainian Television and Radio Broadcasting Company. After the coup on August 19-21, 1991, Ukrainian parliament created a commission of inquiry which was investigating the activities of state officials and, in particular, heads of the Ukrainian Television and Radio Broadcasting Company. Based on the results of the activities of this body, the Parliament gave the government an order to eliminate monopoly and reorganize the system of television and radio broadcasting, in particular, to give autonomy to regional studios. This order was the impetus for the division of the Ukrainian Television and Radio Broadcasting Company into separate broadcasters. The first such attempt was made in 1993, when the company was formally subordinated to the Ministry of Culture for two months, but the final division was made on the basis of a presidential decree issued in **1995**.

After the collapse of the USSR, President of



Old building of the radio and television center on 26, Khreshchatyk St. in Kyiv

New building of the television center in Kyiv



the Russian Federation signed a decree on the transformation of the All-Union State Television and Radio Broadcasting Company into the Russian company "Ostankino" and made an order to consider the possibility of broadcasting programs produced by the newly established company on the air of CIS countries. In subsequent years, "Ostankino" was broadcasting on the third TV channel of Ukraine despite the fact that there was no legal basis for this. With the creation of "Public Russian Television" (ORT), which replaced "Ostankino", there was another change – ORT moved to cable networks, and a Ukrainian TV channel "Inter" was created instead in 1996; 29% of the ownership of this channel belonged to ORT until 2013.

As a separate channel ORT lasted in Ukraine until 2014, when, as a result of the military aggression of the Russian Federation, it was banned by the regulator – the National Council on Television and Radio Broadcasting – along with other Russian propaganda channels. "Inter's" non-transparent entry into the market had a strong influence on the possibility of creating public broadcasting, blocking the creation of "Ukraine" TV channel⁷, which is a joint broadcaster of regional and state television and radio companies.

The year of 1992 was important for the development of the existing television, since the first new radio and television center was opened on 42 Illienko St. (Former Melnykova St.), which was located near a television tower. Before this, the state broadcasting company occupied an old four-storied building of the television center⁸ on 26 Khreschatyk St., where both television and radio broadcasting services were located. Construction of the new television center⁹ started in 1983 and was completed in 1988, but the focus in the development of television – just as in other sectors – was on central Moscow television; the development of republican television centers was based on what was left. Failure to meet the deadlines, collapse of the USSR, and unfair division of property led to the fact that one part of the building – a concert studio in the form of an amphitheater – was never completed.

During 1991-1993, the first law on television and radio was being prepared. In December

1992, it was discussed in the first reading, and a year later, it was adopted. The law provided for the establishment of a regulator - the *National Council of Ukraine on Television and Radio Broadcasting* - which was supposed to be formed in 1994 and start the process of issuing licenses to the existing and new broadcasters. However, a regulation on anti-monopoly restrictions, which introduced a rule according to which one company could not own more than two terrestrial broadcasting television channels and three radio channels, became an important part of the law. Thus regional broadcasting of the Ukrainian Television and Radio Broadcasting Company was outside the law, because there were actually 2 national, 27 regional, and 3 local channels. The parliamentary transcripts show that such kind of a rule was not accidental. Deputies feared the monopoly of the Ukrainian Television and Radio Broadcasting Company, which, as it can be seen from the events of 1991, could be used for political purposes. The complex connection between regional studios and "transport" - towers and transmission centers owned by the Concern of Radio Broadcasting, Radio Communications, and Television, which had been inherited from the Soviet Union and ensured terrestrial broadcasting - was yet another factor. At that time, the vision of the public broadcasting system presupposed separation of regional broadcasters and their individual development.

In July 1994, the second president of Ukraine, Leonid Kuchma¹⁰, was elected, whose reign led to Ukraine's stagnation, the development of corruption and censorship in the media. In January 1993, the Cabinet of Ministers of Ukraine, headed by Kuchma¹¹, tried to liquidate the Ukrainian Television and Radio Broadcasting Company and transfer its assets to the Ministry of Culture. However, this decision was canceled. In 1993, the company only underwent changes in management, caused by internal conflicts.

A month after Kuchma came to power he dismissed Mykola Okhmakevych from the post of the chairman of the Ukrainian Television and Radio Broadcasting Company, and appointed the new head - Oleksandr Savenko, who was appointed as the chairman two more times in the next years.

PART 2

THE FIRST ATTEMPTS (1995-2000)

The second stage of the development of public broadcasting started on the first working day of the year, that is, **January 3, 1995**, when President Kuchma issued a decree with an obscure title *"On improving the system of public television and radio broadcasting management in Ukraine"*¹², thereby liquidating the Ukrainian Television and Radio Broadcasting Company and reviving the State Committee for Television and Radio Broadcasting. According to the decree, the Cabinet of Ministers of Ukraine had to create regional state television and radio companies, "Krym" state television and radio company, Kyiv and Sevastopol regional state television and radio companies, as well as the nationwide National Television Company of Ukraine and National Radio Company of Ukraine, under the Ukrainian Television and Radio Broadcasting Company. The State Television and Radio Broadcasting Company was supposed to act as the founder of all state broadcasters.

A month later the government established a commission responsible for carrying out liquidation of the Ukrainian Television and Radio Broadcasting Company, and on June 1, the National Television Company of Ukraine began to operate as a legal entity. Both the presidential decree and the government resolution did not contain information about "Ukrtelefilm", at whose premises UT-2 TV channel was operating. The attempt to incorporate this studio into the structure of the National

Television Company fell through due to protests and acts of sabotage performed by the team. There was a similar situation in 2015-2016. Sabotage on the part of "Ukrtelefilm" led to the adoption of a separate amendment to the Law on public broadcasting, according to which this studio was supposed to be reorganized, and to the fact that implementation of the reform was delayed for one year.

In 1995, two other important events had a significant impact on the Ukrainian media industry. On February 1, 1995, the aforementioned "Russian Public Television" (ORT)¹³, 51% of whose shares were owned by "Ostankino", started broadcasting in Moscow. On April 1, ORT occupied the premises that belonged to Channel 1, and "Ostankino" became its production studio. On October 6, 1995, President of the Russian Federation issued a similar decree "On Improving Television and Radio Broadcasting in the Russian Federation", thereby giving an order to liquidate "Ostankino" company, which was carried out by the Government of the Russian Federation on October 12. On November 11, 1995, a "Ukrainian Independent TV-Corporation" CJSC was established, which started broadcasting as "Inter" TV Channel a year later. 29% of the shares of this CJSC were owned by ORT, which was one percent less than the highest possible share of foreign companies in television and radio companies according to the legislation.

This restriction provided for in the legislation led to a conflict over the broadcasting of the Russian "Ostankino"/ORT TV channel. As it has already been mentioned, being the successor of the Soviet TsT-1, Russian television had the best coverage in Ukraine. However, when the Law on Television and Radio Broadcasting came into force in December 1993, broadcasting of the Russian channel became illegal. But this issue was not resolved until 1995; apparently this happened because of the economic situation in the country, as well as due to the reformation of the Ukrainian Television and Radio Broadcasting Company and creation of the State Television and Radio Broadcasting.



On June 2, 1995, the Parliament adopted amendments to the Law on Television and Radio Broadcasting, thereby introducing the concept of public broadcasting. During the discussion, the deputies rejected the notion "public broadcasting" as incomprehensible to the general public.

According to the law, public broadcasting was defined as *"broadcasting on one channel according to a single program concept, funded by the state (with the right to a controlling interest) and public associations, television and radio organizations, individuals, whose share may not exceed 10 percent."* A public broadcasting channel was supposed to be managed by a public council through its authorized executive body. Verkhovna Rada of Ukraine was supposed to make decisions on the creation of public television and radio broadcasting organizations. One of the national television and radio channels was supposed to be allocated for broadcasting. At the same time, according to the amendments, there was still public broadcasting – the National Television Company and National Radio Company continued their operation. However, this version of the law was vetoed by the President, and the law came into force only after amendments were made thereto in February 1996. On June 30, 1995, during a plenary meeting, deputy Ivan Chyzh¹⁴ suggested that broadcasting of "Ostankino" stop in the Lviv region. And on August 8, 1995, the State Television and Radio Broadcasting issued a decree No. 72, thereby switching networks which were used for broadcasting by UT-2 and ORT television channels and established the procedure for the use of UT-1, UT-2 and UT-3 networks. The formal reason for the decree was the fact that the Russian channel was not paying for the signal transmission in the territory of Ukraine, thereby causing damage to the Concern of Radio Broadcasting, Radio Communications, and Television, which was subordinated to the State Television and Radio Broadcasting at that time¹⁵.

Strong pro-Russian lobby could not ignore such actions and at the first autumn plenary session of the parliament on September 5, 1995, the lobbyists, in particular, those from the "Communists of Ukraine" faction, made some statements about the oppression of the rights of Russian-speaking population and the destruction of the common information space of CIS countries by the "West". (In particular, deputy Volodymyr Alekseev¹⁶ sent an

inquiry to the President regarding actions of the chairman of the State Television and Radio Broadcasting.) When discussing the results of the work performed by the Commission in May 1996, deputies have also repeatedly mentioned the main reason for the creation of the commission, that is, the transfer of the Russian "Ostankino" to channel 3, which had less coverage Ukraine, and the transfer of a deputies' program¹⁷ to the second broadcasting channel.

As a result, on September, 14, the Parliament adopted the resolution, according to which a commission had to be created in order to study the current situation with television and radio information space¹⁸. In less than two months the Commission has received the status of a temporary commission of inquiry¹⁹. However, the fact that according to these changes the Parliament placed a moratorium on the issuance of licenses to national channels was the most controversial of all. After all, according to the Constitutional Treaty²⁰ between the Verkhovna Rada and the President, such a regulation might only be performed on the basis of the law.

In the second half of 1995, the process of the issuance of licenses to broadcasters started. The first license was issued to the National Radio Company of Ukraine, and in December of the same year, "Inter" TV channel²¹ – which was headed by Oleksandr Zinchenko, who later became the chairman of the specialized parliamentary committee and the main opponent of public broadcasting after the Orange Revolution – received a license to broadcast. The National Television Company could not get a license to broadcast on UT-1 and UT-2 due to a moratorium placed by the Verkhovna Rada of Ukraine. It only managed to do this in September 1996.

On February 22, 1996, deputies overrode the President's veto and amended the Law on Television and Radio Broadcasting. According to the resolution which brought the law²² into force, the specialized parliamentary commission²³ received an order to draft charters of the National Television Company and National Radio Company, to prepare a draft law on the National Council on Television and Radio Broadcasting, and a draft Law on Public Television and Radio Broadcasting.

On May 13, 1996, the Parliament discussed the results of the work performed by the



Zynoviy Kulyk

aforementioned temporary commission of inquiry of the Verkhovna Rada of Ukraine. The speaker - the chairman of the commission - focused on the results of the investigation, which revealed signs of corruption in the state media, as well as ineffectiveness and inappropriateness of the State Television and Radio Broadcasting, and on poor funding of state broadcasters. There was also a separate discussion about "Ostankino" and about a project on the exchange of content between Ukraine, Russia, and other CIS countries. During the discussion, several deputies also emphasized the need to prepare draft charters of the National Television Company and National Radio Company and the need to adopt a law on public television and radio broadcasting. As a result of the discussion, the parliament passed a resolution, thereby recommending that the State Television and Radio Broadcasting should be liquidated, heads of the National Television Company of Ukraine should be dismissed, the Concern of Radio Broadcasting, Radio Communications, and Television should become subordinated to the Cabinet of Ministers²⁴, bills on public broadcasting, national television and radio companies, and the National Council on Television and Radio Broadcasting should be

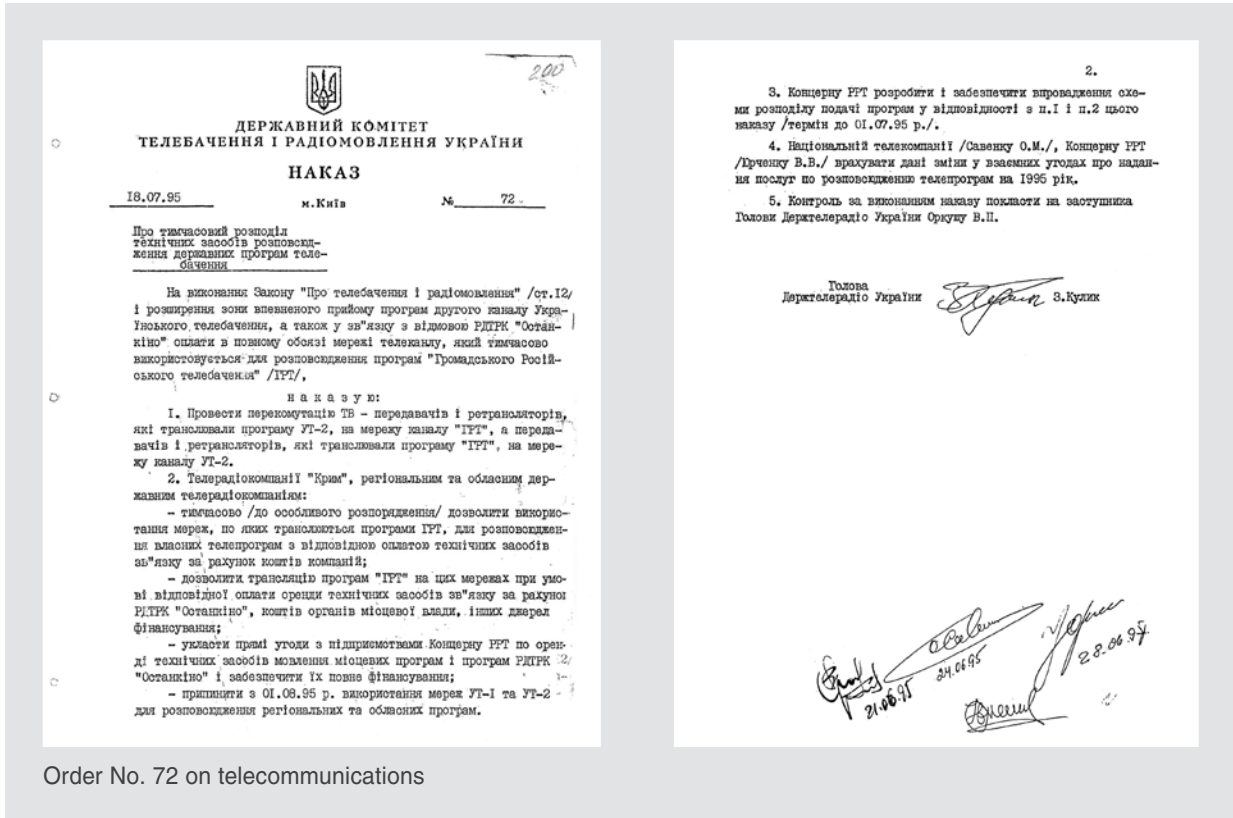
prepared. In addition, the Parliament gave an order to transfer regional broadcasters to the second broadcasting channel UT-2 in the evening prime time and extended the moratorium on the issuance of licenses and redevelopment of national channels until **November 1, 1996**.

In the same month, the President of Ukraine, being in a constant confrontation with the parliament, created a "commission for a commission", which received an order to analyze the situation with the television and radio broadcasting space and to prepare proposals for ensuring effective operation of the State Committee on Television and Radio Broadcasting of Ukraine and the National Council of Ukraine on Television and Radio Broadcasting. The results of this commission's activities were not announced to the public.

The fact that on **June 28, 1996**, the Parliament adopted the Constitution of Ukraine became the turning point. Coming back to the "use of the media" - at that time (just as it is now), parliamentarians perceived the media as a resource for the promotion of their "views" (and equal share of access to the air is still considered to be "pluralism"), and using the scandal related to the fact that deputy chairmen of the parliament had been denied access to the air on Channel 1, deputy head of the specialized parliamentary commission introduced²⁵ appointment of the chairman of the State Committee on Television and Radio Broadcasting into the text of the Constitution, which created a kind of protection against liquidation for this body.

In less than a month after the adoption of the Constitution, President Kuchma gave an order to create the Ministry of Information of Ukraine²⁶ under the Ministry of Press and Information and the "Ukrinform" state news agency, and in August, he dismissed Oleksandr Savenko from the position of the president of the National Television Company of Ukraine. Zynoviy Kulyk, who was the head of both the National Television Company of Ukraine and the State Television and Radio Broadcasting for some time, took Savenko's place; it is he who signed the order No. 72 on swapping.

In November 1996, Kuchma amended the July decree and gave an order to create the Ministry of Information and, separately, the State Information Agency SINAU, which was subordinated to the Ministry of Information²⁷. The State Committee on Television and Radio



Order No. 72 on telecommunications

Broadcasting was also subordinated to the Ministry of Information. Zynoviy Kulyk became the head of the newly created ministry, and because of the "constitutional" procedure for the dismissal of the head of the State Committee on Television and Radio Broadcasting, Kulyk de-jure was heading three institutions at once, although de-facto the first deputy chairman Valeriy Mezhytskyi became the acting head of the State Committee on Television and Radio Broadcasting²⁸.

In April 1997, hearings²⁹ "Freedom of Speech in Ukraine: State, Problems, and Prospects" were held in the parliament. The participants, in particular, urged the President and the Verkhovna Rada of Ukraine "to consider the co-ownership of the National Television Company of Ukraine and the National Radio Company of Ukraine and to determine a procedure for the appointment of heads". The recommendations also contained provisions related to the adoption of a number of laws on the media. In July, the Parliament passed a draft Law of Ukraine "On the Introduction of the Charters of the National Television Company of Ukraine and the National Radio Company of Ukraine" in the first reading³⁰. Deputies' stated that the law had to be adopted, because national

broadcasters provided inaccurate coverage of the activities of their founder, that is, the Verkhovna Rada of Ukraine. The project stipulated that the heads of the National Television Company and the National Radio Company had to be appointed by the parliament upon the recommendation of the President. However, deputies were planning to extend this procedure to the heads of information and analytical services under television and radio companies. The proposal to create a supervisory board that would be formed by the President and the Verkhovna Rada on a parity basis was the novelty of the project. Thus, the project suggested a mechanism for management and accountability, which - judging by its form - can be called quasi-public broadcasting.

On July 18, 1997, the parliament approved several media projects, one of which was the Law on Public Television and Radio Broadcasting of Ukraine and the Law on the Introduction of the Charters of the National Television Company and the National Radio Company³¹; the latter was vetoed by the President.

The Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine", which the deputies defined as a framework law,

stipulated that public broadcasting had to be created on the basis and in accordance with the procedure stipulated by the Verkhovna Rada, in particular, the Parliament had to approve the charter and composition of the Public Council (PC), that is, a supervisory body responsible for the program concept, staff - including those of the executive body, that is, the administrative council - finances, and accounting of the public broadcaster. The size and composition of the PC had to be formed by the parliament, but the law stipulated that the PC had to include one representative from the following bodies:

- political parties whose deputies were in the Verkhovna Rada of Ukraine,
- all-Ukrainian creative unions and public associations registered by the Ministry of Justice of Ukraine, whose list was determined by the Verkhovna Rada of Ukraine, as well as
- one representative of:
 - the President of Ukraine,
 - the Cabinet of Ministers of Ukraine,
 - the National Bank of Ukraine,
 - the General Prosecutor's Office of Ukraine,
 - the National Council of Ukraine on Television and Radio Broadcasting,
 - the Anti-monopoly Committee of Ukraine,
 - the State Agency of Copyright and Related Rights under the Cabinet of Ministers of Ukraine.

Public broadcasting had to be funded on the basis of money received from subscription fees and other revenues. The state might only order programs not exceeding 20% of the total volume of broadcasting. Commercial advertising might only be aired in the form of blocks which were similar to television commercials, the volume of which might not exceed 3% of daily broadcasting (43 min.). Public broadcasting was a priority when obtaining a license and funding from the budget during the first year of broadcasting.

In October 1997, an amendment was made to the Law on Television and Radio Broadcasting, which introduced the notion of **nongovernmental broadcasting** as well as harmonized the notion of public broadcasting. In addition, it stipulated that one national television channel and one radio channel were allocated for public broadcasting organizations.

The law came into force on **November 5, 1997**³²,

and on November 21, the Verkhovna Rada of Ukraine adopted a resolution "On the Establishment of the Public Television and Radio Broadcasting Organization of Ukraine"³³. This resolution stipulated that "Non-governmental Ukrainian Radio and Television (NGURT)" JSC³⁴ received the status of a nongovernmental broadcasting organization and the right to broadcast on UT-2 (TV channel) and UR-3 (radio channel) during 10 and 22 hours daily, respectively. The parliament also approved the program concept and provisions, which were given the same status as the charter. In particular, the document contained restrictions on the participation of founders - the share of each of them should not have exceeded 10%, there had to be a right to obtain a license similar to the one for state media, and the volume of programs produced by NGURT should not have exceeded 50%, the share of programs produced by Ukrtefilm studio should not have exceeded 25%, and programs produced by national and foreign manufacturers should have accounted for not more than 25%.

On January 15, 1998, the Verkhovna Rada established a public council on public broadcasting and also gave the specialized committee an order to prepare and submit a draft Charter of the Public Television and Radio Broadcasting Company of Ukraine to the parliament. The public council included 39 representatives of parties, unions, and state bodies. However, the fact that there was a distinction between "non-governmental" and "public" broadcasting in the Law on Television, as well as inconsistency of the terminology of the regulation itself, allowed the regulator not to issue licenses.

1998 was the year of parliamentary elections, and 1999 was the year of presidential elections³⁵, so the focus of attention was once again on public broadcasting only in the fall. Knowing that his ratings were falling and that he, on the one hand, had to take part in the elections, where communists were his main opponents, and, on the other hand, not wanting to lose control over a valuable resource, on **September 16, 1998**, President Kuchma issued a Decree, according to which he gave an order to create a state joint-stock company "Ukrainian Television and Radio Broadcasting" within a period of six months.

In response to the initiative of the President,

people's deputy Vitaliy Shevchenko³⁶, who had been actively promoting the idea of public broadcasting, submitted the following three documents to the Parliament: the bill "On the Invariability of the Status of the National Television Company of Ukraine and the National Radio Company of Ukraine until the Approval of the Ukrainian Television and Information Space Development Concept", the draft resolution "On the Decree of the President of Ukraine "On the Improvement of the State Administration in the Information Sphere", and the bill "On the Establishment of the System of Public Television and Radio Broadcasting of Ukraine".

On November 17, 1998, the President dismissed Zynoviy Kulyk from the position of the Minister of Information and appointed him as the president of the National Television Company of Ukraine. On the same day, the Cabinet of Ministers approved a resolution according to which he appointed Zynoviy Kulyk as the president of the State Joint-Stock Company "Ukrainian Television and Radio Broadcasting". This appointment stimulated the parliament to adopt Vitaliy Shevchenko's earlier resolution "On the Decree of the President of Ukraine "On the Improvement of the State Administration in the Information Sphere" on December 23, according to which they called on the President to annul the decree, since it contradicted the Constitution and the laws of Ukraine. On the same day, the bill on the Invariability of the Status of the National Television Company of Ukraine and the National Radio Company of Ukraine was adopted in the first reading, and the bill on public broadcasting was postponed due to violation of the procedure by the committee.

Ukrainian Television and Radio Broadcasting SJSC was never created, and after the election in fall 1999 and Kuchma's re-election, amendments were made to the decree, according to which the provision regarding the creation of the SJSC was removed³⁷. In July 1999, the National Television Company was headed by the journalist Vadym Dolhanov. Zynoviy Kulyk transferred to the National Security and Defense Council³⁸, the Ministry of Information was liquidated, and the State Committee on Information Policy was formed instead³⁹. In 2000, Kuchma amalgamated the committees and created the State Committee on Information Poli-

cy, Television and Radio Broadcasting, which once again became the State Committee for Television and Radio Broadcasting in 2003, as a result of the decision made by the Constitutional Court, which stated that the name had to correspond to the one specified in the Constitution.

In April 2000, the parliament withdrew the bill on the invariability of the status of national companies, and on October 19, the bill on the establishment of the system of Public Television and Radio Broadcasting of Ukraine was adopted as a whole. On November 20, the President of Ukraine vetoed this project, arguing that the Law on Television and Radio Broadcasting stipulated that *"public broadcasting was operating alongside and not instead of national television and radio companies and other state television and radio organizations that are equitable elements of the system of national television and radio broadcasting"*.

On September 16, 2000, the journalist of the Ukrayinska Pravda online portal, Georgiy Gongadze, was kidnapped and murdered, which became a symbol of the infringement upon freedom of speech in Ukraine. In October of the same year, the governments of Ukraine and the Russian Federation signed an agreement on the assistance in disseminating country programs in the territory of the contracting parties⁴⁰.

Deputies tried to override the President's veto in May 2001, but failed, and the law was abolished. In June 2001, parliamentary hearings were held in the parliament, where the work performed by the National Television Company of Ukraine was recognized as unsatisfactory, and according to the parliament's resolution, it was recommended that the aforementioned agreement should be denounced, and Dolhanov, who was the head at that time, should be dismissed⁴¹. According to the resolution, *"a legislative basis for the introduction of a system of public television and radio broadcasting in Ukraine had to be provided taking into account the amendment suggested by the President of Ukraine to the Law of Ukraine "On the Establishment of the System of Public Television and Radio Broadcasting of Ukraine"*. A month later, a bill on the launch of public broadcasting was introduced to the parliament, but it⁴² was not even considered. In December 2001, the parliament approved Vitaliy Shevchenko's draft *"On the appointment of the*



Oleksandr Savenko

heads (presidents) of the National Television Company of Ukraine and the National Radio Company of Ukraine and termination of their powers", which he had introduced⁴³ on September 10, 2001, in the first reading. However, it did not get enough votes in March 2002 and was rejected, despite the fact that this was a "small reform" of state broadcasting, since the project imposed requirements and a special competitive procedure for the election and dismissal of heads.

In 2002, there was the last attempt to launch a law on public broadcasting before the Orange Revolution, but it did not produce a result⁴⁴—the project was not even considered. The attempt to put the "small reform"⁴⁵ to another vote was delayed for two years and failed again in **March 2004**. Instead, in **February 2002**, the President granted the status of a national body to the National Television Company of Ukraine, in two months, the government approved the new charter⁴⁶, and in July it also approved the Supervisory Board⁴⁷, which, however, consisted of officials from various authorities. In addition to the provision of information for citizens, the charter of the National Television Company of Ukraine also provided for the coverage of the activities of the president, the government, and other authorities, in particular, *"the ceremony of taking an oath to the people of Ukraine at the solemn sitting of the Verkhovna Rada of Ukraine; broadcasting messages of the President of Ukraine to people and annual and extraordinary messages to the Verkhovna Rada of Ukraine regarding internal external situation of Ukraine, emergency statements of the Head of the State, announcements about participation of the President of Ukraine in official events", etc.*

In 2003, the Council of Europe reminded^{48, 49} Ukraine of the obligation to create public broadcasting, but there was no movement in this direction until the Orange Revolution. In the same year, the President also once again⁵⁰ appointed Oleksandr Savenko as the head of the National Television Company of Ukraine; it is his editorial policy during the 2004 presidential election that was seriously questioned by media experts⁵¹. Savenko was dismissed in February 2005⁵².

PART 3

A DREAM THAT HAS NOT BEEN FULFILLED (2005)

In addition to economic oppression and corruption, one of the prerequisites for the Orange Revolution was the journalistic revolution of 2004, when journalists rebelled against the so-called "temnyks"⁵³ [a secret daily directive in 2001-2004 for the heads of the Ukrainian media, which contained detailed instructions on how to cover political events in Ukraine in the news], which were prepared at the Presidential Administration at the time⁵⁴.

Due to the Orange Revolution, which led to the fact that Ukraine received a more modern and pro-European President Viktor Yushchenko, creation of public broadcasting was once again on the agenda. Censorship faced by the opposition candidate during the election campaign forced him to publicly make a promise to end it and create public broadcasting.

On December 20, 2004, a number of media organizations amalgamated into an open coalition "Public Broadcasting"⁵⁵. It included the Independent Association of Broadcasters, the Public Council on Freedom of Speech and Information under the specialized Verkhovna Rada Committee, Detector Media NGO (which was called "Telekrytyka" NGO at that time), the

Institute of Politics, the Academy of Ukrainian Press, the Committee "Equality of Opportunities", and the Kyiv Independent Media Trade Union. 18 organizations subsequently joined the coalition. Its goal was to develop conceptual and legislative provisions necessary for the creation of public broadcasting in Ukraine. During a year, a package of proposals was developed, including the editorial code of a public broadcaster. On the basis of these developments and in cooperation with the coalition, the Parliamentary Committee on Freedom of Speech and Information, which was headed by Serhiy Pravdenko at that time, drafted a bill on public broadcasting.

On January 11, 2005, a number of educators and artists made⁵⁶ a public statement on the need to create non-governmental/public broadcasting in Ukraine. In the statement they suggested that public television should be created on the basis of state television and radio companies, and the main goal was "to provide objective and unbiased information for the citizens of Ukraine about the events taking place in the country and abroad, to provide an opportunity for all social groups, national and religious minorities to express their views, to create high-quality programs,



Natalia
Lyhachova



Vitaliy Shevchenko

documentaries, and TV series, to form a aesthetic taste through the broadcast of the best world movies". The signatories included Vitaliy Shevchenko, who was lobbying for public broadcasting in the previous decade, and Oleksandr Tkachenko, a television journalist and ex-head of the Novyi Kanal TV channel, who was trying to change the image of the state television with a help of a fairly progressive analytical program in the very beginning of the 90's.

A week later, Oleksandr Tkachenko, having ambitious plans to lead the reform of public broadcasting, made public⁵⁷ "The Concept of Public Television". The concept, in particular, included information about the fact that the UT-1's rating fell from 9% in 1998 to 2.8%. The concept suggested that Public Broadcasting should be created on two television channels. The first one - which was supposed to be created on the basis of UT-1 - had to provide information and analytical programs, whereas the second one - which was supposed to be created on the basis of regional state broadcasters - had to provide cultural and educational programs.

On March 16, 2005, public hearings were held on ensuring the formation of public broadcasting⁵⁸, and on **April 13, 2005**, parliamentary hearings⁵⁹ "Prospects for the Creation of Public Broadcasting in Ukraine" took place. According to the results of these hearings, on **June 21, 2005**, the Verkhovna Rada of Ukraine adopted⁶⁰ a resolution. As for the main provisions, it was agreed to consider a draft of the new version of the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" as an urgent one, to provide for a separate budget program for 2006

for the Cabinet of Ministers, to reorganize the National Television Company of Ukraine into the state institution "Ukrainian Television (UT)"- the first and the second channels of Public Television - by the end of 2005, as well as to reorganize the National Radio Company of Ukraine into the state institution "Ukrainian Radio (UR)"- the first, the second, and the third channel of Public Broadcasting - by the end of 2005. According to the resolution, the Cabinet of Ministers and the National Council on Television and Radio Broadcasting also had to consider the possibility of creating a national television and radio channel of the State Television and Radio Broadcasting of Ukraine on the basis of the rest of state television and radio companies.

In mid-April 2005, a specialized parliamentary committee formed a working group for the development of a new version of the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" and gave the group an order to prepare draft text by May 18, 2005. As for social activists, Taras Shevchenko and Natalia Lyhachova became members of the working group.

In parallel, the newly created Ukrainian "Media Law Institute" NGO made public a draft law developed by the Director of the Institute, Taras Shevchenko, taking into account the European Model Law on Public Broadcasting, the experience of the leading countries of the world, and the actual situation in Ukraine. The bill provided for a reform, according to which the following two public broadcasting organizations had to be created based on state ownership: Ukrainian Television and Ukrainian Radio. The

Taras Shevchenko



Supervisory Board elected by the Verkhovna Rada of Ukraine had to be the main body; it was supposed to be an intermediary which, on behalf of the society, was supposed to make the most important decisions regarding television and radio companies. It was the Supervisory Board that was supposed to appoint and dismiss presidents and members of the board of television and radio companies. The Supervisory Board was also supposed to formulate program policies and editorial standards on the basis of the law, as well as monitor their implementation. The project did not provide for a complex system of organizational changes; since the entry into force of the law, the National Television Company of Ukraine had to transform into "Ukrainian Television", and the National Radio Company of Ukraine had to transform into "Ukrainian Radio" without changes in the form of ownership.

The working group took this text as the basis. On **May 11**, the Committee approved the bill, and on **May 23**, the project was registered in the parliament⁶¹ by the acting chairman of the Committee Serhiy Pravdenko, Volodymyr Yavorivskiy, Valeriy Mishura and others, as well as the Chairman of the National Council of Ukraine on Television and Radio Broadcasting Vitaliy Shevchenko and the President of the National Television Company of Ukraine Taras Stetskiv, who continued to hold the positions of the people's deputies of Ukraine. The bill provided for the transformation of the National Television Company of Ukraine and the National Radio Company of Ukraine into state institutions "Ukrainian Television" and "Ukrainian Radio", which were supposed to broadcast on two national broadcasting channels⁶² and three radio

channels. On **June 8**, new composition of the Supervisory Board of the National Radio Company of Ukraine was approved, and the Vice Prime Minister Mykola Tomenko became the head of this institution⁶³. One month later, on July 8, the bill on public broadcasting was adopted in the first reading. On June 8, the Cabinet of Ministers of Ukraine also unanimously approved the draft Law of Ukraine "On Amendments and Additions to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" (bill No. 7539). At the same time, the government did not agree with the conclusion of the State Committee on Television and Radio Broadcasting, headed by Ivan Chyzh. The State Television and Radio Broadcasting Company was trying to object to the creation of a public TV channel on the basis of the "First National Television Channel".

The summer of 2005, when participants of the reform realized that the authorities started delaying the process and did not really want to fulfill promises made during the election, became the turning point. Thus, in the second half of 2005, the head of the Presidential Secretariat Oleh Rybachuk announced that the Secretariat would be accepting public broadcasting creation concepts. On **September 19, 2005**, the National Television Company of Ukraine presented a broadcasting concept⁶⁴ which, in particular, provided for four-channel broadcasting, namely, the first channel with high-quality news and analytics, the second channel with cultural and educational programs, that is, a joint project of the National Television Company of Ukraine and regional television companies; as well as Euronews Ukraine and "Ukraine-World" (satellite channel on the ba-

sis of the UTR TV channel⁶⁵). There was a total of seven concepts⁶⁶. On **September 21**, a meeting of the Verkhovna Rada Committee on the Freedom of Speech and Information was held, where it was decided to submit a bill on public broadcasting in the second reading to the Verkhovna Rada.

On **October 5, 2005**, the Council of Europe once again reminded^{67,68} about Ukraine's obligation to create public broadcasting. However, by that time there was little optimism about the creation of public broadcasting among the few reformers. At that time, civil society was too small, the State Committee on Television and Radio Broadcasting was headed by the odious Ivan Chyzh, who had been a people's deputy in the previous years and was delaying creation of public broadcasting.

Despite the public promises of creating public broadcasting in the first half of 2005⁶⁹, President Yushchenko's rhetoric quickly became less loud, and the state secretary Oleksandr Zinchenko (the aforementioned creator of "Inter") directly opposed the idea of public broadcasting. The fact that Taras Stetskiv, president of the National Television Company of Ukraine, who submitted a statement of resignation in disagreement with the course of the reform and the president's vision of the role of state broadcasting, was dismissed added even more pessimism. The sabotage of more than two thousand employees of the National Television Company and trade unions, as well as the lack of a clear position of the President, together with an evident opposition of his team led to the fact that on **October 28**, Vitaliy Dokalenko, a rather controversial journalist and president's friend, was appointed as the head of the National

Television Company of Ukraine^{70,71}. Such an appointment was an obvious signal of inhibition of the reform. On October 6, the parliament sent⁷² the draft law for a repeated second reading. However, the bill was once again not considered, and on **November 3**⁷³, it was returned to the Committee. As for the deputies' main arguments, they believed that this reform would become a "theft of state television⁷⁴", there were also comments on the mechanism for the formation of a supervisory board and financing. However, the vote showed that public broadcasting was most supported by... communists. And only several dozens of members of the "orange" coalition voted for the bill. Another attempt was made on **December 22, 2005**. Deputies did not have enough votes to either support the project or reject it. Thus, the public broadcasting marathon, which lasted almost one year, was a complete fiasco in the end, and the reform was postponed for ten years.

During 2005, the parliament was trying to approve Mykola Tomenko's project⁷⁵ "On the appointment of the heads (presidents) of the National Television Company of Ukraine and the National Radio Company of Ukraine and termination of their powers", which had been registered in 2004. But the president vetoed it as the one that did not comply with the norms of the Constitution of Ukraine - neither the President nor the Verkhovna Rada of Ukraine have the constitutional powers to appoint the heads of the National Television Company of Ukraine and the National Radio Company of Ukraine. In January 2006, the deputies approved this law for the third time, and on January 30, the President one again vetoed it.



Taras Stetskiv

PART 4

BANGING ONE'S HEAD
AGAINST A WALL (2006-2013)

On January 13, 2006, a new version of the Law of Ukraine "On Television and Radio Broadcasting" was adopted. A direct ban on state funding of broadcasters became the main problematic innovation for state broadcasting. This meant that in order to receive funds, the National Television Company of Ukraine, the National Radio Company of Ukraine, and other broadcasters had to execute the so-called state order. Thus, another leverage which allowed one to have an influence on these media was created. A group of deputies had been trying to correct the most problematic norms - including this one - before the law came into force, but the project was not put to vote during sessions. However, on February 10, the president signed a new version of the law on television and radio broadcasting.

The bill stipulated that the **Verkhovna Rada of Ukraine should form a public council of the National Television Company of Ukraine and the National Radio Company of Ukraine, which would consist of 17 people: 9 people from the parliamentary factions, 4 people from the President, and 4 people from national associations of citizens operating in the field of production and distribution of television and radio programs. Heads of the National Television Company of Ukraine and the National Radio Company of Ukraine should be appointed by the President of Ukraine upon the recommendation of the Verkhovna Rada of Ukraine, whereas the relevant public council should recommend candidacies to the Verkhovna Rada of Ukraine**⁷⁶.

On February 22, 2006, several deputies registered⁷⁷ a bill on the amendments to the Law on Television and Radio Broadcasting, which, among other things, provided for the elimination of the possibility of transforming state television and radio companies into public broadcasting.

On March 7, the National Council of Ukraine on Television and Radio Broadcasting adopted a decision according to which it recognized actions of the chairman of the State Committee on Television and Radio Broadcasting, who, *"abusing*

his powers, obligated regional state television and radio companies to produce and broadcast video clips with the participation of the Chairman of the Committee, which included explanations of the electoral legislation and which had signs of political agitation, which is not the function of the State Committee on Television and Radio Broadcasting", as a violation.

In May 2006, the Cabinet of Ministers approved the approximate list of legislative work, where it was specified that a new version of the Law on Public Broadcasting had to be submitted to the Parliament in **December 2006**.

In October 2006, Olha Herasymiuk, a former journalist who was the first deputy chairman of the National Council at that time, tried to amend the Law on Television with regard to the powers of public councils of state broadcasters. According to the bill, public councils of the National Television Company of Ukraine and the National Radio Company of Ukraine were supposed to receive powers, in particular, to check the results of the work performed by the National Television Company of Ukraine and the National Radio Company of Ukraine, as well as to develop and create conditions for meeting information needs of the civil society and improving the quality of television and radio programs, etc. The bill was rejected six months later.

On March 15, 2007, a Declaration of Cooperation for the purpose of introducing public broadcasting in Ukraine was signed. The Declaration of Cooperation was signed by Taras Petriv, head of the National Commission on the Freedom of Speech and the Development of the Information Industry under the President of Ukraine; Andriy Shevchenko, chairman of the Verkhovna Rada Committee on the Freedom of Speech and Information; Eduard Prutnik, chairman of the State Committee on Television and Radio Broadcasting of Ukraine; Vitaliy Shevchenko, chairman of the National Council of Ukraine on Television and Radio Broadcasting. The main objective of the declaration was to

create a joint working group to develop the bill on the system of public broadcasting, as well as a broadcasting concept, editorial principles, charters, funding, etc. The working group was created in a week. It included 12 media experts, in particular those who were directly involved in the implementation of the reform.

On October 8, 2007, having issued the order No. 975-r, the Cabinet of Ministers of Ukraine changed⁷⁸ the composition of the Supervisory Board of the National Radio Company. Such actions directly contradicted the law, which stipulated that the Public Council should be formed by the parliament.

On February 21, 2008, the President changed^{79,80} the head of the National Television Company of Ukraine. Vasyl Ilashchuk was appointed to perform the functions of the president of the National Television Company of Ukraine instead of Vitaliy Dokalenko.

On April 25, 2008, the chairman of the specialized committee Andriy Shevchenko registered a bill on the National Television Company of Ukraine and the National Radio Company of Ukraine⁸¹. The bill provided for the introduction of a "small reform", that is, normalization of the activities of the National Television Company of Ukraine and the National Radio Company of Ukraine by introducing public broadcasting standards which provide for independent broadcasting of state broadcasters. The main innovations of the bill included introduction of governing bodies of the National Television Company

of Ukraine and the National Radio Company of Ukraine, that is, councils of the National Television Company of Ukraine and the National Radio Company of Ukraine, and determination of their powers, appointment of the heads of councils of the National Television Company of Ukraine and the National Radio Company of Ukraine, direct budget financing and public reporting on the results of work performed in the previous year.

On May 7, 2008, having issued the order No. 694-r, the Cabinet of Ministers of Ukraine⁸² approved the working group to work out and assist in the resolution of issues related to the creation of the Public Television and Radio Broadcasting of Ukraine, which was supposed to develop a concept for the creation of a public broadcasting system and submit it to the government by **August 1, 2008**⁸³. **On June 4, 2008**, the group started its work. The main question was whether public broadcasting should be created alongside state broadcasting, or on the basis of state broadcasters.

On September 11, 2008, representatives of the Party of Regions introduced a bill on amendments to the Law on Television and Radio Broadcasting to the Verkhovna Rada of Ukraine. The bill provided for the liquidation of the Public Councils of the National Television Company of Ukraine and the National Radio Company of Ukraine, and the heads of these broadcasters should be appointed by the Verkhovna Rada of Ukraine upon the recommendation of at least one third of its members. On September 26 this project was already approved in the first reading.

Andrii Shevchenko



On March 12, 2009, people's deputy Andriy Shevchenko registered a bill⁸⁴ on amendments and additions to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine", but in June, the deputies failed to vote for it at least in the first reading. The bill provided for the creation of a "Public Broadcasting" organization on the basis of all state broadcasters. Such an organization was supposed to be established by the government, and the Public Broadcasting Council, consisting of 17 people - nine of whom would be elected by the parliament, four people would be elected by the President, and all the rest would be elected at the conferences held by non-governmental organizations - was supposed to be its governing body.

On April 14, 2009, the parliament returned to the consideration of the project on the liquidation of the public councils of the National Television Company of Ukraine and the National Radio Company of Ukraine. However, the project was sent for refinement.

On September 15, 2009, at a plenary session, the Constitutional Court of Ukraine considered⁸⁵ the case No. 1-41/2009 based on the constitutional submission of 52 people's deputies of Ukraine regarding compliance with the Constitution of Ukraine of the provisions of the law on the powers of the President of Ukraine and the Verkhovna Rada of Ukraine to form and approve members of the public councils of the National Television Company of Ukraine and the National Radio Company of Ukraine and participation of the President of Ukraine and the Verkhovna Rada of Ukraine in the procedure for the appointment and dismissal of the heads of broadcasters. The court found that these provisions contradicted the Constitution and abolished the provisions of the law.

On February 18, 2010, on the last days of his incumbency, President Yushchenko signed a decree⁸⁶ on the implementation of the decision of the National Security and Defense Council (NSDC) on the introduction of public television and radio broadcasting. Among other things, the decree stipulated that the Cabinet of Ministers should submit a draft concept for the creation of the system of Public Television and Radio Broadcasting of Ukraine to the NSDC within two

months, *"where it should, in particular, provide for the further functioning of state television and radio broadcasting"*. **On February 19**, the Media Law Institute made public a statement in which they were accusing the President of signing a document which had not been approved by the NSDC. At a meeting on **September 11**, it was decided to create a working group to finalize the draft decision; it was working during the next months. However, the final version still was not approved⁸⁷.

Immediately after President Yanukovich came to power, on **March 17, 2010**, the Cabinet of Ministers of Ukraine adopted a resolution No. 272 "The Issue of the National Television Company of Ukraine"⁸⁸ and an order No. 448-r "On the Appointment of Ye.A. Benkendorf as a general director of the National Television Company of Ukraine"⁸⁹. According to the resolution, the Cabinet of Ministers subordinated the National Television Company of Ukraine to the Cabinet of Ministers, and, based on the law on the Cabinet of Ministers, a new head was appointed.

A month later, on **April 14, 2010**, having adopted a decision No. 549, the National Council of Ukraine on Television and Radio Broadcasting approved draft Measures for the Creation of the System of Public Television and Radio Broadcasting of Ukraine for 2010, which had been prepared by the State Committee on Television and Radio Broadcasting. According to this document, in May-June, it was planned to prepare a Public Broadcasting Introduction Concept, to carry out a public discussion and introduce it to the government. By the end of the year, a bill had to be prepared.

On May 21, a public discussion "Media Diagnosis — 2010: Censorship Virus" was held, during which a public movement "Stop the Censorship!" was established. Creation of Public Broadcasting in Ukraine was one of the requirements of the movement.

On June 29, 2010, the Public Humanitarian Council under the President of Ukraine, headed by Hanna Herman, adopted the Concept for the Creation of National Public Television and Radio Broadcasting, and on **September 2**, public hearings on this concept were held. The concept provided for the creation of the National Public Television and Radio Corporation of Ukraine,

but there were comments about insufficient elaboration of issues related to funding, accountability, and independence of such broadcasting.

On October 11, 2010, chairman of the specialized committee Andriy Shevchenko, together with other deputies, registered a draft law on amendments to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine"⁹⁰. The bill contained more detailed information about the principles, tasks, and procedure for the formation of a governing body, which was supposed to be formed by the Cabinet of Ministers upon the recommendation of the Parliament and participants of a conference held by the representatives of non-governmental organizations. The bill also provided for more protection against disruption of the activities of governing bodies.

On October 20, 2010, the Cabinet of Ministers adopted two decisions regarding the National Television Company of Ukraine and the National Radio Company of Ukraine. The first decision⁹¹ was related to the repayment of debts to EuroNews⁹². On the same day, the government changed the composition of the Supervisory Board of the National Television Company of Ukraine⁹³ and the National Radio Company of Ukraine⁹⁴. Deputy prime-minister Borys Kolesnikov, who was a close associate of Viktor Yanukovich, became the head of the supervisory boards, which actually intensified the state control over broadcasters.

During 2010-2012, attempts to consider the bill presented by Andriy Shevchenko were unsuccessful, since the consideration was postponed again and again. This, in particular, was related to the fact that media organizations and experts, together with the "Stop the Censorship!" movement, managed to get a fundamentally new Law on Access to Public Information - the only successful reform in the information sphere implemented during Yanukovich's presidential term - approved.

On April 9, 2012, the State Committee on Television and Radio Broadcasting made public

the refined draft on public television and radio broadcasting in Ukraine, which had been prepared by the Public Humanitarian Council. The project provided for the transformation of the National Television Company of Ukraine, the National Radio Company of Ukraine, and "Kultura" State Television and Radio Company into a legal entity under public law "National Public Broadcasting Company of Ukraine" (hereinafter referred to as the UA:PBC). The bill defined the legal basis for the activities of the Public Television and Radio Broadcasting of Ukraine, principles of activity, structure, procedure for the formation of supervisory governing bodies, and financing mechanisms. Attention was also paid to the audit of the activities and program principles of the UA:PBC.

On July 4, 2012, the Cabinet of Ministers approved the order "On the Approval of the Concept of the Activities and Development of "Kultura" State Television and Radio Company", No. 436-r⁹⁵. The concept stipulated that "Kultura" State Television and Radio Company was one of the entities involved in the implementation of state policy in the field of culture and that the channel itself required changes in funding and employees.

After the parliamentary election of 2012, the government registered a draft law No. 1076⁹⁶ "Draft Law on Public Television and Radio Broadcasting of Ukraine" in the Verkhovna Rada. It was the very text that had been developed by the Public Humanitarian Council and finalized by experts. It was this project that was transformed into a law in 2014. The original text did not contain provisions on financing from the state budget, nor did it contain the basis on which the National Public Broadcasting Company of Ukraine was created. These provisions were added before the second reading. In **July 2013**, the law was backed in the first reading, and in September, it was sent for the second reading. The bill was later brought for consideration during October-November, but the beginning of Euromaidan, and later the Revolution of Dignity, changed the focus of attention of the civil society.





СУСПІЛЬНЕ МОВЛЕННЯ

Суспільне мовлення – це телеканали і радіостанції, на яких працюють справді незалежні журналісти. Вони не підпорядковуються ані Уряду та Президенту, ані приватному власнику. Ці журналісти підзвітні лише громадянам. Завдяки новому закону, ухваленому 17 квітня 2014 р., суспільні теле- та радіомовники отримають незалежні від державного апарату керівні органи, стає та прозоре фінансування та можливість самостійно формувати програмну політику.



Суспільне мовлення замість державного

(Національна суспільна теле-радіокомпанія України об'єднає колишні НТКУ, НРКУ, низку державних ТРК та студію «Укрфільм»)



Запроваджується фінансовий контроль

(вперше запроваджується зовнішній незалежний фінансудит, а його результати оприлюднюються)



Наглядова рада стає органом управління

(раніше – була «почесним» органом з обмеженими функціями)



Наглядова рада стає незалежною: формується громадськістю та фракціями

(раніше – формувалася Кабінетом міністрів, частину посад займали держслужбовці)



Голова правління НСТУ призначатиметься Наглядовою радою

(раніше – керівник НТКУ призначався Кабінетом міністрів)



Незалежна програмна політика

(державна диктувала, які програми виробляти через вкрай деталізоване держзамовлення)



Суспільне мовлення слугуватиме інтересам громадян, а не держави

(раніше – основне завдання держмовника – висвітлювати діяльність органів влади)



Рекламну квоту зменшено втричі: лише 3 хв. на годину

(раніше – рекламна квота становила в середньому 15% на годину, тобто 9 хв.)



Більш стає фінансування: 0,2% від доходів Держбюджету

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Медіа Права

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SECTION

2014 -
2016

FROM THE APPROVAL OF THE LAW TO THE REGISTRATION OF THE LEGAL ENTITY UA:PBC PJSC

- 2014 • Part 1:
The law was adopted, but Public Broadcasting was not created
- 2015 • Part 2:
Analysis of the transformation of the state broadcasting of Ukraine into public broadcasting
- 2016 • Part 3:
Transformation of state television and radio companies into public broadcasting is underway



Svitlana Ostapa,

deputy chair of the Detector Media NGO, deputy chair of the Supervisory Board of the "National Public Broadcasting Company of Ukraine" PJSC

PART 1

THE LAW WAS ADOPTED, BUT PUBLIC BROADCASTING WAS NOT CREATED

2014

Shortly after the Revolution of Dignity, on **April 17, 2014**, the Verkhovna Rada adopted the Law "On Public Television and Radio Broadcasting of Ukraine". After more than a decade of discussing various bills, a law on public broadcasting finally came to the fore in Ukraine. At that time, the fact that it was adopted looked like a miracle: because of the sabotage of the previous majority in the parliament (representatives of the Party of Regions, communists, etc.) the Verkhovna Rada did not adopt any law on that day. Preliminary discussion in the parliament had lasted for many months; the bill was so emaciated that, as a result, it turned out to be a framework law and, therefore, it was difficult to implement it in practice. However, those who were lobbying for the reform perceived this as yet another victory of the Revolution of Dignity.

We would like to remind you that the public, journalists, and deputies were insisting on the adoption of the law on public broadcasting. The idea of the creation of public broadcasting in Ukraine was supported by the European Broadcasting Union.

In order to convey the importance of this process, "Stop the Censorship!" public and journalistic movement was trying to meet with the chair of the Verkhovna Rada, acting President of Ukraine Oleksandr Turchynov and Prime Minister Arseniy Yatsenyuk. "Stop the Censorship!" made a public statement about the fact that the state media were the most engaged instruments for manipulating public opinion during the past twenty years, and especially during public confrontations and protests. And the events of the last three months of the Revolution of Dignity and the victory of the civil society opened up a historic chance to eventually create the media which would be controlled by the public and accountable to it, rather than to the authorities and politicians.



243 people's deputies voted for the relevant bill, which was considered in the second reading. There were no votes against the bill, nobody abstained, and 64 deputies simply did not vote. Distribution of votes by factions was as follows: The Party of Regions - 0; All-Ukrainian Union "Fatherland" - 82; Ukrainian Democratic Alliance for Reform - 29; All-Ukrainian Union "Svoboda" - 35; Communist Party of Ukraine - 0; the "Sovereign European Ukraine" group - 31; the "Economic Development" group - 34; non-affiliated deputies - 32. The law came into force the moment it was published.

Before the vote, the following people's deputies from different factions supported the bill and recommended that the document should be adopted: the then chair of the Committee on Freedom of Speech and Information **Mykola Tomenko** (All-Ukrainian Union "Fatherland"), **Iryna Herashchenko** (Ukrainian Democratic Alliance for Reform), **Yuriy Miroschnyenko** (The Party of Regions).

"Public broadcasting will take into account interests of people, including national minorities. Therefore, it is very important now to see who will vote for the sake of the state, and who works treacherously, as a fifth column," Iryna Herashchenko said.

During the discussion, an amendment was made that the organization would be funded from the general fund of the state budget, that is, there would be more funding than it had been previously discussed. An amendment on the reduction of the permissible amount of advertising on public broadcasting was also adopted.

After the adoption of the law, there was a period which can be figuratively called "Go somewhere, I don't know where, and find something, I don't know what". In accordance with the framework law, the process of creating public broadcasting could only start after the adoption of by-laws. But it did not start, because the Ukrainian government turned out to be unprepared, considering this issue to be a minor one.

In general, with the help of this law, those who initiated it wanted to kill two birds with one stone: to create public broadcasting and to liquidate state broadcasting (this was a long-standing obligation to the Council of Europe). However, nobody knew how to transform state broadcasting into public broadcasting within the framework of the current legislation, and, moreover, how to make it as independent of the authorities as possible. Of course, it would be much easier to create it from scratch (or at least just on the basis of national television and radio companies). The experts understood what the mission and values of the public broadcaster should be. But none of them knew for sure what form should have a new broadcaster, which, according to the Law (Article 1, par. 2), was created on the basis of the National Television Company of Ukraine, the National Radio Company of Ukraine, the State Television and Radio Company "World Service "Ukrainian Television and Radio Broadcasting", "Kultura" State Television and Radio Company", regional state television and radio companies, "Krym" State Television and Radio Company, Kyiv State Television and Radio Company, Sevastopol State Television and Radio Company; and "Ukrtelegram" Ukrainian Television Film Studio, which were reorganized, forming a legal entity under public law "National Public Television and Radio Broadcasting Company of Ukraine" (hereinafter referred to as the UA:PBC).

WHO WAS PUSHING FORWARD THE PROCESS IN 2014

On May 13, 2014, Oleksandr Turchynov, acting President and speaker of the Verkhovna Rada of Ukraine, signed the Law on Public Broadcasting. It did not include exact dates of the launch of the new broadcaster, but many of those who commented the topic of the UA:PBC creation were talking insistently about the beginning of next year. However, the excitement of **January 1, 2015** was unreasonable; those who were talking about this date probably simply did not read the law itself.

Thus, the process of transforming the National Television Company of Ukraine, the National Radio Company of Ukraine, and about 30 regional television and radio companies into the National

Public Broadcasting Company (UA:PBC) was supposed to start in May, but nobody officially took charge of it, so the process did not get off the ground.

According to the Law, the Cabinet of Ministers of Ukraine *"had to prepare and submit to the Verkhovna Rada proposals concerning adaptation of the laws of Ukraine to this Law; adaptation of their legislative legal acts to this Law; implementation of measures related to the creation of the National Public Television and Radio Company of Ukraine in accordance with the procedure stipulated by this Law"* within six months of the day of its entry into force, that is, by mid-November.

Zurab Alasania



The new general director of the National Television Company of Ukraine Zurab Alasania, who was appointed by the Cabinet of Ministers of Ukraine as the general director of the National Television Company of Ukraine on **March 25, 2014** upon the recommendation of the members of the "Stop the Censorship!" movement, was unofficially trying to get the process off the ground. Zurab Alasania, co-founder of the Hromadske.tv project and director of the MediaPort information agency, was heading the Kharkiv Regional State Television and Radio Broadcasting Company during the presidency of Viktor Yushchenko.

Taking into account the situation in Ukraine after the victory of the Revolution of Dignity, the government had more pressing issues: undeclared war with Russia in the eastern Ukraine, hundreds of thousands of displaced people, extraordinary presidential and parliamentary elections, empty

state treasury, etc. Perhaps, that is why government officials did not find time to implement the Law on Public Broadcasting, although it was one of the reforms that could be implemented quickly.

Without waiting for the decisions of the Government, on **September 8, 2014**, having issued order No. 115, the State Committee on Television and Radio Broadcasting approved the composition of the Interdepartmental Working Group on the Implementation of the Law "On Public Television and Radio Broadcasting of Ukraine" and carrying out of activities related to the creation of the UA:PBC, which included representatives of the State Committee, the National Council on Television and Radio Broadcasting, the National Television Company of Ukraine, the National Radio Company of Ukraine, "Kultura" TV channel, regional state television and radio broadcasting companies, "Ukrtefilm" and others. Meetings of the working

Viktoria Romanova



group were held almost every week on the premises of the National Television Company of Ukraine; representatives of public organizations (Detector Media NGO, Institute of Mass Information, Media Law Institute, "Hromadske Radio", etc.), international experts from the European Broadcasting Union (EBU) and European public broadcasters took part in these meetings. Deputy General Director of the National Television Company of Ukraine **Viktoriya Romanova** was an engine and organizer of the activities of this working group.

By the end of 2014, 16 meetings of the working group were held, 10 subgroups working on important topics and areas related to the further creation of public broadcasting were formed. In particular, these were the following subgroups: "Refinement of the program concept and preparation of bills on broadcasting networks of two TV channels and three radio programs of the UA:PBC", "Preparation of a model for cooperation related to the exchange of media content. Convergence of Production", "Frequency and Licenses", "Organizational Structure", "Technical Audit of the Resources of the future UA:PBC", "Branding" and others.

For example, the first subgroup was working on special formats that provided for the presence of all regions on the air and on the development of alternative concepts for two public television channels: the first one was called the flagship, and the second one was called thematic (according to the adopted law, there had to be two national TV channels). The concepts and broadcasting networks of three public radio channels, as well as proposals from all regional state television and radio broad-

casting companies whose representatives participated in the meetings of working groups primarily via Skype, were also considered at the meeting of the working group.

The second subgroup focused on several aspects: creation of a single newsroom, exchange of materials, joint archives of programs and news, communication lines, joint production. This subgroup, for example, suggested that a multilateral agreement that would govern the use of archival content should be the legal basis for the use of the archives of the UA:PBC participants (the National Television Company of Ukraine, the National Radio Company of Ukraine, "Kultura" TV channel, regional state television and radio broadcasting companies) until the formation of a single legal entity.

The sub-group which was dealing with frequencies and licenses was considering the results of the implementation of a single FM radio broadcasting network project for the purpose of maximizing the coverage of the territory of Ukraine by the UR-1 program. The total broadcasting network of the First Channel of the Ukrainian Radio was supposed to look as follows: 20 hours for the National Radio Company of Ukraine and 4 hours for regional state television and radio broadcasting companies.

This subgroup was headed by the representative of the State Committee **Serhiy Abramov**. The group was closely monitoring the development of existing radio networks of national and regional broadcasters. In 2014, "Kultura" channel had neither analogue broadcasting, nor digital broadcasting, only satellite broadcasting. One could watch it either using a satellite or on cable television. The



Natalia Stepanova and
Serhiy Abramov

National Council was looking for a place in the digital multiplex for the "Kultura" channel.

The highest expectations were of the fourth subgroup: it was supposed to suggest the organizational structure of the UA:PBC. This subgroup was collecting and analyzing information on the personnel of all television and radio companies on the basis of which the UA:PBC was created. Representative of the State Committee on Television and Radio Broadcasting - the head of the internal audit department **Natalia Stepanova** - was the co-coordinator of this subgroup.

As at the end of 2014, the total number of employees of all state channels that had to be transformed into the UA:PBC was 7,717 people, of which 30% were journalists; and 50% were workers aged 27 to 45. The subgroup prepared two alternative basic models of the organizational structure: a classic one and the one which combined several areas.

At the first meetings of the working group, when discussing the structure, it had been said that regional state television and radio broadcasting companies would become news offices of the UA:PBC, whereas at the end of the year everything changed dramatically. In Kyiv, it was constantly emphasized (especially by Zurab Alasania) that when talking about public broadcasting, there was no notion of the center and the regions; everyone was equal and was doing the same thing. He was also asserting that after the creation of public broadcasting, regional state television and radio broadcasting companies will still have the same li-

censes and the same amount of broadcasting they had before.

In 2014, regional state television and radio broadcasting companies continued to broadcast as state television and radio broadcasting companies; at the same time, preparation for the reform was under way. In addition, they were constantly warned about the future redundancy.

During 2014, other working subgroups were engaged in the development of the UA:PBC branding; audit of resources, generalization of the collected data on available assets and technical resources in the following categories: "buildings", "vehicles", "technological equipment", and "office equipment"; debts and liabilities of the UA:PBC structures (the largest debts included EuroNews's debt, the so-called Japanese loan, international obligations, debts to employees for unused vacation and the lack of funding within the framework of the state broadcasting system for the current period). By the way, there were several hundred years of unused holidays in the National Television Company of Ukraine!

A promotional campaign for public broadcasting, in which not only international experts but also Ukrainian politicians and well-known media experts participated, was underway at the National Television Company of Ukraine for several months. On December 5, 2014, a public tender for the name of the new structure was announced. Tender participants, for example, suggested that Ukrainian public broadcasting should be called "Ukrop-TV", "Maidan", or "Viche".

Oleh Nalyvaiko



THINGS THE STATE COMMITTEE ON TELEVISION AND RADIO BROADCASTING MANAGED TO DO

The State Committee on Television and Radio Broadcasting was the main state body that had to push forward the process of creating public broadcasting. What did the Committee manage to do in this direction? In addition to the creation of a working group and delegating own employees to work in it, the State Committee prepared proposals (together with the National Council and at the request of Arseniy Yatsenyuk, the then prime minister of Ukraine as of May 26, 2014, No. 18025/1/1-14, par. 2), which would bring the laws of Ukraine in line with the newly adopted Law "On Public Television and Radio Broadcasting of Ukraine". The State Committee on Television and Radio Broadcasting sent them to the Government for consideration, and subsequently prepared a bill "On amendments to some laws of Ukraine in connection with the adoption of the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine" on the basis of these proposals. (We are referring to changes to the following four laws: "On Television and Radio Broadcasting", "On the National Council on Television and Radio Broadcasting", "On the Procedure for Covering the Activities of Public and Local Authorities in Ukraine by the Mass Media", and "On the Election of the President of Ukraine".)

In the final and transitional provisions of this bill, the Committee suggested that the terms of remuneration of the UA:PBC employees should be determined by the Cabinet of Ministers. And before the government prepared the relevant by-laws, the existing terms of remuneration provided for employees of state-owned television and radio companies had to remain in force.

The draft was sent to the Government for consideration, but the next day it was withdrawn before the beginning of the work of the Verkhovna Rada of Ukraine of the eighth convocation. On October 26, 2014, parliamentary election was held in Ukraine. Therefore, improvement and synchronization of laws had to continue after new members of the Verkhovna Rada were elected.

STATE INSTITUTION OR PJSC?

Within the framework of the applicable law, the working group did everything it could - it was developing recommendations for the transformation of state broadcasting into public broadcasting. However, it was bound by the current law, according to which the future UA:PBC formally had to one again become a state institution. That is, it actually just had to change a signboard. Everyone who supported the creation of public broadcasting in Ukraine were against this, in particular, non-governmental media organizations whose representatives managed to meet with the prime minister and persuade him that if public broadcasting would be created, it should be as independent of the authorities as possible. And at the International Conference in July 2014, the Prime Minister publicly declared that the UA:PBC should be created in the form of a public joint-stock company (PJSC), 100% of whose shares would belong to the state.

In the summer of 2014, representatives of non-governmental media organizations and "Stop the Censorship!" movement also met the then chair of the Parliamentary Committee on Freedom of Speech and Information Mykola Tomenko. We managed to come to an agreement that the law would be amended, which would not only push forward the process of creating a legal entity of the public broadcaster, but would also make UA:PBC more independent. According to Tomenko, all amendments regarding financial issues or organizational and legal form of the UA:PBC should be



Mykola Tomenko

prepared and introduced by the State Committee on Television and Radio Broadcasting. Thus, on July 2, a bill No. 4224a on amendments to the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine" (regarding clarification of certain provisions) was registered, which did not introduce radical innovations (except for the fact that UTR, on the basis of which it was planned to create international broadcasting, was removed from the law). In addition to this bill, two more bills were registered, whose initiators believed that regional state television and radio broadcasting companies should be removed from the law.

In the summer of 2014, prime Minister Arseniy Yatsenyuk gave the State Committee on Television and Radio Broadcasting an order to prepare a draft resolution on the establishment of a legal entity of the UA:PBC. On October 1, 2014, the Committee sent a draft resolution "Some Issues Related to Public Television and Radio Broadcasting of Ukraine" to the Government for consideration, which suggested that:

- 1 a legal entity under public law State Organization "National Public Television and Radio Broadcasting Company of Ukraine" should be created by amalgamating the National Television Company of Ukraine, the National Radio Company of Ukraine, "Kultura" TV channel, regional state television and radio broadcasting companies, "Krym" state television and radio company, Kyiv State Regional Television and Radio Broadcasting Company, Sevastopol, Kryvyi Rih, and Novhorod-Siverskyi regional state television and radio broadcasting companies, and Ukrtefilm and forming a legal entity under public law State Organization UA:PB";
- 2 the State Committee on Television and Radio Broadcasting should be given an order to carry out activities related to the reorganization of the aforementioned legal entities and to approve the charter of a legal entity under public law State Organization UA:PBC;
- 3 it should be established that movable and immovable property whose cost is reflected on the balance sheets of the aforementioned legal entities should be assigned to a legal entity under public law State Organization National Public Television and Radio Broadcasting Company of Ukraine on the basis of opera-

tional management; the State Committee on Television and Radio Broadcasting should manage the property of the State Organization UA:PBC;

- 4 regulations of the Cabinet of Ministers on the activities of the National Television Company of Ukraine and the National Radio Company of Ukraine should be recognized as invalid. At the same time, it was suggested that before the Cabinet of Ministers of Ukraine determined terms of remuneration of employees of the State Organization UA:PBC, the terms of remuneration provided for employees of state-owned television and radio companies had to be used.

That is, within the framework of the legislation, lawyers of the Committee could not propose anything other than UA:PBC in the form of a state organization.

On November 5, 2014, at a government meeting Arseniy Yatsenyuk rejected the idea of creating UA:PBC in the form of a state organization, giving two days for the preparation of proposals for the creation of public broadcasting in the form of a Public Joint Stock Company.

On November 7, 2014, a meeting was held in the Cabinet of Ministers, where a draft resolution was heatedly discussed. At this meeting, minister of the Cabinet of Ministers Ostap Semerak and general director of the National Television Company of Ukraine Zurab Alasania were for the PJSC. Almost everyone else, who said that it was impossible to do this under the applicable law, were against such a decision. Immediately after the aforementioned meeting a government meeting was held, where the resolution of the Cabinet of Ministers "On the Establishment of a Public Joint Stock Company National Public Broadcasting Company of Ukraine" was finally adopted, and the State Committee on Television and Radio Broadcasting received an order to finalize it taking into account the results of the discussion and to execute it in accordance with the regulatory requirements.

This resolution stipulated that:

- 1 a public joint stock company National Public Broadcasting Company of Ukraine (hereinafter referred to as the Company) should be formed, and 100% of its shares would belong to the state;;
- 2 authorized capital of the company should be

formed at the expense of the property of the National Television Company, National Radio Company, State Television and Radio Company "World Service" Ukrainian Television and Radio Broadcasting", "Kultura" State Television and Radio Company", regional state television and radio companies, "Krym" State Television and Radio Company, Kyiv State Television and Radio Company, Sevastopol State Television and Radio Company, Kryvyi Rih Regional State Television and Radio Company "Kryvorizhzhya", Novhorod-Siverskyi Regional State Broadcasting Company "Siverska", "and "Ukrtefilm" Ukrainian Television Film Studio, which were **liquidated**;

- 3 the powers related to the management of corporate rights of the state in relation to the company should be exercised by the State Committee on Television and Radio Broadcasting;
- 4 regulations of the Cabinet of Ministers of Ukraine regarding the activities of the National Television Company of Ukraine and the National Radio Company of Ukraine should be declared invalid;
- 5 the State Committee on Television and Radio Broadcasting should be given an order:

to prepare and submit for approval to the Cabinet of Ministers the draft charter of the company; to ensure that a record of the decision on the private placement of the company's shares is prepared and signed; to take measures to register issue of the company's shares in the National Commission on Securities and Stock Market; to ensure that an agreement on the provision of services related to the issue of equity is concluded between the company and a securities depository; to make a private placement of the first issue of ordinary registered shares for the purpose of forming of the company's authorized capital; to approve the results of private placement of the company's shares; to take measures related to the establishment of the company and its state registration in accordance with the established procedure; to submit proposals for bringing regulations of the Cabinet of Ministers of Ukraine in line with this resolution and to bring own legislative acts in line with this resolution.

On November 18, 2014, the State Committee on Television and Radio Broadcasting sent a draft

resolution to the Ministry of Economic Development and Trade, the Ministry of Finance, the Ministry of Social Policy, and the State Property Fund, requesting to examine and approve it within one day.

The State Property Fund of Ukraine approved the draft right away, noting that in accordance with the Law of Ukraine "On Joint Stock Companies", namely Article 1, part 3, before the implementation of the privatization plan (placement of shares) peculiarities of the creation of joint stock companies in the course of privatization and corporatization, their legal status, and activities shall be determined in accordance with the legislation on privatization and corporatization. In addition, according to the Fund, the bill should contain information about the public placement of the UA:PBC's shares. Other interested bodies did not express their opinion on the draft resolution of the Cabinet of Ministers, so it was impossible to send it to the Ministry of Justice for legal examination.

On December 2, 2014, the State Committee on Television and Radio Broadcasting sent this draft to the government. Public organizations supported the resolution, whereas Mykola Tomenko publicly opposed it.

Thus, when on **November 7, 2014**, the government adopted a decision to create the UA:PBC in the form of a PJSC, almost six months passed since the moment the Law "On Public Television and Radio Broadcasting of Ukraine" had been signed. This stirred up both those who did not want any changes and those who were afraid of the possible privatization of state broadcasters.

Creation of the UA:PBC in the form of a PJSC meant that the company itself would be the budget holder. Meanwhile, the State Committee on Television and Radio Broadcasting (through the State Treasury) was the holder of state broadcasters' funds. In addition to budget funds, state channels were also earning money, in particular, from advertising and promoted stories. For example, in 2014, UA:PBC earned more than UAH 90 million from advertising. But the company could not spend the whole amount on itself, because these funds were also transferred to the State Treasury.

Therefore, the main difference between a state institution and a PJSC was in the fact that there was more financial independence.

The activities carried out by Detector Media NGO to support the development of public broadcasting



MONITORING BY THE PUBLIC AND INTERNATIONAL ORGANIZATIONS

However, the creation of public broadcasting was not forgotten: this was evidenced by a large number of public events and statements made since the adoption of the law. On **April 28, 2014**, an expert meeting was held, where the first steps in implementing the Law of Ukraine "On Public Television and Radio Broadcasting" were discussed. The meeting was devoted to the preparation for the implementation of the provisions of the Law, namely: establishment of the procedure for the transformation of state television and radio companies into a public broadcaster, the procedure for the formation of governing bodies, creation of a new legal entity, and formation of a supervisory board.

On **June 11, 2014**, the Detector Media NGO held a round table "Priority Actions to Introduce Public Broadcasting in Ukraine".

On **July 1-2**, an international conference "From State to Public Broadcasting" was held, which was organized by the National Television Company of Ukraine together with the project of the Council of Europe and the Government of Canada "Implementation of European Standards in the Ukrainian Media Environment" and the European Broadcasting Union. Participants of this conference discussed the priorities in the implementation of the Law in accordance with European standards and taking into account the obligations to the Council of Europe and the European Union. With-

in the framework of the conference, recommendations on the further steps in implementing the reform were developed.

On **September 5, 2014**, the State Committee on Television and Radio Broadcasting held a joint meeting with the National Council and general directors of regional state television and radio broadcasting companies on the topic "Public Broadcasting: Prospects and Challenges", where some of the general directors of regional state television and radio broadcasting companies were once again trying to postpone the launch of public broadcasting. They claimed that it is a crime to destroy state broadcasting in the time of war. But then representatives of public organizations noted that there was no way back.

On **December 12, 2014**, with the assistance of the Council of Europe and the European Union which did not tire of reminding Ukraine of its obligations another international conference "The Launch of a Public Broadcaster in Ukraine. Countdown" was held.

AMENDMENTS TO THE FRAMEWORK LAW ON PUBLIC BROADCASTING - PROSPECTS FOR THE CREATION OF THE UA:PBC

As it turned out, it was impossible to create the UA:PBC PJSC without amending the law. According to the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine" dated 2014, state broadcasting organizations were budgetary



Viktoria Siumar,
chair of the Verkhovna Rada
Committee on Freedom of
Speech and Information Policy

institutions. According to Article 14, part 1 of the Law, UA:PBC was supposed to be funded at the expense of funds from the State Budget for four years. That is, the legal entity under public law UA:PBC, provided for in the Law, had to become a budgetary institution.

According to Article 3, part 1 of the Law of Ukraine "On Joint Stock Companies", a joint-stock company is a business entity with authorized capital divided into a certain number of parts of the same nominal value, corporate rights under which are certified by shares. The legislation did not provide for a mechanism for the transformation of budgetary institutions into public joint stock companies. Such a transformation could only be made through corporatization of state enterprises.

Thus, the Law on Public Broadcasting required changes. Media advisers presented these changes to the newly formed parliamentary Committee on Freedom of Speech and Information Policy, headed by the ex-executive director of the Institute of Mass Information Viktoria Siumar (representative of the People's Front party).

The lawyers were insisting that the following information should be specified in the law: names of television and radio companies on the basis of which the UA:PBC was formed (in particular, to remove the UTR and add "Kryvorizhzhya" and "Siverska" regional state television and radio companies); organizational and legal form of the UA:PBC (PJSC, 100% of whose shares would belong to the state); sources of funding of the UA:PBC (to return the former volume of advertising and then gradually reduce it; to add the possibili-

ty of introducing a subscription fee in the future); procedure for the formation and principles of the activity of the supervisory and editorial councils (to extend the list of entities which had the right to nominate their candidates to the supervisory board of the UA:PBC and to establish a certain number of members, namely 17), etc.

As at December 10, 2014, all members of the Committee registered the bill No. 1357 on amendments to the Law on Public Broadcasting of Ukraine.

However, there were people who considered such a bill to be too radical. In particular, the ex-chair of the committee, Mykola Tomenko, believed that adoption of such a bill could lead to privatization of state channels and disappearance of regional broadcasting, so he registered an alternative bill No. 1357-1, where he suggested that UA:PBC should be divided into two other legal entities, that is, television and radio, and that regional state television and radio broadcasting companies should be removed from the law. Such a move made by a person who was already the chair of the parliamentary Committee on Environmental Policy, Nature Resources Utilization and Elimination of the Consequences of Chornobyl Catastrophe was twice condemned by public organizations, which believed that this would delay the process of creation of the Public Broadcasting. Experts noted that without the liquidation of regional state television and radio broadcasting companies, the reform would be incomplete. The specialized Committee on Freedom of Speech did not support Tomenko's bill.

The chair of the Committee Viktoria Siumar was hoping that the new wording of the law on public broadcasting would be considered by the parliament before the New Year, but her prediction was not confirmed. This made it impossible to make changes and create a legal entity of the UA:PBC. As a result, there was no separate line about 0.2% for UA:PBC in the State Budget for 2015; state broadcasting continued to be funded the way it had been funded before.

In the end, in the first plenary week of 2015, on January 13, both bills — a bill No. 1357 and an alternative bill No. 1357-1 — were on the agenda of the plenary session. The Parliament adopted them in the first reading.

AREAS IN WHICH IMPLEMENTATION OF THE LAW ON PUBLIC BROADCASTING MADE HEADWAY AFTER 2014

First of all, it is the election of the members of the Supervisory Board of the UA:PBC, which should determine the main areas of activity of the public broadcaster. This is the area for which the National Council on Television and Radio Broadcasting was responsible. In particular, the Regulation on the procedure for holding conferences of all-Ukrainian public unions (APU), electing members of the Supervisory Board of the National Public Television and Radio Company of Ukraine, and terminating their powers, which had been registered by the Ministry of Justice, was developed with the assistance of the Council of Europe. On October 15, 2014, the National Council began to receive applications from all-Ukrainian public unions for the participation in conferences where members of the public had to be elected to the Supervisory Board of the UA:PBC. However, due to the low interest of APUs in this process, deadline for the submission of applications was extended by two more weeks. The National Council created a public commission that was checking compliance of APUs and their delegated candidates with the requirements of the Law "On Public Television and Radio Broadcasting of Ukraine".

According to the decision of the National Council, the conferences had to take place in January-February 2015: in the field of education — on

January 19; in the field of science — on January 21; in the field of physical education and sports — on January 23; in the field of journalism — on January 26; in the field of human rights — on January 28; in the field of protection of the interests of children and young people — on January 30; in the field of creative work — on February 2; in the field of local government — on February 4; in the field of protection of the rights of people with special needs — on February 6.

More than 70 APUs recommended 47 candidates to the Supervisory Board of UA:PBC. By the way, the National Council had to make two payments for almost UAH 800 each to the Uryadovy Kuryer newspaper (which is funded from the state budget) for the announcement of the receipt of applications from APUs

WHO (AND WHAT) WAS SLOWING DOWN THE PROCESS OF THE CREATION OF PUBLIC BROADCASTING IN 2014

At public events, representatives of regional state television and radio broadcasting companies were primarily talking about the support of public broadcasting, but in practice they were reluctant to join the process. They repeatedly made statements (sometimes having enlisted the support of the heads of regional state administrations) that creation of the UA:PBC on the basis of regional state television and radio broadcasting companies would destroy regional broadcasting. In addition, they revived the old idea of creating a Territorial Communities' Channel (in 2009, an attempt was made to create such a channel on the basis of regional state television and radio broadcasting companies). They were particularly frightened of the government's decision to establish a PJSC, which provided for rigorous liquidation, rather than for a soft reform. Trade unions (the Independent Media Trade Union of Ukraine, trade union of cultural workers of the National Television Company of Ukraine) were also against the PJSC. In general, those employees of television and radio companies who were hoping for high pensions, for the sake of which they had been working for low salaries (in social matters, creative workers of regional state television and radio broadcasting companies had

the same status as civil servants) were against the liquidation of state broadcasting. They were afraid that they would no longer receive these benefits.

During the struggle for Public Broadcasting, a lack of political will was repeatedly mentioned. There was also a lack of political will in 2014. However, both new President of Ukraine Petro Poroshenko, and his predecessors were publicly saying that they were completely in favor of creating public broadcasting. He even stated that UA:PBC should not be as dependent as the "Public Television" in Russia. But according to insider information, Presidential Administration was not enthusiastic about the creation of the UA:PBC. He could not control the general director of the National Television Company of Ukraine Zurab Alasania the way former heads of the presidential administration had been controlling Zurab's predecessors. And in this case, almost all state channels had to get out of control of the Presidential Administration.

A habit to comply with the laws was not yet developed in Ukraine. And the worst thing is that state bodies do not comply with them as well. It is primarily due to this factor that Public Broadcasting was not created in 2014, despite the existence of a special law. At that time, nobody really knew when it would be finally created, although more and more dates were mentioned. For example, Zurab Alasania was talking about March 1, 2015. Some people were mentioning September 1, 2015. And there were also people who were hoping that it would never be created. Meanwhile, transformation of content on state television and radio companies was underway. At that time, nobody could say that the news on the First National Television Channel was pro-governmental and biased (this was also evidenced by the monitorings carried out by the Detector Media NGO). Change in content is something that was not dependent on the existence of the political will of the government

PART 2

ANALYSIS OF THE TRANSFORMATION OF THE STATE BROADCASTING OF UKRAINE INTO PUBLIC BROADCASTING

2015

On March 19, 2015, the parliament voted for the law on amendments to the Law on Public Television and Radio Broadcasting of Ukraine.

After this law was pompously signed by the President of Ukraine in the Mystetskyi Arsenal on April 7, 2015, which was broadcast live by the National Television Company of Ukraine and the National Radio Company of Ukraine, as well as after the logo of the First National Television Channel was changed



President of Ukraine
Petro Poroshenko
is signing the Law

to "UA:Persnyi" on the same day, many people had the impression that public broadcasting was already launched in Ukraine.

In fact, it was still a two-year-long journey to the creation of the National Public Broadcasting Company of Ukraine. As at the end of 2015, the Public Joint Stock Company National Public Broadcasting Company of Ukraine (UA:PBC PJSC) was not created yet. And there was nothing strange in this. Those who were involved in the process repeatedly stated that this process would take at least one year from the day the law was adopted. After all, Ukraine was creating its public broadcasting not from scratch, but on the basis of several dozen state television and radio companies, and this is, firstly, almost 8 thousand employees, and, secondly, a huge amount of assets, so there was a lot of work.

In 2015, state officials were often calling creation of public broadcasting during one of the few successful reforms after the Revolution of Dignity (creation of a new police service was another one). In addition to the fact that this was Ukraine's obligation to the Council of Europe, it also became a priority task in accordance with the "Annual National Program of Ukraine-NATO Cooperation for 2015", which was approved by the decree of the President of Ukraine No. 238/2015 at the end of April. According to European experts, this reform was unprecedented; they were also interested in how Ukraine would transform state broadcasting into public broadcasting. They noted that the most important thing was not to follow the example of Azerbaijan, where the government created public broadcasting from scratch and then took it under control; now there are actually two large state broadcasters in this country.

WHAT THE NEW WORDING OF THE LAW ON NATIONAL PUBLIC BROADCASTING COMPANY PROVIDED FOR (briefly)

Public television and radio broadcasting of Ukraine was supposed to be established in the form of a joint stock company "National Public Broadcasting Company of Ukraine" (UA:PBC),

100% of whose shares would belong to the state.

UA:PBC was supposed to be established on the basis of the National Television Company of Ukraine, National Radio Company of Ukraine, "Kultura" State Television and Radio Company", regional state television and radio companies, state enterprise Ukrtefilm Ukrainian Television Film Studio, "Krym" State Television and Radio Company, state organizations Kyiv State Television and Radio Company, Sevastopol State Television and Radio Company, Novhorod-Siverskyi Regional State Television and Radio Company "Siverska", Kryvyi Rih Regional State Television and Radio Company "Kryvorizhzhya", which were supposed to be reorganized by amalgamating them with the National Television Company of Ukraine.

UA:PBC was supposed to broadcast at least on two national (socio-political, cultural and educational) and regional channels of the multichannel terrestrial television network, as well as at least on three national radio channels (socio-political, cultural and educational channels, a youth channel).

GOVERNING BODIES WERE SUPPOSED TO INCLUDE:

- 1 Supervisory Board, which would monitor the activities of UA:PBC, determine the main area of its activities, etc.;
- 2 the board, which would be the executive body of UA:PBC;
- 3 a revision commission, which would control financial and economic activities of the board of UA:PBC.

UA:PBC MIGHT BE FINANCED FROM:

- 1 the sale of own television and radio products, fees for the use of copyrights and related rights;
- 2 state and local budgets;
- 3 subscription fee which would be paid for services provided by UA:PBC, in accordance with the procedure established by the Cabinet of Ministers;
- 4 other proceeds not prohibited by law.

The state was supposed to provide proper funding for UA:PBC, which was supposed to be a separate line in the State Budget of Ukraine and amount to at least 0.2% of the state budget general fund's expenditures for the previous year. The Cabinet of Ministers was supposed to control the

use and preservation of property transferred to UA:PBC and might determine an entity which would manage it. UA:PBC would have no right to transfer property and land plots to other legal entities or citizens free of charge (except for cases stipulated by law).

UA:PBC would have the right to own, use, and dispose of property acquired for the proceeds from its own economic activity, taking into account restrictions established by this Law.

During the period of four years from the moment of its creation, the volumes of advertising, sponsorship, and television commercials on UA:PBC might not exceed those provided for in the legislation, and starting with the fifth year, they were supposed to gradually decrease.

UA:PBC would not be obligated to cover the activities of the authorities, except for official announcements of senior state officials, emergency messages of the President of Ukraine, Chair of the Verkhovna Rada of Ukraine, Prime Minister of Ukraine, Chair of the Supreme Court of Ukraine, Chair of the Constitutional Court of Ukraine, and the New Year greetings of the head of state.



WHO WAS MADE RESPONSIBLE FOR THE CREATION OF UA:PBC PJSC

RESPONSIBLE BODY NO. 1 - Cabinet of Ministers / State Committee on Television and Radio Broadcasting

According to the law, the Cabinet of Ministers was responsible for the creation of UA:PBC PJSC. In particular, the government had to prepare and submit for consideration to the Verkhovna Rada proposals concerning adaptation of the laws of Ukraine to this Law; bring their legislative legal acts into line with this Law; take measures related to the creation of UA:PBC, which are stipulated by law; ensure control over the complete management of property inventory, including intangible assets of legal entities, specified in Article 1 of this law; create a commission for the reorganization of legal entities specified in the same article and approve procedure for transformation of the National Television Company of Ukraine into the UA:PBC taking into account peculiarities provided for in this law.

As at **December 1, 2015**, the Cabinet of Ministers did not submit for consideration to the Verkhovna Rada proposals concerning adaptation of the laws of Ukraine to the Law on Public Broadcasting, and this subsequently had negative consequences for the National Public Broadcasting Company of Ukraine which had already been

created. Only one item was fulfilled: Within six months (just as specified in the Law on Public Broadcasting), the State Committee prepared proposals concerning introduction of community broadcasting on the principles of public broadcasting. However, the intention to introduce a separate type of common property (public property) came to naught. This required changes to the Constitution (which only defined three forms of ownership - state, communal, and private); and it was impossible to make changes only with regard to this issue. Both proposals came to naught.

As for other tasks stipulated by the Law, the Government did take certain steps. In particular, a reorganization commission was created. Control was also exercised over the complete management of property inventory, including intangible assets of legal entities, etc.

A working group, which had been created according to the order of the State Committee on Television and Radio Broadcasting in **September 2014** and which had been working at the National Television Company of Ukraine for more than a year, prepared a draft Road Map, where deadlines for the implementation of the reform were specified. The Map was an approximate plan, where two main stages according to which UA:PBC was supposed to be created were outlined. Deadlines specified in the road map were approximate: at first, they wanted to wait until the decree was adopted and promulgated by the Cabinet of Ministers and then determine the final dates.

The chair of the trade union of cultural workers of Ukraine, Liudmyla Pereyhina, and Oleh Nalyvaiko



The draft government resolution had to be agreed with all interested ministries and departments. Five out of eight government bodies approved the draft resolution of the Cabinet of Ministers regarding creation of UA:PBC PJSC right away. It took the Ministry of Finance the longest time to approve the document. Eventually, it did remove comments on the size of salaries, agreeing that in accordance with the law on Public Broadcasting this would be determined by the Supervisory Board of UA:PBC. The Ministry of Social Policy also eventually did not have any comments with this regard.

The Cabinet of Ministers received the draft in early June 2015, and the working group was expecting that it would be signed on June 17. Unfortunately, as it often happens in Ukraine, the resolution on the procedure for the transformation of state broadcasters into UA:PBC PJSC was signed on August 5, 2015 and posted on the "Government Portal" website. According to the document, the **State Committee on Television and Radio Broadcasting was appointed as the body that would manage the property of the National Television Company of Ukraine**; a reorganization commission headed by **Oleh Nalyvaiko**, chair of the **State Committee on Television and Radio Broadcasting**, was also created. The commission included representatives of the State Committee on Television and Radio Broadcasting, the National Television Company of Ukraine, the National Radio Company of Ukraine, the State

Property Fund, the head of the trade union of cultural workers of Ukraine, etc.

Participants had been previously suggesting two ways of implementing the reform. The first one: all state television and radio companies (state institutions) would become state-owned enterprises, which would then be merged with the state enterprise Ukrtefilm; only after this they would be transformed into UA:PBC PJSC. The second one: all institutions would be merged under the roof of the National Television Company of Ukraine and then would be transformed into UA:PBC PJSC. The reorganization commission chose the second way in order to ensure that rights are transferred within the established period of time (by the end of the budget year) without terminating broadcasting, to prevent misuse of funds, to transfer employees in advance, etc.

The commission, headed by Oleh Nalyvaiko, was working quite diligently, gathering every Monday at the State Committee on Television and Radio Broadcasting and managing the process of transforming the National Television Company of Ukraine, the National Radio Company of Ukraine, "Kultura" channel, state television and radio broadcasting companies, and state enterprise Ukrtefilm into a public joint-stock company.

The government also approved the procedure for determining the mechanism for the transformation of the National Television Company of Ukraine into UA:PBC PJSC.

According to the same Resolution, the State

Committee on Television and Radio Broadcasting had to manage corporate rights of the state in the authorized capital of the Public Joint Stock Company.

Almost a week after the approval of the government's long-awaited ruling, Oleh Nalyvaiko signed an order "On the approval of the composition of the reorganization commission" No. 169 as of August 13, 2015, according to which a commission for the transformation of all state broadcasters and state enterprise Ukrtelevfilm into UA:PBC PJSC was created.

It was supposed to monitor the course of reorganization, minimization of risks, and compliance with labor legislation, to assess the assets, and resolve other issues. In addition, a coordination and

methodological center was established, which was coordinating the process of reorganization and was trying to organize work during the transition period. A special "Newsletter" was created, where problems related to reorganization, as well as the current situation in the teams of state broadcasters, were analyzed. Specialists from the State Committee on Television and Radio Broadcasting and the National Television Company of Ukraine were developing methodological and legal recommendations that were sent to television and radio companies.

It was decided to implement the reform in two stages:

① merge all entities specified in the law under

APPROVED
by the resolution of the Cabinet of Ministers of Ukraine
as of August 5, 2015 No. 567

PROCEDURE
for the transformation of the National Television Company of Ukraine
into a Public Joint Stock Company "National Public Broadcasting
Company of Ukraine"

1. This Procedure determines the mechanism for the transformation of the National Television Company into the "National Public Broadcasting Company of Ukraine" PJSC (hereinafter referred to as the Public Joint Stock Company).
2. The State Committee on Television and Radio Broadcasting shall establish a commission for transforming the National Television Company into a Public Joint Stock Company and shall approve its composition.
3. The commission for transforming the National Television Company into a Public Joint Stock Company:
 - 1) shall provide organizational support for the process of transforming the National Television Company into a Public Joint Stock Company;
 - 2) shall prepare and submit to the State Committee on Television and Radio Broadcasting for approval a list of the property of the National Television Company, which, according to the law, may not become part of the authorized capital of the Public Joint Stock Company and shall be assigned to it on the basis of the right of economic management;
 - 3) shall organize assessment of property of the National Television Company;
 - 4) shall submit proposals regarding determination of the size of authorized capital of the Public Joint Stock Company;
 - 5) shall take, in accordance with the established procedure, measures related to the state registration of the Public Joint Stock Company;
 - 6) shall take measures to ensure that the issue of shares of the Public Joint Stock Company is registered by the National Commission on Securities and Stock Market;
 - 7) shall ensure that an agreement on the provision of services related to the issue of securities is concluded with the Central Securities Depository;
 - 8) shall take other measures necessary for the transformation of the National Television Company into a Public Joint Stock Company.
4. The State Committee on Television and Radio Broadcasting:
 - 1) shall approve the handover certificate;
 - 2) shall ensure preparation and submission of the draft charter of the Public Joint Stock Company to the Cabinet of Ministers of Ukraine for approval;
 - 3) shall make a decision on the issue of shares of the Public Joint Stock Company.

APPROVED
by the resolution of the Cabinet of Ministers of Ukraine
as of August 5, 2015 No. 567

AMENDMENTS
made to the resolution of the Cabinet of Ministers of Ukraine dated
November 7, 2014 No. 693

1. Items 1 and 2 shall be worded as follows:

"1. To create a public joint stock company "National Public Broadcasting Company of Ukraine" (hereinafter referred to as the Public Joint Stock Company), 100% of whose shares would belong to the state, by transforming the National Television Company.

2. To determine that:

the authorized capital of the Public Joint Stock Company shall be formed on the basis of property of the National Television Company which is liquidated;

powers to manage corporate rights of the state in the authorized capital of the Public Joint Stock Company shall be exercised by the State Committee on Television and Radio Broadcasting."

3. To remove item 3.

the name of the National Television Company of Ukraine (at first, it was planned to do this until **November 30**, but then the deadline was extended until **December 15, 2015**);

- ② to transform the National Television Company of Ukraine into UA:PBC PJSC (a preliminary deadline was **April 1, 2016**).

On August 25, 2015, the chair of the State Committee on Television and Radio Broadcasting signed orders to terminate the activity of all regional state television and radio broadcasting companies, Kyiv State Regional Television and Radio Broadcasting Company, Novhorod-Siverskyi regional state television and radio broadcasting company "Siverska", Kryvyi Rih Regional State Television and Radio Company "Kryvorizhzhya", the National Radio Company of Ukraine, "Kultura" TV channel, and Ukrtefilm by amalgamating them with the National Television Company of Ukraine.

On September 18, 2015, the National Television Company of Ukraine registered its branches in all regions. The process of transferring employees and property from state television and radio companies to new branches of the National Television Company of Ukraine began. The property was supposed to be transferred

by **November 15**, and people were supposed to make decisions about their future employment by **September 30, 2015**. These deadlines were soon extended for two weeks; as legal entities, state television and radio broadcasting companies were supposed to terminate their activities by **November 30, 2015**.

The State Committee was trying to keep the reform process under control. **On September 29**, the committee board decided that, on the whole, measures aimed at the reorganization of state television and radio broadcasting companies by amalgamating them with the National Television Company of Ukraine and creating UA:PBC PJSC were being implemented. At the same time, it was decided to strengthen control over the transformation of the National Radio Company of Ukraine, "Kultura" State Television and Radio Company", regional state television and radio companies, and Ukrtefilm Ukrainian Television Film Studio into UA:PBC PJSC. In particular, the State Committee on Television and Radio Broadcasting had to receive from the National Television Company of Ukraine approved staff compositions of 27 branches of the National Television Company of Ukraine - which were formed primarily on the basis of staff compositions of state television and radio companies - by September 30, 2015.

According to the data of the Unified State Register of Legal Entities and Individual Entrepreneurs, as at September 21, 2015, 28 state television and radio companies were being liquidated. However, the Ukrtefilm studio was not being liquidated, since its acting director Viktor Petrenko failed to comply with the order of the State Committee on Television and Radio Broadcasting as of August 25, 2015 No. 173 "On the reorganization of the state enterprise Ukrainian Television Film Studio Ukrtefilm, namely, did not make a record in the Unified State Register about the decision to liquidate a legal entity.

In addition, according to the order of the State Committee on Television and Radio Broadcasting as of August 27 No. 204 "On the measures aimed at creating UA:PBC PJSC, special commissions for taking stock and assessing property were created in the television and radio companies and in the Ukrtefilm studio. As at September 21, 2015, the State Committee received the results of preliminary inventory of non-current assets from 28 television and radio companies. However, the Ukrtefilm studio did not provide the results of its preliminary inventory, since **Viktor Petrenko** did not fulfill the requirements of the order of the State Committee on Television and Radio Broadcasting regarding the conduct of preliminary inventory.

Therefore, the board of the State Committee on Television and Radio Broadcasting gave a number of committee departments an order to consider this issue and make proposals regarding the dismissal of Viktor Petrenko from the post of an acting director of the Ukrtefilm studio and make appropriate changes to the commission for the reorganization of this enterprise. A month later, the former head of the department of television and radio broadcasting Serhiy Abramov became the acting director of Ukrtefilm.

Having examined the lists of non-current assets and consolidated reports, the State Committee asked Kharkiv, Khmelnytskyi, Kherson, Cherkasy, and Chernihiv regional state television and radio broadcasting companies and the National Radio Company of Ukraine to revise the submitted inventory materials.

In addition to the sabotage related to the heads of Ukrtefilm, there was also the fact that not all regional state television and radio broadcasting

companies accepted the proposal to transfer to branches. One of them - Volyn regional state television and radio broadcasting company - decided to use another method, which was also legal: it was less risky for the team, but much riskier for the entire reform. However, management of the National Television Company of Ukraine reported that the transfer of employees of regional state television and radio companies to the branches of the National Television Company of Ukraine was under way just as planned, noting that as at **October 7**, only 10 people did not transfer.

Since the National Radio Company of Ukraine, "Kultura" TV channel, and state television and radio broadcasting companies were amalgamating with the National Television Company of Ukraine, **the charter of the television company had to be changed**. On **October 7**, Oleh Nalyvaiko signed amendments to the Charter of the National Television Company of Ukraine, according to which management of the National Television Company was transferred from the Cabinet of Ministers to the State Committee on Television and Radio Broadcasting. The following three major changes were made to the revised charter:

- formalization of the transfer of management of the National Television Company of Ukraine from the Cabinet of Ministers to the State Committee (which, in fact, significantly accelerated the process of making decisions and approvals at the stage of creating the National Public Broadcasting Company of Ukraine);
- The National Television Company of Ukraine was given the opportunity to broadcast on radio (before this, the company could only broadcast on television); this change allowed to launch the process of amalgamating the National Radio Company of Ukraine with the National Television Company of Ukraine. In addition, according to the new Charter, the National Television Company of Ukraine received the opportunity to broadcast not only on national, but also on regional television and radio channels, which allowed to bring the transfer of regional licenses from regional television and radio companies to the National Television Company of Ukraine (and to the National Public Broadcasting Company of



Ukraine, which was its legal successor) into line with the legislation. A number of technical amendments were also made, which brought the Charter of the National Television Company of Ukraine into line with the new provisions of the Commercial Code and the Law on Business Entities;

- the regulation on the appointment and dismissal of the head of the National Television Company of Ukraine was also amended. This was previously done by the Cabinet of Ministers, whereas now, according to Article 7.1 of the revised charter, *"activities of the National Television Company of Ukraine shall be managed by its general director, who shall be appointed and dismissed by the Authorized Management Body, in accordance with the procedure stipulated by the legislation, in coordination with the Cabinet of Ministers of Ukraine"* (namely, by the State Committee on Television and Radio Broadcasting).

During the fall of 2015, the reform was under way, just as the sabotage of Ukrtelevision. Since the state enterprise Ukrainian Television Film Studio Ukrtelevision had not launched the liquidation process, on November 10, the State Committee approved the new composition of the reorganization commission; Olena Liubchenko, the head of the legal department of the National Television Company of Ukraine, was appointed as the head of this commission. On November 25, the Committee gave the former chair of the reorganization commission Viktor Petrenko an order to hand over the reins to Olena Liubchenko, in particular, to hand over documents of title, reporting and other documents, lawsuits (which had been lasting for several years) and personal files, agreements, seal and stamps of the state enterprise, by November 30. On November 30, the former management of the Ukrtelevision studio refused to transfer lawsuits, files, documents and stamp of the studio to the newly appointed chair of the reorganization commission.

On the same day, the team of the studio once again met with the representatives of the National Television Company of Ukraine and the State Committee on Television and Radio Broadcasting: at the meeting all participants were familiarized with the staff composition of the branch of the National Television Company of Ukraine Ukrtelevision studio, announced the new chair of the reorganization commission, explained the rights and duties of the employees and management of the studio, and suggested that the studio's management should fulfill the requirements related to the transfer of lawsuits, files, documents and seal of the studio to the newly appointed chair of the commission.

The former management of the studio refused to fulfill the legitimate requirements of the State Committee on Television and Radio Broadcasting and the National Television Company of Ukraine, and actually continued to sabotage performance of their duties. The head of the commission for the reorganization of Ukrtelevision and a representative of the National Television Company of Ukraine called the police, which recorded an offense committed by the former management of the studio and the fact that they were impeding the legitimate activities of the head of the reorganization commission.

Actions of the former management of the state enterprise Ukrainian Television Film Studio Ukrtelevision led to the fact that reorganization of Ukrtelevision was postponed. This situation showed the real state of affairs in the industry - numerous attempts by individual stakeholders to delay the creation of UA:PBC PJSC, to conclude corrupt lease agreements and agreements on the alienation of property, almost total irresponsibility and impunity of offenders.

THE HOT FALL OF REFORMS IN 2015

The State Committee on Television and Radio Broadcasting issued orders to ensure continuous broadcasting of state television and radio broadcasting organizations and their compliance with the budget program for the production and broadcasting of television and radio programs for state needs during their reorganization and transformation into a public broadcaster. Wordings of orders No. 309 as of October 13 and No. 318 as of October 21 were posted on the website of the department.

On October 27, 2015, the chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, signed an order No. 326 on the systematization of archival funds and creation of a single electronic list of audiovisual works of television and radio broadcasting organizations which are reorganized and amalgamated with the National Television Company of Ukraine within the framework of the creation of a public broadcaster.

After the State Committee on Television and Radio Broadcasting issued orders to liquidate state television and radio broadcasting companies and the state enterprise Ukrtefilm Ukrainian Television Film Studio by means of reorganization, namely amalgamation with the National Television Company of Ukraine, the process of establishing a legal entity of the UA:PBC started. The orders were registered by the state registrars, and the commissions which had been established in accordance with these orders started their work. General Directors of state television and radio broadcasting companies and the acting General Director of the Ukrtefilm were appointed as the chairs of the commissions. *"Since they are responsible for the financial and economic activities, it would be illogical to appoint another person as the chair of the commission and to delimit responsibility. It was therefore decided that responsibility would be borne by one person. The reorganization was not conventional, since all television and radio broadcasting companies that were being reformed: a) continued to take part in the budget process and are budget organizations; b) are all licensees and must ensure continuity of broadcasting,"* Natalia Stepanova noted. In fact, only the general director of the Kharkiv regional state television and

radio broadcasting company Serhiy Hulevskiy - who did not renew the contract with the State Committee on Television and Radio Broadcasting on 26 September - did not want to continue to take part in the reform and become the chair of the commission.

State television and radio broadcasting companies became branches, whereas the National Radio Company of Ukraine, "Kultura" TV channel, and Ukrtefilm were transformed into the central offices of the National Television Company of Ukraine. In accordance with the order of the State Committee on Television and Radio Broadcasting No. 218 as of October 27, 2015 "On the establishment of branches and central offices of the National Television Company of Ukraine", central offices were established and their heads were appointed (as for the "Kultura" TV channel, it was Zhanna Mazytska, at the "Ukrainian Radio", it was Anatoliy Tabachenko, and at the Ukrtefilm, Serhiy Abramov was appointed). Draft regulations on every office were developed, approved, and handed over to the heads.

The National Television Company of Ukraine opened branches, where employees of state television and radio broadcasting companies were transferred. This allowed commissions for the reorganization of state television and radio broadcasting companies to continue carrying out actions related to the liquidation of legal entities, including those related to inspections.

The State Committee on Television and Radio Broadcasting compiled statistics for the events that were carried out, about which the agency was reporting to the Ministry of Economy. During the reorganization, the State Fiscal Service, the Pension Fund, and the Social Insurance Fund conducted mandatory checks of every legal entity which was being reorganized. The State Committee was planning that handover certificates could be issued on October 31, but since the deadline for the submission of claims by creditors did not pass yet, this deadline was extended until **November 30, 2015**. Termination of the company's activities was supposed to take place before **December 10, 2015**. After a handover certificate was signed, a package of documents necessary for its submission to the registrars had to be collected within 10 days. And only after an account was closed, the Fiscal Service had to issue a rel-

evant certificate confirming that there were no tax debts. This was the case for all legal entities. However, this deadline was subsequently once again extended for 15 days.

In the fall of 2015, drafts staff compositions of the Ukrtelevision Studio central office and "Ukrainian Radio" central office were prepared; corresponding amendments to the order of the State Committee were registered by the Ministry of Justice and approved by the Committee.

However, there was a problem with the staff composition of the National Television Company of Ukraine: it lacked categories of jobs that were on the radio. This did not allow them to fully merge, since, for example, on the television channel there was no symphony orchestra and such other musical groups as in the creative association "Music" at the National Radio Company of Ukraine. The issue was resolved with the help of a separate order of the State Committee on Television and Radio Broadcasting, which made corresponding changes to the staff composition.

The reorganization commission suggested that branches and central offices should be established, that all willing employees should be transferred there from **October 1, 2015** (with a full benefits package), and that they, together with the employees from the National Television Company of Ukraine, should become a single team. Property had to be transferred (on paper) from state television and radio broadcasting companies to the National Television Company of Ukraine within two months. This proposal was supported by all state television and radio broadcasting companies, except for the Volyn State Television and Radio Broadcasting Company (which has been mentioned above). General director of the Volyn Regional State Television and Radio Broadcasting Company **Olha Kulish** said that employees had expressed their desire to transfer to a branch not earlier than on November 30. *"This is possible, but we could not all use this way, because it is very risky for the reform in general. If some of the employees of the Volyn State Television and Radio Broadcasting Company did not want to transfer by November 30, the institution would not be able to terminate its activities, and this would slow the entire process down for several months. If all regional state television and radio broadcasting companies chose this way, this would pose a huge*

risk to the creation of UA:PBC. We would not manage to reorganize by the end of the budget year," Natalia Stepanova said.

Olha Kulish was assuring the reorganization commission that everything would be fine, the team believed her, and on December 1, 2015 all employees of the Volyn State Television and Radio Broadcasting Company transferred to a branch. At the same time, several television and radio broadcasting companies / branches, namely Donetsk, Luhansk, Dnipropetrovsk, and Kirovohrad ones, were hindered by incomplete bidding procedures, accounts which had been blocked by the Treasury, etc.

The reorganization commission did not forget about the Crimean and Sevastopol companies. In order to comply with the Law on Public Broadcasting, branches of these television and radio broadcasting companies were created in Kyiv, and resolution of all issues related to property and personnel were postponed until the end of the occupation of the Crimea.

In general, there were no considerable problems with the transfer of people to branches, there were only some problems associated with the fact that some employees were in the ATO zone, on sick leaves, or abroad. All employees of state television and radio broadcasting companies, "Kultura" TV channel, and the National Radio Company of Ukraine transferred with the full benefits package, that is, with their unused vacations. However, as it turned out, **the largest number of unused vacations was on the National Television Company of Ukraine itself, namely 400 years per 1,400 people!**

All of this eventually forced the reorganization commission to once again extend deadlines for the completion of the first stage - merging under the name of the National Television Company of Ukraine - from November 30 to December 15. Even though general directors of state television and radio broadcasting companies repeatedly stated that the process of merging with the National Television Company of Ukraine should have started at the beginning of the fiscal year, since in this case it would have been possible to avoid many problems.

In the orders approved by the State Committee on Television and Radio Broadcasting, it was also mentioned that continuous broadcasting must be

ensured, state orders must be executed, and that property which would be accounted and should be evaluated in order to create authorized capital of UA:PBC PJSC, which would be transferred to the legal successor under a handover certificate, must be preserved.

WHAT INFORMATION THE HANDOVER CERTIFICATE HAD TO CONTAIN. AND WHETHER ANYTHING WAS LOST DURING THE TRANSFER

The National Television Company of Ukraine developed the form for the handover certificate and handed it over to state television and radio broadcasting companies. In particular, it was supposed to include a preamble (an explanation of the reason for the reorganization) and a list of all members of the commission. The handover certificate was, in essence, a balance sheet, compiled as at November 30, 2015, where it was stated that all assets and liabilities had to be transferred to the legal successor. All explanations with regard to the balance sheet had to be provided; inventory of assets (property, land) had to be conducted, all debts had to be confirmed by reconciliation statements, lists of technical documentation that was being transmitted and archived had to be compiled. Registration documents, collective agreements, seals, etc. also had to be transferred. The handover certificate itself was small, but many appendices (documents confirming re-registration of real estate, certificates confirming the right to permanent use of land plots, etc.) were attached thereto. This handover certificate had to be signed by all members of the commission and was eventually approved by the State Committee on Television and Radio Broadcasting.

In the end, the State Committee on Television and Radio Broadcasting was supposed to issue an order to approve handover certificates of every branch and central office. Then the Committee was supposed to issue an order to approve new amendments to the Charter of the National Television Company of Ukraine. The National Television Company of Ukraine, which was supposed to be merged by that time, had to register its charter. State television and radio broadcasting com-

panies had 10 days to close down a legal entity, and the National Television Company of Ukraine had 10 days to register the charter; only after this the National Television Company of Ukraine could submit documents for the reissue of licenses. The reorganization commission planned to do all of this by the end of the budget year.

Since September, many documents at all state television and radio broadcasting companies were inspected. Members of the reorganization commission received asset-related documents. In particular, three inventories of state television and radio broadcasting companies were conducted (according to the orders of the State Committee on Television and Radio Broadcasting, commissions that were conducting inventories on the spot, had been created). The first one was conducted on August 31, 2015, and it gave the opportunity to compile lists of property, which are necessary to start tenders on its assessment (which is also a long procedure). Another inventory was conducted on September 30, as it was necessary to wait enough time until the start of tenders conducted by the State Property Fund. The State Property Fund selected entities which were conducting assessment and which were engaged in the determination of the value of non-current assets of state television and radio companies and Ukrtefilm for the formation of the authorized capital of UA:PBC PJSC. In mid-November 2015, a trilateral agreement on the right to conduct an independent assessment of non-current assets was signed. The assessment was conducted.

Could anyone guarantee that all the information contained in handover certificates and appendices thereto was reliable? The State Committee was assuring everyone that they had all the necessary documents, according to which violations could be detected. For example, the State Committee on Television and Radio Broadcasting had reports on the inventory of non-current assets for 2014. In addition, information was sent about the property which had been written off. According to the resolution of the Cabinet of Ministers, state television and radio broadcasting companies and Ukrtefilm state enterprise had the right to write off property worth up to UAH 10 thousand on their own; over the year, they were writing off property that was completely worn out and the value of which was already equal

to zero. Everything which was worth more than UAH 10 thousand had to be written off by the commission of the State Committee on Television and Radio Broadcasting. During the reorganization, the government commission requested all documents for the purpose of exercising control and was determining whether anything was written off without the consent of the Committee, or whether anything valuable was written off.

For example, floppy disks were written off; the value of disks themselves was already equal to zero, but nobody knows whether information on those floppy disks was valuable.

Reorganization commission also announced the launch of a major tour of regional state television and radio broadcasting companies, which was supposed to start in mid-September, but as at the beginning of winter, it did not start. However, members of the commission did not abandon this idea.

Thus, **deadlines for the creation of UA:PBC PJSC were constantly extended.** It was not the beginning of 2016 anymore.

In December, composition of the Supervisory Board of the National Public Broadcasting Company of Ukraine, members of which started developing drafts of the necessary documents (provisions on the activities of the Supervisory Board, provisions on the competition for the post of the chair and members of the board, the main areas of activity, draft charter, etc.), was already formed. As a body, the Supervisory Board could assume its powers after a legal entity of UA:PBC PJSC was registered. But in order to accomplish this, assessment of property for the creation of a PJSC had to be completed, and the Cabinet of Ministers had to approve the Charter of UA:PBC PJSC.

According to Oleh Nalyvaiko, the fact that all participants realized that the reform was inevitable was the most important thing that was done in 2015 in terms of the transformation of state broadcasting into public broadcasting. *"We managed to convey the prospects of the creation of public broadcasting to the majority of employees of regional state television and radio broadcasting companies,"* he said when making comments to the "Public Broadcasting" website. According to him, the government's resolution according to which restrictions on the wages fund of the UA:PBC were lifted, and, on the initiative of the Prime

Minister, all possible functions of management and influence were transferred to the Supervisory Board, contributed to this. In 2015, there was also a significant increase in the FM-broadcasting coverage, provided by state television and radio broadcasting companies, as well as over-achievement of financial targets by regional state television and radio broadcasting companies (we would like to remind you that local election was held in 2015). 2015 showed all reformers that in addition to formal issues, more attention should be paid to explanatory and image work, to the formation of a high demand for Public Broadcasting among citizens, and to debunking the myth that UA:PBC is a weak link in the information security.

RESPONSIBLE BODY NO. 2 – The National Council on Television and Radio Broadcasting

In parallel, the process for which the National Council on Television and Radio Broadcasting was responsible - creation of the Supervisory Board of UA:PBC - was under way during 2015. According to Article 8 of the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine", the National Council was empowered to hold a conferences on the election of members of the Supervisory Board of UA:PBC from non-governmental organizations.

On the basis of amendments to the Law on Public Broadcasting, the National Council made changes to its regulatory act, which determined the procedure for holding conferences, and after the public discussion, it was submitted to the Ministry of Justice for state registration. After the registration, the procedure for electing candidates to the supervisory body of the public broadcaster began. We would like to remind you that the regulatory body had already tried to hold the conferences in January-February 2015 in accordance with the previous law on Public Broadcasting. But now the conferences had to be organized from scratch, since several important changes had been made with this regard. In particular, the status of conference participants had been changed (from APU to NGO), two areas (education and science) had been merged, and the area of ensuring the rights of national minorities had been added.

At the same time, the National Council sent a letter to Volodymyr Hroysman, chair of the Verkhovna Rada of Ukraine, requesting him to take organizational measures for the prompt election of members of the Supervisory Board of UA:PBC from the Parliament.

On May 21, 2015, the regulatory body approved the Procedure for Holding Conferences of Public Unions and Associations, Electing Members of the Supervisory

MEMBERS OF THE SUPERVISORY BOARD, ELECTED BY THE PUBLIC

1



Oleksiy Panych,

representative of educational and scientific NGOs ("Duh i Litera" Science and Publishing Association" NGO, Shevchenkivskiyi district of Kyiv)

2



Volodymyr Brynzak,

representative in the field of physical education and sports, vice president of the National Olympic Committee, president of the Biathlon Federation

3



Yevhen Hlibovytskyi,

representative in the creative sphere, partner of the Pro.mova agency, representative of the "Publishers' Forum" NGO

4



Taras Shevchenko,

representative in the field of human rights, director of the Media Law Institute

5



Tetiana Lebedieva,

media organizations representative, honorary chair of the Independent Association of Broadcasters

6



Nataliia Skrypka,

representative in the field of protection of the rights of people with special needs, executive director of the All-Ukrainian public association "National Assembly of Persons with Disabilities of Ukraine"

7



Vadym Miskyi,

representative in the field of protection of the interests of children and young people, coordinator of expert groups of the Reanimation Package of Reforms

8



Viktor Taran,

representative in the field of local government, representative of the Center for Political Studies (which is currently called "Eidos")

9



Daria Kariakina,

representative in the field of ensuring the rights of national minorities, deputy chair of the board of the "International Union" NGO

MEMBERS OF THE SUPERVISORY BOARD FROM PARLIAMENTARY FACTIONS AND GROUPS

1

**Lavrentiy Malazonia**

2

**Vitaliy Portnykov**

3

**Serhiy Taran**

4

**Volodymyr Yavorivskyi**

5

**Taras Avrakhov**

6

**Ihor Khokhych**

7

**Viacheslav Kozak**

8

**Svitlana Ostapa**

Members of the first composition of the Supervisory Board from parliamentary factions and groups, who were replaced in 2015:

**Andrii Shevchenko****Mykola Davydiuk**

Board of UA:PBC PJSC and terminating their powers, which was approved by the Ministry of Justice only in early July.

On July 9, the National Council approved a new schedule for holding conferences of public unions and associations for the purpose of forming the composition of the supervisory body of UA:PBC, as well as the composition of the public commis-

sion on holding conferences of public unions and associations for the purpose of electing members of the Supervisory Board of UA:PBC PJSC. The Public Commission included 21 representatives from public councils under the National Council, the State Committee on Television and Radio Broadcasting, the Ministry of Culture, the Ministry of Education and Science, the Ministry of Youth and Sport, the Ministry of Regional Development, Building and Housing of Ukraine, as well as the advisory council under the Ukrainian Parliament Commissioner for Human Rights. The Public Commission was obligated to assess the compliance of public unions and associations which expressed their desire to participate in conferences on the election of members of the Supervisory Board of UA:PBC with the requirements of the Law "On Public Television and Radio Broadcasting of Ukraine" and to make recommendations to the National Council.



The National Council announced receipt of applications from public unions and associations for participation in conferences on the election of members of the Supervisory Board of UA:PBC. Associations that were carrying out activities in one of the following areas were allowed to participate in the conferences:

- education and science;
- ensuring the rights of national minorities;
- physical education and sports;
- journalism;
- human rights;
- protection of the interests of children and young people;
- creative work;
- local government;
- protection of the rights of people with special needs.

During July 27 - August 10, 76 organizations submitted documents to the National Council, 57 more organizations had already been allowed to participate in the conferences during the preliminary selection stage. In total, more than 130 associations and 117 non-governmental organizations were allowed to participate in the conferences.

Members of the National Council Uliana Feshchuk and Serhiy Kostynskyi became co-chairs of the counting board of conferences.

On August 27, the National Council made amendments to the schedule for holding conferences on the election of the Supervisory Board of UA:PBC, having determined that the conferences of public unions and associations would be held in the period from October 12 to October 30. In the period from September 21 to September 25, the agency continued to receive applications from candidates (a total of 70) for the posts of members of the Supervisory Board of UA:PBC.

All the conferences except one were held at the first attempt. On October 19, participants of the conference in the field of ensuring the rights of national minorities failed to elect their representative in the supervisory body of the public broadcaster. The second conference was held on December 15, 2015; 53 NGOs submitted applications for participation in this conference, and 32 associations were admitted

As for the parliamentary quota in the Supervisory Board, the first to comply with the law was the faction of the Samopimich Union [Self Reliance Union] political party, which elected media expert **Svitlana Ostapa**, member of the Detector Media NGO, as its representative.

By the end of **July 2015**, all factions and groups elected their representatives to the Supervisory Board of UA:PBC. They were::

- **Lavrentiy Malazonia** (from the "Opposition Bloc" parliamentary faction), who had been the head of the News One channel until 2012. From October 2013 to December 2013, as well as from February 2014 to January 2015, he had been managing the production of NIS and information broadcasting of Inter;
- **Vitaliy Portnykov**, journalist, TV presenter on "Espresso TV" and "Radio Liberty" (from the "People's Front" parliamentary faction);
- **Serhiy Taran**, political scientist, co-founder and chair of the Center for Sociological and Political Studies "Sotsiovymir", director of the International Democracy Institute (from the "Petro Poroshenko Bloc" parliamentary faction);
- **Andrii Shevchenko**, who had been the head of the program "Rada: Accountability, Responsibility, Democratic and Parliamentary Representation", people's deputy of several convocations (from the All-Ukrainian Union "Fatherland" parliamentary faction);
- **Taras Avrakhov**, former general director of the National Radio Company of Ukraine (from the People's Will parliamentary group);
- **Ihor Khokhych**, chair of the All-Ukrainian Youth Movement "Responsibility Begins with Me" (from the Revival parliamentary group);
- **Mykola Davydiuk**, director of the "Politics" analytical center (from the parliamentary faction "Radical Party of Oleh Lyashko").

But since **July 2015**, there were already some changes due to both objective and not quite objective reasons. Namely: Andrii Shevchenko, who had been appointed Ukrainian Ambassador to Canada, was replaced by the people's deputy of several previous convocations, former chair of the Writer's Union of Ukraine Volodymyr Yavorivskiy, and the Radical Party faction, for unknown reasons, replaced Mykola Davydiuk with the former TV presenter and author of programs on the "Ukrainian Radio" **Vyacheslav Kozak**.



Office of the Council of Europe in Ukraine was closely monitoring the conferences, unlike our media, which actually paid no attention to these events. The National Council was actively covering the entire process on its website in a special section "Public Broadcasting" and provided a live broadcast of all conferences. At a press conference, the National Council publicly presented the newly elected members of the Supervisory Board.

In accordance with the Law on Public Broadcasting, another mission of the National Council was to re-registration of licenses of state broadcasters for the public broadcaster. The National Council on Television and Radio Broadcasting managed to perform this task. At an extraordinary meeting on November 27, 2015, it re-registered licenses of the National Radio Company of Ukraine, "Kultura" State Television and Radio Company", and 28 regional state television and radio broadcasting companies for the National Television Company of Ukraine as part of the transformation of these state broadcasters into one public broadcaster.

161 licenses which belonged to 30 broadcasters became the property of the National Television Company of Ukraine, which was supposed to subsequently become a public broadcaster.

On November 30, the National Radio Company of Ukraine, "Kultura", and all state television and radio broadcasting companies had to cease to exist as legal entities,

but their licenses were not canceled, and nobody stopped broadcasting. Instead of regional state television and radio broadcasting companies, branches of the National Television Company of Ukraine were created in the regions. In order to avoid unlicensed activities, by **November 30**, the National Council re-registered all licenses of television and radio broadcasting companies which were being transformed into the National Public Broadcasting Company of Ukraine.

Then, due to the fact that the deadline for the approval of handover certificates had been extended by two weeks (until December 15), the decision of the National Council was also amended with regard to the date on which licenses of state television and radio broadcasting companies had to be canceled.

The National Television Company of Ukraine paid a minimum license fee provided for in the current Methodology for Calculating License Fees - UAH 1,378 (which was equal to one minimum wage at that time) per one license - for the re-registration of licenses of reorganized television and radio companies.

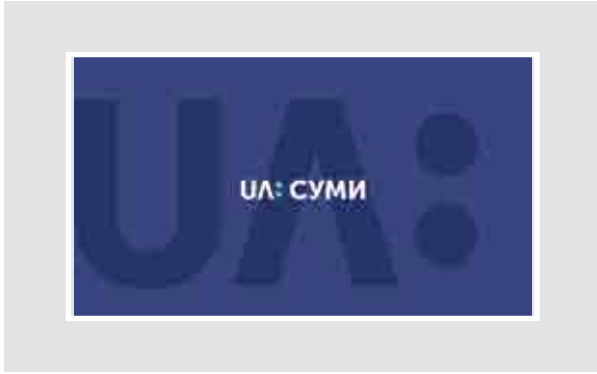
2015: THE NATIONAL TELEVISION COMPANY OF UKRAINE ON THE RADAR OF CRITICS

In 2015, those who believed that "UA:Persnyi" was already Public Broadcasting made all possible demands on the television company. The management of the company had noted earlier that it would be working on new content which would be worthy of the Public Broadcasting without waiting for the formal creation of UA:PBC PJSC. In particular, news changed dramatically after the Revolution of Dignity, they became balanced and ceased to promote the authorities (as evidenced by the monitorings carried out by the Detector Media NGO). In addition, new projects were launched (some of them were launched under the auspices of foreign organizations and broadcasters): "Debate PRO", "Made in Ukraine", "War and Peace", "Uteodyn with Michael Schur", "Travelers", "5 bucks.net" TV series, "Prime Time" author's program by Myroslava Gongadze, etc. The channel has completely remade its website.

About 30 projects were closed on "UA:Persnyi", including Savik Shuster's talk show and Mykhailo Poplavskiy's programs and concerts.

It was planned that all central channels of the National Public Broadcasting Company of Ukraine and its branches would receive the "UA:" logo within a year, but this would not be done automatically. According to the general director of the National Public Broadcasting Company of Ukraine, Zurab Alasania, only those who would be broadcasting on the principles of the National Public Broadcasting Company of Ukraine were supposed to receive this logo. In **December 2015**, Sumy Regional State Television and Radio Broadcasting Company became the first company which was allowed to use the "UA:" prefix in its name. *"Sumy Regional State Television and Radio Broadcasting Company was the first regional state television and radio broadcasting company which proved that the news can be produced based on the principles of honesty. There are no "promoted stories" and "native advertising" there. This was evidenced both by the monitorings carried out by the Detector Media NGO and by our own monitorings. The team which consists of 106 people understands why they are working and understands social values. Yes, it is hard to work, but it is possible. It would be great, if looking at the example of Sumy Company other regions understood that it is possible and that nobody will die without money. The logo is a matter of values. This does not mean that all content has changed, it is normal in terms of values, but it is still not good enough in terms of the image or content,"* Zurab Alasania said. At that time, nobody thought that the process of obtaining logos would be extended for four years. As at the end of 2018, not all branches have the "UA:" prefix in their logo.

By the end of 2015, staff structure of the merged company remained unchanged both in terms of the number of people and in terms of management structure. In fact, during this period, the merged company and its branches were getting rid of the system of state broadcasting that had existed before. In many respects, such a decision was associated with the system of financing budget organizations, as well as with restrictions imposed on the National Television Company of Ukraine by the Labor Code. Man-



agement of the National Television Company of Ukraine stated that they were taking their obligations to employees of regional state television and radio broadcasting companies seriously and that they would treat the rights of local personnel very carefully. There were no major cuts in the state broadcasting system in 2015, except for the 10% at the National Television Company of Ukraine, that is, almost 150 employees; in addition, journalists were resigning from "UA:Pershyi" because of low salaries.

Nevertheless, at the end of December 2015, negotiations on future optimization based on the size of budget financing that would be provided for 2016 started with trade unions.

The management noted that, in general, cuts would probably amount to about 30%, whereas the final figures would be different in different regional companies. In some branches, staff composition completely corresponded both to the volume of broadcasting and to the obligations related to own production, whereas in other branches up to 50% of staff could be easily dismissed, and the viewer would not even notice a drop in the quality of television products produced. The management was promising that the approach to cuts would be individual and that there would be strict compliance with the legislation in terms of notices and redundancy payments. Thus, it was planned to receive a staff composition and the number of employees that would correspond to the allocated funding, as well as to the needs of the merged National Television Company of Ukraine, by April 1.

Representatives of the Reorganization Commission found "ghost employees" in companies, whose payroll cards had been used by the heads as a cash reserve.

It was planned to sign handover certificates between state television and radio broadcasting companies, the National Radio Company of Ukraine, "Kultura" channel, and branches of the National Television Company of Ukraine, as well as to make final settlements with contractors within the framework of tender contracts and the treasury, by December 15, 2015. After that, final procedures for the legal liquidation of structures that were amalgamated with the National Television Company of Ukraine had to be launched. Members of the reorganization commission expected that by the end of 2015, amalgamation of the Ukrtefilm studio would be completed, and the property that was transferred from the regions to the balance sheet of the National Television Company of Ukraine and was supposed to become part of the authorized capital of the future UA:PBC would be assessed.

In January 2016, the second stage of the reform began, which was supposed to end with the creation of UA:PBC PJSC.

As for the financing allocated to the public broadcaster of Ukraine, according to the announced draft budget for 2016, it was obvious that there would be even less funds than in 2015. We would like to remind you that in accordance with Article 14, par. 3 of the Law on Public Broadcasting: *"The state was supposed to provide proper funding for UA:PBC, which was supposed to be a separate line in the State Budget of Ukraine and amount to at least 0.2% of the state budget general fund's expenditures for the previous year."*

What did this really mean? In the project, expenditures of the general fund of the State Budget of Ukraine for 2016 are determined as **UAH 638,441,483.3 thousand**, that is, more than **UAH 638 billion**. According to the relevant law, the state was obligated to allocate **UAH 1 billion 276 million and 883 thousand** to the National Television Company of Ukraine. In reality, **UAH 632 million and 900 thousand** was allocated for the Public Broadcasting budget program in the budget for 2016. That is, in fact, it was suggested that the agency should agree to the amount which was half as large, whereas in 2015, funding allocated for the entire system (National Television Company of Ukraine, "Kultura" TV channel, "Ukrainian Radio", and regional state television and radio broadcasting

companies) under the relevant budget program amounted to a total of **UAH 705 million and 300 thousand**.

No funds were allocated for the modernization of fixed assets; in some regions, deterioration of equipment reached 100%, which made termination of broadcasting due to technical faults virtually inevitable. This situation and its possible consequences were recorded in detail in the inspection sheet of the Auditing Chamber as of **July 3, 2015**.

"UA:Pershyi" was often compared to the leading commercial TV channels of Ukraine, without taking into account the fact that the latter have significantly more money, allocated by private owners, than a single channel with nationwide coverage. According to the law on public broadcasting, UA:PBC had to ensure operation of 28 regional companies with their own property, buildings and structures, which were mostly providing around-the-clock broadcasting.

UNSTEADY TECHNICAL STATE OF THE REFORMED SYSTEM

Several times, the reformers were about to determine the cost of new equipment for the television company and its regional branches, but did not move forward, since they decided that it was necessary to first determine the tasks and the number of broadcast channels (both for television, radio, and digital platforms).

In total, they needed from 12 to 70 million dollars for new technical equipment. **Yuriy Boichuk**, technical director of the National Television Company of Ukraine, made the following comment about the state of equipment at all entities on the basis of which UA:PBC PJSC was being created:

- none of the companies had new equipment;
- the majority of equipment was procured before 2007;
- all equipment was obsolete;
- chronic underfunding led to the use of unprofessional and non-systemic solutions;
- terrible deficiency and wear of IT equipment;
- it was necessary to introduce new methods of creating programs, using modern equipment.

"We have several projects for the re-equipment of the National Television Company of Ukraine (without taking into account program concepts and without regional branches), the cost of implementation of which is from 12 to 70 million dollars. Unfortunately, we do not expect to receive financial support from the state. Therefore, all existing projects are carried out exclusively at the expense of grantors," Mr. Boichuk said.

CREATION OF A MEGA-ARCHIVE OF TELEVISION AND RADIO PROGRAMS

The reorganization commission did not forget about the creation of a common archive. The National Television Company of Ukraine and state television and radio broadcasting companies had priceless archives of Soviet audiovisual products, most of which were stored on old media. Cassettes were falling into pieces, and old tape recorders that could digitize them were getting out of order. The only way to save the archives was to digitize them as soon as possible.

The National Television Company of Ukraine was assuring everyone that the mega-archive would certainly be created. "The Common Archive" - this was the name of the working group that was working on the development of this project. Representatives of the National Television Company of Ukraine, the National Radio Company of Ukraine, and "Kultura" TV channel were developing requirements for the long-term storage of video footage. The group took into account recommendations of the European Broadcasting Union for the description of archives. It was planned to build a network of local archives (for every branch) and a central archive on the basis of a large tape library of the National Television Company of Ukraine (Oracle SL3000). In order to provide access to the archive, it was planned to create a private website, where descriptions and proxy copies of all video footage of all branches would be presented. It was also planned to introduce a mechanism for obtaining high-quality video which would be used in the production of programs or during broadcasting. The final stage was to post archives online in proxy quality, so that viewers could watch the footage, and professional users could place orders.

There was a serious problem with the use of the library of the National Television Company of Ukraine — the system was purchased in 2010 and required manufacturer's professional maintenance. Due to the lack of funding, maintenance was not carried out, the system was operating in emergency mode, and the company was looking for the funds to deal with the situation.

A separate project to collect data on branch archives, namely the minimum list of metadata for textual description of archival materials, was created at the request of the State Committee on Television and Radio Broadcasting; a website with restricted access and the possibility of manual or batch input of data was created.

In addition, a project "News Archive of the National Television Company of Ukraine", which had been created with the help of the Council of Europe, was being implemented. From this day on, all news footage was stored on video tapes. But the National Television Company of Ukraine was hoping to receive modern and convenient equipment for the work with the archive at the beginning of 2016. This was a pilot project, which, firstly, allowed one to create high-quality news for the National Television Company of Ukraine, and secondly, allowed to deal with all issues related to its use when producing content for central offices and branches.

FINANCIAL YOKE OF THE NATIONAL TELEVISION COMPANY OF UKRAINE — OLD DEBTS

At the beginning of 2014, the total amount of debts and possible losses related to lawsuits in which the National Television Company of Ukraine was the defendant, amounted to over **UAH 500 million**. It was a financial abyss, from which the company was getting out during the entire year. Long negotiations, the work of the legal and financial departments, and the support of the Ministry of Finance allowed to reduce the amount of debt by half. According to the results of the year, lawsuits for the total amount of more than UAH 150 million were won, restructuring, during which debts to the EBU (European Broadcasting Union) for the total amount of more than 20 million were written off, was carried out. As a result, the National Television

Daria Yurovska



Company of Ukraine resolved all issues related to the repayment of long-term debts of over UAH 55 million to the European Union, paid all current licensing fees for the right to broadcast 2014-2016 Olympic Games, and settled legal relations with communications service providers with regard to payment for their services related to the broadcast of television programs.

A compromise on the repayment of the 1996 debt of more than UAH 28 million under a Japanese loan, which the National Television Company of Ukraine had taken out in order to purchase television equipment, was found with the Ministry of Finance; and it had yet to be documented. Debts under this loan had been ignored by virtually all heads of the National Television Company of Ukraine for many years, which led to the fact that this debt had increased by three times (due to the weakening of hryvnia).

The only unresolved issue related to debts was a lawsuit regarding a debt of over EUR 10 million to Euronews, which is currently underway. At the end of November, 2015, the National Television Company of Ukraine lost in the trial court.

There was also an urgent need to pay for services and the license to broadcast the 2016 Olympic Games held in Brazil, otherwise viewers would not be able to watch these international competitions.

WHAT COULD DELAY THE PROCESS OF CREATING UA:PBC PJSC

At the end of 2015, it became clear that it was already impossible to stop the launched reform. It could only be slowed down. During the last few months of 2015, authorized representatives of the state did everything they were supposed to do. At the same time, new ideas often clashed with the old outdated regulatory framework, which one was trying to change, and which is always a difficult and long process. The process could be delayed by: the lack of funding from the budget; unresolved issue with the debt to Euronews; increase in broadcasting rates; weak communication between the participants of the process, which was repeatedly mentioned by general directors of regional state television and radio broadcasting companies; creation of a char-

ter, which had to combine provisions of the laws on the National Public Broadcasting Company of Ukraine PJSC and on public joint stock companies; delay in signing the UA:PBC Charter by the government, etc.

It was important to ensure that the reform of Public Broadcasting would become popular and momentous not only for international partners, but also for Ukrainian people. It was equally important to ensure that the government would not just talk about supporting the reform, but would help the merged UA:PBC avoid hand-to-mouth existence and would not cut the budget which it is supposed to receive in accordance with the law on the Public Broadcasting.

At the end of 2015, draft documents on the basis of which UA:PBC PJSC, the Supervisory Board, the inspection commission, etc. were supposed to work, were developed. In particular, as at December 1, a draft charter of UA:PBC was developed, which had yet to be presented for public discussion. There was only a weak attempt to discuss the draft Charter with a small number of participants at a round table "Regional Dimension of Public Broadcasting of Ukraine, Integration into International Values", which was held in Kyiv on November 24, 2015. Council of Europe expert **Eve Salomon** criticized this project. And since the Charter of UA:PBC PJSC had to be approved by the Cabinet of Ministers, all the interested ministries and departments had to approve it, which would also take time.

In addition, somebody also had to draft such documents as the regulation on the Supervisory Board, editorial charter, regulation on the competition for the post of the chair and members of the board; regulation on the board of UA:PBC; regulation on the Inspection Commission of UA:PBC, etc.

PROGRAM CONCEPT OF UA:PBC

Among other issues, the working group at the National Television Company of Ukraine was also developing the program concept of UA:PBC; deputy general director Daria Yurovska was responsible for this area.

In May 2015, Daria Yurovska presented an outline of the draft program concept. Full text

of the concept was not made public. According to the project, the national television channel "UA:Persnyi" was supposed to become a universal channel, whereas "Kultura" was supposed to become a thematic niche channel. These channels had different coverage and provided different types of broadcasting: "UA:Persnyi" provided analog and digital broadcasting, whereas "Kultura" provided satellite broadcasting. "We are planning to create two powerful nationwide terrestrial television channels that would differ not only in topics, but also in the time of delivery and ways of presenting information," Daria Yurovska said at the meeting of the working group.

According to her, the first channel was strategically developed as a platform for broadcasting live events, news, and other content related to information broadcasting, as well as programs dedicated to analysis and hot-on-the-heels forecasts. The second channel's strategy was to provide more in-depth reflections, thorough analysis, and education in the broadest sense (science and culture for all age categories).

In accordance with the project proposed by the team of Zurab Alasania, general director of UA:PBC, general requirements for the content of both channels were as follows:

- unbiased and verified information;
- discussions aimed at finding a solution;
- programs with added value, which inspire and engross viewers;
- education in the broadest sense (media, social, value, direct education) for children and adults;
- any minority needs not just one single program or programs created for them specifically, they need the opportunity to be represented in the information field as an integral part of a single society;
- co-production in the broadest sense (with the audience, with all/between all entities of UA:PBC).

According to Daria Yurovska, when creating line-up and content for its two channels, UA:PBC should be guided not by separate formats, but by the content for each of them, which would have different dynamics.

Namely, UA:Persnyi should cover:

- news,
- live broadcasts,
- analytics,
- investigations,
- factual documentary,
- daily and summary talk shows.

There were grandiose plans. In particular, the extended program concept provided for:

- introduction of a morning information show,
- ten national news bulletins daily on weekdays,
- some additional news bulletins devoted to sports, international events, daily bulletin of economic news,
- development of a live author's program in the evening prime time,
- introduction of own investigation program,
- creation of two new formats devoted to reforms in Ukraine,
- development of a talk shows,
- creation of a daily program devoted to events in the regions of the country,
- introduction of new programs in the form of special reports and factual documentary.

During the transition period, UA:Persnyi television channel was supposed to increase the general share of information broadcasting, to start the launch of new information formats, and to develop cooperation with regional broadcasters.

The air of the UA:Kultura channel, which was only broadcasting in satellite and cable networks at that time, had to include:

- lifestyle,
- broad documentary,
- culture, art,
- music,
- education (both for adults and children), in-depth discussions.

During the transition period, "Kultura" channel was supposed to increase the general share of programs devoted to the life of the society, to gradually depart from niche programs focused exclusively on art, and to develop cooperation with regional broadcasters.

Both public broadcasting television channels

had to make announcements about one other, both directly and indirectly. It was planned that content could be produced on one topic for both channels at once, but in different formats. For example, inter-program products on the first channel would be micro-series of documentary films broadcast on the second channel.

The line-up had to be formed in such a way so that the second channel would not steal the audience from the first channel, and vice versa.

According to the idea of the creators of this program concept, the audience had to come together in certain points of the air. For example, national news at 21:00, including sports, could be broadcast at the same time on both channels. At the same time, programs preceding the news on the first and second channels should gather different audience for the news bulletin.

According to Daria Yurovska, unlike in many countries of the world, Ukrainian public broadcaster was created under conditions of fierce competition with a large number of powerful and highly professional private television channels, radio stations, and new media. And in this competition, the branched system of television and radio broadcasting companies in the regions is perhaps the strongest point of the public broadcaster: no commercial broadcasting can afford such a broad representation.

Thanks to regional broadcasters, the National Public Broadcasting Company of Ukraine could fulfill one of its most important tasks, that is, to be present everywhere where there were Ukrainian citizens. According to the draft program concept proposed by the working group, regional companies were supposed to show individuality of that part of the country in which they were operating; to have the opportunity to discuss issues that were important for various communities in every region. However, basic principles on which the National Public Broadcasting Company of Ukraine would exist would remain the same for every unit, every journalist, director, operator, and any employee of the company, wherever they were working; and these were independence and professionalism.

The draft program concept stipulated that in their own production regional companies would focus on quality, rather than on quantity. The general concept of the working group provided for:

1 OWN PRODUCTION

- regional informational broadcasting: news (including the strategy of cooperation with the districts in the region), live broadcasting of events, live evening programs on weekdays, morning infotainment formats;
- projects about the life of communities: every regional channel was supposed to have its own weekly social talk show dedicated to the activities of communities, as well as a program featuring important stories from the life of the region, which are not included in the news (companies could choose the format on their own);
- unique content: each of the regional companies had to determine its strongest point - some companies have great documentaries, others work well with youth content, and there are also companies that have music or cultural programs which the entire world should see. Against this background, exchange and co-production would develop within the National Public Broadcasting Company of Ukraine; at the same time, with the help of these programs every regional broadcaster could still show their identity.

2 QUALITY CONTENT FOR ALL BROADCASTERS

- opening archives of national television and radio companies: resource pooling would enable all partners to use common achievements in order to diversify broadcasting and add other high-quality content to their own programs;
- common rights to acquired content: possibility of using third-party products rights to which either were acquired earlier or were received for only one television company;
- wide co-production within the National Public Broadcasting Company of Ukraine: daily live projects, cycle programs, special projects

During the transition period, the main attention should be paid to:

- improving the quality of key information programs of regional broadcasters (in particular, through training);
- introducing single information broadcasting

standards (monitoring should be conducted both by independent experts, by the public, and within the system);

- introducing pilot co-production.

In the opinion of the developers of the program concept, co-production will allow one to introduce and maintain the quality of broadcasting, as well as single standards within the National Public Broadcasting Company of Ukraine.

The following variants of co-production were also suggested:

- in the field of daily live programs (cooperation in the field of information broadcasting — news, talk shows, etc., as well as the creation of a separate program with the participation of all partners);
- in the field of live programs — special projects (teleconferences, broadcasts);
- in the field of cycle projects (documentary programs, children's programs, educational programs, etc.), work performed by one team, starting from an idea to post-production;
- one-time co-production of projects (special non-live projects);
- genre hubs (production of a certain type of programs by one of the regional stations for all broadcaster's channels).

It was also planned that in the future, the public broadcaster would have a general large all-Ukrainian anchor project every year (or every six months), which would last for several months and would involve all partners.

In the opinion of the concept developers, when selecting pilot projects for co-production, one should focus on live information broadcasting as the most important component, since it is high-quality content that would help future public broadcaster win citizens' trust.

On the one hand, such an approach would allow the National Public Broadcasting Company of Ukraine to provide viewers with a complete, objective, and broad picture of what is happening in the country. As a rule, in the largest cities of the country commercial broadcasters only have news offices consisting of one journalist, one operator, and sometimes a driver. In most cases, such offices only work with news, preparing individual stories, and doing play-by-plays from time to time. The public broadcaster had 26 separate centers, which had their own studios where they could work with guests and the audience.

Thus, the entire country (the audience in studios throughout Ukraine, participants in events) would constantly take part in the discussion of important issues on the air of the National Public Broadcasting Company of Ukraine, and the circle of experts would increase significantly (it is currently often limited to those who are constantly in Kyiv or can come there in order to take part in the program).

In order to start this work, before the formal merger, the working group was planning to launch a pilot project of cooperation with one or several regional television and radio broadcasting companies. This would make it possible to deal with all incomprehensible issues and technical problems, as well as to make the procedure of merger and cooperation more understandable for all partners that were part of the National Public Broadcasting Company of Ukraine.

As a pilot project, it was suggested that cooperation should start between those who produce news and live talk shows, and that a special format should be developed, which would allow one to watch the events that take place in the regions every day. This would be a daily information and analytical program with duration of 24 minutes

to an hour, which would be broadcast at the national level on weekdays in the evening prime time. It was planned that studios, TV presidents, and journalists from several regions of the country at once would be taking part in the project every day.

INTERNATIONAL COOPERATION AND DONOR ASSISTANCE TO THE NATIONAL TELEVISION COMPANY OF UKRAINE



The main international partners of the National Television Company of Ukraine, whose assistance was and remains one of the key factors in the further stable transformation of state television and radio companies into UA:PBC, include the European Broadcasting Union, European and American public broadcasters, the Office of the Council of Europe in Ukraine, Delegation of the European Union to Ukraine, Deutsche Welle Akademie (Germany), Internews Networks (USA), MyMedia and Danish broadcasters DR and TV2, BBC Media Action (Great Britain), Media Development Fund / US Embassy, Japanese International Cooperation Agency (JICA), and others.

In 2015, the National Television Company of Ukraine was receiving program content from European public broadcasters and US broadcasters, in particular, from German broadcasters MDR and BR, Lithuanian broadcaster (LRT), Estonian broadcaster (ERR), Georgian broadcaster (GBP), Serbian broadcaster (RTS), Danish broadcaster (DR), etc. Negotiations on the receipt of content were conducted with a US public broadcaster (PBS) and with the Czech Television (CT).

Deputy director of the National Television Company of Ukraine Viktoriya Romanova was responsible for this work in the National Television Company of Ukraine. The National Television Company of Ukraine was closely cooperating with the Of-



Olha Siedova,
(formerly - Office of the Council of Europe in Ukraine,
currently - the Swedish Embassy in Ukraine)



David Stulyk,
EU press officer in Ukraine

office of the Council of Europe in Ukraine within the framework of the following joint programs: "Implementation of European Standards in the Ukrainian Media Environment" and "Strengthening the Information Society in Ukraine". In particular, the National Television Company of Ukraine acted as a co-organizer of public international conferences and round tables, which were public platforms for discussing both achievements and problems associated with the creation of public broadcasting in Ukraine. Public presentation of the new media brand - the National Public Broadcasting Company of Ukraine - was also held within the framework of this cooperation. The campaign included a series of promotional videos, ID-trailer, and promotional films that were devoted to the history of the creation of the new brand. The National Television Company of Ukraine also received a station where it could dub program content, Avid Pro Tools, which enabled the transition to new modern technologies. Before this, dubbing had been performed on analog tape recorders, which slowed the production process down and distorted the quality of sound records.

In addition, Europe supported the following joint projects: "Creation of an Archive for the Production of Information Programs" and "Development of a New Website of the National Television Company of Ukraine (with its transformation into the UA:PBC website)."

Thanks to the Council of Europe, the National Television Company of Ukraine received the opportunity to study its audience within the framework of the project "Study of the content of the "UA:Pershyi" television channel." Study of the level of knowledge, perception, and understanding of public broadcasting in Ukraine, its importance for the society, and the perception of the "UA:Pershyi" television channel as part of the National Public Broadcasting Company of Ukraine became the goal of the second project "Study of the knowledge about the National Public Broadcasting Company of Ukraine by carrying out a telephone survey".

The project "Support of the creation of public broadcasting in Ukraine, reorganization of state television and radio broadcasting companies, and creation of UA:PBC", carried out under the auspices of Deutsche Welle Akademie (Germany),

was a fundamental project in terms of coverage and implementation of the main areas of the transformation of the National Television Company of Ukraine into UA:PBC. The regulatory framework for ensuring the existence of an institutional component in the creation of UA:PBC, as well as creative solutions for the identification of the new brand and a successful promotion campaign aimed at improving awareness of the new UA:PBC brand, which was supposed to draw the attention of the population to "UA: Pershyi", had to be developed thanks to this project.

The project "Creation of a digital multimedia newsroom of UA:PBC", which had been developed in cooperation with Danish experts DR and TV2 DK, as well as MyMedia company, and which was aimed at making UA:PBC one of the leaders in the Ukrainian market of information technologies, informational program content, and news, was a fundamental project for the strategic development of the National Television Company of Ukraine / National Public Broadcasting Company of Ukraine. The project was extremely important and required international investment and support for its implementation. According to some sources, the multimedia newsroom of UA:PBC was supposed to be created in 2016; whereas according to other sources, nobody wanted to invest in the state-owned company (in 2015, UA:PBC was still a state-owned company); investors wanted to wait until a legal entity of the public broadcaster would be registered.

The development of cooperation with the Japanese International Cooperation Agency (JICA) was supposed to become one of the main priorities of international activities for 2016. As a result of a study visit of representatives of the National Television Company of Ukraine to Japan in April 2015, negotiations on the beginning of joint work on the installation of technical equipment in the studio of the National Television Company of Ukraine started. During the year, consultations regarding the next steps in the implementation of the project were held between Ukrainian and Japanese experts. The JICA project was aimed at creating conditions for the full-fledged production of UA:PBC format programs, in particular, various talk shows.

Internews Networks (USA) and BBC Media Action (Great Britain) became important partners

in the improvement of program content of the National Television Company of Ukraine. In particular, within the framework of cooperation with Internews Networks (USA), a number of projects to support the creation of new television content were implemented: weekly business program "The Front Page", which was informing the Ukrainian population about the most important events in the economy, business, and in financial markets in plain language; "National Debate" information projects — about extraordinary presidential and parliamentary elections (May, October 2014); "Ukraine Tomorrow" telethon — a special project devoted to early parliamentary election; a public television discussion platform "Debate PRO", where the audience, rather than TV presenters or experts, played the key role.

It was possible to encourage the youth audience to watch UA:PBC content and to win the trust of young viewers by providing new content

on new platforms within the framework of the project "Creation of the first Ukrainian youth web TV series 5baksiv.net, produced by "UA:Pershyi" (4 episodes with a duration of 8 minutes each — the first stage, 34 episodes with a duration of 8 minutes each — the second stage) in cooperation with the BBC Media Action (Great Britain).

A project aimed at creating a technical platform for the production of information content - national and international news - was developed together with the Media Development Fund / the US Embassy. The goal of the project was to raise production standards and purchase a software package and equipment for a mobile news office of the UA:PBC international news service.

Due to chronic underfunding, the National Television Company of Ukraine was constantly looking for new international partners interested in the creation of public broadcasting in Ukraine in accordance with the best international practices.

PART 3

TRANSFORMATION OF STATE AND TELEVISION COMPANIES INTO THE NATIONAL PUBLIC BROADCASTING COMPANY OF UKRAINE IS UNDERWAY

2016 FINANCING

In the state budget for 2016, **UAH 746 million and 945.3 thousand** was allocated for the budget program "Production and Broadcasting of Television and Radio Programs for the State Needs", under which the future public broadcaster - the National Television Company of Ukraine (including the amalgamated National Radio Company of Ukraine, "Kultura" State Television and Radio Company, as well as 28 regional state television and radio broadcasting companies) - had to receive funding in 2016. This is UAH 141 million and 48.7 thousand less than in the state budget for 2015.

As a result, UAH 655.55 million was allocated for the National Television Company of Ukraine and its branches (former regional state television and radio broadcasting companies) from the state budget for 2016.

Of these funds, 65.4% (UAH 429.46 million) was allocated for salaries, 22.6% (UAH 147.56 million) was allocated for television broadcasts, 5.2% (UAH 34.92 million) was allocated for utility payments, 3.8% (UAH 24.63 million) was allocated for carrying out international activities (including the purchase of licensing rights and expenses related to the broadcast of 2016 Olympic Games), and 3.0% (UAH 19.89 million) was allocated for the production of television programs and maintenance of premises.

In the first half of 2016, the average salary was UAH 3,683.7. There were 7,862.75





СТРУКТУРА ФІНАНСУВАННЯ НТКУ ТА ФІЛІЙ



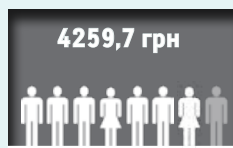
Середня зарплата

I півріччя



до скорочення
7862,75 посад

II півріччя



після скорочення
7059,75 посад



Ліцензійний обсяг

ТБ



державне замовлення
211747 години

46,4%

ВСЬОГО ліцензійний обсяг



державне замовлення
326594 години

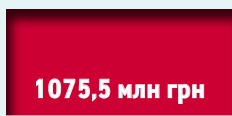
53%



Забезпеченість у видатках

згідно з Законом України «Про Суспільне телебачення і радіомовлення України» про фінансування НСТУ у розмірі 0,2% видатків загального фонду Державного бюджету України за попередній рік.

Планується відповідно до закону, 0,2%



за загальним фондом

Затверджено кошторисом на 2016 рік



за загальним фондом



Забезпеченість потреби у видатках

згідно з вимогами Закону України «Про Суспільне телебачення і радіомовлення України» про фінансування НСТУ у розмірі 0,2% видатків загального фонду Держбюджету за попередній рік та проекту кошторису на 2016 рік (загальний фонд).

1793,21 млн грн

Замовляли на 2016 рік в проєкті

36,6%

Затверджено кошторисом на 2016 рік (за загальним фондом)

60%

0,2% видатків загального фонду Державного бюджету України за попередній рік на фінансування НСТУ – 60% від необхідної потреби коштів

positions at the National Television Company of Ukraine and its branches. In the second half of the year, there was a cut, after which there were 7,059.75 positions and, accordingly, salaries increased to UAH 4,259.7.

The struggle for the full broadcaster's budget continued in 2016. In particular, members of the Parliamentary Committee on Freedom of Speech and Information Policy adopted a separate decision according to which proper funding - 0.2% in accordance with the law on public broadcasting - had to be allocated for Public Broadcasting in the State Budget for 2017. Domestic non-governmental organizations, international structures, politicians, and experts repeatedly made statements about the inadmissibility of underfunding.

THE EPIC OF UKRTELEFILM

It was because of the opposition of the Ukrtefilm studio that the reform process was slowed down and the legal entity of the National Public Broadcasting Company of Ukraine was not created in 2016.

In **January 2016**, the State Committee on Television and Radio Broadcasting, having issued the relevant orders, approved handover certificates of state television and radio broadcasting companies (except for the Crimean and Sevastopol state television and radio broadcasting companies (for which there was a separate procedure) and the state enterprise Ukrainian Television Film StudioUkrtefilm (which sabotaged the reorganization process). Out of 31 entities which were reformed, Ukrtefilm became the only one that did not take any steps to amalgamate with the National Television Company of Ukraine. Because of this, in **December 2015**, the State Committee on Television and Radio Broadcasting requested law enforcement agencies to take measures to identify and stop the aforementioned criminal offenses and hold the offenders from the Ukrainian Television Film StudioUkrtefilm liable.

Ukrtefilm employees were ignoring implementation of the law on public broadcasting, the resolution of the Cabinet of Ministers, which provided for the creation of a single entity of UA:PBC PJSC, as well as the order of the State Committee on Television and Radio Broadcasting. According to the resolution, a liquidation commission was created, which had to reorganize the state enterprise Ukrtefilm Studio and transfer it to the National Public Broadcasting Company of Ukraine. However, the liquidation commission did not have access to documents and seals.

The building
of "Ukrtefilm"



Off-site meeting of the
Committee on Freedom
of Speech on
February 25, 2016



This issue was considered at a meeting of the parliamentary Committee on Freedom of Speech and Information Policy as of February 17, 2016. Members of the Committee appealed to the Ministry of Internal Affairs and the Prosecutor General's Office with regard to the sabotage of the reform by the management of the state enterprise Ukrtelevision Studio and decided to hold an off-site meeting.

On February 25, 2016, during an off-site meeting (the first off-site meeting in this convocation of the parliament), which was held at the Ukrtelevision Studio, the Committee on Freedom of Speech addressed the issue of the sabotage of the reform of Public Broadcasting in Ukraine. A unanimous decision was made to change the composition of the liquidation commission at the Ukrtelevision Studio and to promptly unblock the process of the creation of UA:PBC PJSC. In addition, the work of the State Committee on Television and Radio Broadcasting regarding the elimination of this problem was considered to be insufficient.

Seven parliamentarians **Viktoria Siumar, Dmytro Stetsenko, Oleksandr Sochka, Yuriy Pavlenko, Hryhorii Shverk, Olha Chervakova, Oleksandr Opanasenko** (that is, there was a quorum), as well as general director of the National Television Company of Ukraine **Zurab Alasania**, chair of the State Committee on Television and Radio Broadcasting **Oleh Nalyvaiko**, almost all members of the reorganization commission of the State Committee on Television and Radio Broadcasting, an investigator working on the case

about the unwillingness to transfer documents and seals to the head of the Ukrtelevision liquidation commission, employees of the studio, men in camouflage uniforms, journalists, and others were present at the meeting.

It was not easy to reach a consensus on the unblocking of the creation of UA:PBC PJSC. Members of the team noted to the parliamentarians that they fully supported the law on the creation of Public Broadcasting and even considered their participation in the implementation of this law. At the same time, they demanded that they first received a financial compensation provided for in the employment agreement (and this was a considerable amount of money). Given that the studio had not been making films for a long time, it was strange that they were demanding additional compensation.

During the meeting, the head of the Committee on Freedom of Speech Viktoria Siumar emphasized the legal liability of the Ukrtelevision employees. *"If we do not find a compromise on this issue now, then we will have only one option — to file the relevant applications to the Ministry of Internal Affairs and the prosecutor's office, so that they hold liable all those officials who do not comply with the law of Ukraine in this regard"*, Viktoria Siumar warned the officials against conflict escalation.

Position of the Ukrtelevision team was voiced by Viktor Anischenko, former deputy general director of Ukrtelevision, who presented the sabotage of the reform as a "conflict between employees and officials from the State Committee on Television and Radio Broadcasting and the National Televi-



Viktor Anischenko



The men in camouflage uniforms who participated in the meeting of the Committee on Freedom of Speech were representing several non-governmental organizations

sion Company of Ukraine", was accusing the new head of Ukrtelevision liquidation commission Olena Liubchenko, absolutely forgetting the fact that all of this could have been avoided, if the previous chair of the liquidation commission, general director Viktor Petrenko, had fulfilled his duties, that is, reformed the studio and amalgamated it with the National Television Company of Ukraine. We would like to remind you that Olena Liubchenko was appointed as the head of the Ukrtelevision liquidation commission after Viktor Petrenko had failed to perform this task during three months

Viktor Anischenko also spoke about two residential buildings built in the Ukrtelevision territory in accordance with an investment agreement. Legal proceedings were underway at various institutions with regard to the property rights to these buildings. In particular, with regard to the fact that the team of the studio wanted to transfer more than 10 apartments to the families of fallen ATO soldiers. It is, obviously, for this purpose that men in camouflage uniforms were invited. *"If you decide that the studio should be liquidated, then do this in accordance with the law; there are people who you have to settle accounts with. There is no sabotage; there is only one requirement - adhere to the current legislation. Glory to Ukraine!"* Viktor Anischenko ended his speech patriotically.

The chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, dismissed the accusations of criminal schemes and assured that in the implementation of this reform the State Committee on Television and Radio Broadcasting, is guided by the following two doc-

uments: the law on public broadcasting and the resolution of the Cabinet of Ministers. *"I met with the team twice, we offered employees to transfer to a branch. 28 legal entities, except for the Ukrtelevision team, have already done this. We believe that there may be a creative prospect for Ukrtelevision within the framework of UA:PBC,"* he said, reminding everyone that the state would be the main shareholder in UA:PBC PJSC.

The men in the camouflage uniforms who participated in the meeting of the Committee on Freedom of Speech were representatives of several non-governmental organizations. They said that they were not extremists and had nothing to do with the situation at Ukrtelevision. It turned out that the deputy general director of the studio (Mr. Anischenko) got acquainted with them, offered ATO participants several apartments, and invited them to take part in the off-site meeting of the committee. Of course, they wanted to receive these apartments, but Mr. Anischenko obviously forgot to tell them that legal proceedings had been underway with regard to this property for many years.

Viktoria Siumar called the apartments a stumbling block of the National Public Broadcasting Company of Ukraine and emphasized that the fate of public broadcasting could not depend on the apartments. Deputies addressed the team and emphasized that Ukrtelevision was an important foundation for the creation of Ukrainian television products, that the studio had to work for Ukraine and produce Ukrainian products, and that this was its key task.

The team's demands were simple: to save their jobs, to pay salaries and compensations, and to guarantee future development and production of films. More specifically, employees of the studio wanted: to receive compensations for unused vacations, to receive financial aid for 2015 in the amount of 12 salaries on the basis of a decision made by employees and the Collective Agreement, the text of which had not been provided for the reorganization commission, they wanted employees who had not given consent to a substantial change in working conditions to receive payment in the amount of one salary (Chernobyl victims had to receive three salaries). Employees were also saying that all apartments that the studio was supposed to receive under the investment agreement were the property of the team. But the employees did not know from which sources these payments had to be made, since the studio had stopped receiving income from its main activities many years ago.

Representatives of the team were worried about whether their salaries would decrease after Ukrtelevision would be transformed into a branch of the National Television Company of Ukraine; they stated that they had not met with the management of the National Television Company of Ukraine. This statement was refuted by the first deputy general director of the National Television Company of Ukraine **Oleksandr Kharebin**, who reminded everyone about a meeting with the team on **November 30, 2015**, where employees had been given a new staff composi-

tion in which their salaries were indicated. *"Average salary at the National Television Company of Ukraine is UAH 2,300. On the contrary, during the period when you were not producing any films and were just leasing out the state property, your salaries amounted to UAH 10-12 thousand. Out of the 78 employees of the studio, only 14 are working, whereas the rest of the team are on paid leaves. The transformation from a state enterprise into a budgetary institution is carried out in the strict compliance with labor legislation. Accordingly, we are taking you as "poor men" - I can say this with confidence - and guarantee you a job at the National Public Broadcasting Company of Ukraine. And with regard to the liquidation of the company, we urge you to be guided by the law,"* Oleksandr Kharebin said, also paying attention to the issue of the residential apartments of Ukrtelevision. According to him, all the money and property of the studio would be transferred to the balance sheet of the National Television Company of Ukraine. The National Television Company of Ukraine could not sell it or privatize it. The team was promised that everything they would earn by leasing out the premises would go to a special fund, which would be a source of funding for their salaries.

Oleksandr Kharebin called the inability of the state to take control over a state-owned enterprise, which, according to him, had become a *"territory temporarily occupied by the Ukrtelevision studio,"* a capitulation.

People's deputies noted that it was very impor-



Hryhorii Shverk,
people's deputy

tant to reach a consensus and that the apartments should not hinder creation of something which the society had been dreaming of for many years. Moreover, if the studio had had effective management, then a modern new studio, rather than a residential building with private investors, could have been built in the territory of Ukrtefilm.

Committee members voted that the State Committee on Television and Radio Broadcasting should change the composition of the liquidation commission, so that members of the team were admitted. The State Committee changed the composition of the commission very quickly, but this did not change the situation. Ukrtefilm employees continued to sabotage the reform.

In the end, this prompted people's deputies to register in the Verkhovna Rada draft amendments to the Law "On Public Television and Radio Broadcasting of Ukraine" with regard to the procedure for the amalgamation of Ukrtefilm to UA:PBC PJSC. This decision clearly had to unblock the creation of the National Public Broadcasting Company of Ukraine; resolution of the problem was actually postponed.

The Committee on Freedom of Speech backed the project introduced by Hryhorii Shverk. On May 17, 2016, the Verkhovna Rada adopted the Law "On Amendments to the Law of Ukraine "On Public Television and Radio Broadcasting" (regarding the procedure for the amalgamation of the state enterprise Ukrainian Television Film Studio Ukrtefilm)." According to this law, the state enterprise Ukrainian Television Film Stu-

dio Ukrtefilm was excluded from the first stage of the transformation of state broadcasters into the National Public Broadcasting Company of Ukraine and had to amalgamate with the established legal entity of UA:PBC PJSC at the second stage in the form of Ukrtefilm public joint-stock company, 100% of whose shares would also belong to the state.

But this was not the only stumbling block. Real estate, which had been built on state land and was a state property, kept many people on the hop, including those who had no relation to the team of the studio. These issues were dealt with by law enforcement agencies, cases were resolved in courts.

On April 3, 2016, the Kyiv Commercial Court of Appeal upheld the appeal filed by "Siltek LTD" LLC against the decision made by the Commercial Court of Kyiv dated January 26, 2016 under case No. 910/1941/14 related to the lawsuit of the "Ukrainian Television Film Studio Ukrtefilm against "Siltek LTD" LLC and "Interinvestservice" International Investment Company" PJSC about the annulment of an investment agreement and power of attorney.

As it turned out, the General Prosecutor's Office of Ukraine also did not have information about residential buildings located in the territory of the state enterprise Ukrainian Television Film Studio Ukrtefilm. The General Prosecutor's Office of Ukraine was not able to provide information about corporate apartments in these buildings, provided for employees of the General Pros-

Ihor Rozkladai,
media lawyer



ecutor's Office of Ukraine, in response to a request submitted by **Ihor Rozkladai**, a lawyer from the Media Law Institute.

The issue of the reorganization of Ukrtefilm remained the most problematic, and the reorganization could not be completed until it was resolved. Therefore, it was difficult to predict the final date of the creation of a legal entity of the National Public Broadcasting Company of Ukraine Public Joint Stock Company (UA:PBC PJSC).

Since the management of the state enterprise Ukrtefilm sabotaged the decision of the reorganization commission after the off-site meeting of the Committee on Freedom of Speech, this issue also had to be resolved in court. If controlling authorities were allowed to access the state enterprise Ukrtefilm in order to carry out inspections, a certificate could have been drawn up on March 31, property appraisal could have been scheduled for the same day, and the procedure for the approval of the draft charter of UA:PBC PJSC could have started in April. A lot of people were hoping for this optimistic scenario after the Committee's off-site meeting. However, controlling authorities were not allowed to access the studio, employees were blocking the entrance.

On July 11, 2016, the Supreme Commercial Court session was held following a cassation appeal filed by the prosecutor and representatives of the Ukrtefilm studio, who demanded that the decision made by the court of appeal should be canceled, and the first decision in favor of Ukrtefilm

should remain in force. The Supreme Commercial Court ruled in favor of the studio. This case was related to Ukrtefilm's application regarding invalidation of an agreement signed between "Interinvestservice" and "Siltek LTD" LLC. In accordance with this agreement, "Interinvestservice" company had illegally transferred 80 apartments, which belonged to the state enterprise Ukrtefilm, to "Siltek LTD" LLC under the investment agreement. Studio filed a lawsuit and won in the trial court. And then the court of appeal dismissed Ukrtefilm's claim.

However, on **September 6**, the chair of the State Committee on Television and Radio Broadcasting Oleh Nalyvaiko said at a press conference that he had received a judgment by default from the Industrial District Court of Dnipropetrovsk about the fact that the "Everest" financial company had seized the property of Ukrtefilm. That is, endless trials continued.

In order to speed up the reform, Oleh Nalyvaiko appointed Serhiy Omelchuk as a general director of the Ukrtefilm studio; Viktor Petrenko had resigned in September.

On September 14, 2016, at a regular meeting, the Cabinet of Ministers made amendments to the Resolution No. 567 "Some Issues Related to the Establishment of a Public Joint Stock Company "National Public Broadcasting Company of Ukraine" as of August 5, 2015, removing the Ukrtefilm studio from the first stage



REFORMATION — ACTIVE PHASE

All those involved in the reform were interested in when the transformation of state companies into a public broadcaster would end. In 2015, the lion's share of the work related to the creation of a public broadcaster in Ukraine was performed. And optimists thought that the rest of the work would be completed by April 1, 2016. Unfortunately, the rest of the process extended for over a year. It was difficult even for people with considerable experience in public administration to predict the set of factors faced by the participants. This was both the sabotage on the part of officials, bureaucratic procedures, the resistance of the system, frustration of employees, etc.

We would like to remind you that incredible things were made from September to December 2015: all procedures related to the merger of all entities which, according to the law, had to become part of UA:PBC (and those were about 30 separate legal entities!) were carried out. The assets of the merged company, on the basis of which the authorized capital of the public broadcaster could be formed, were also assessed.

Next, the process of corporatization had to start, which was expected to be completed by the end of March 2016. There were two problems that made it impossible to complete the process, namely the Crimean offices and Ukrtelevfilm.

In parallel, it was necessary to launch a procedure for the final appraisal of assets of companies that became part of the National Television Company of Ukraine (the merged one). After this, it was necessary to submit the Charter of UA:PBC PJSC and a number of documents (procedure for electing the chair of the board, regulation on the board and the supervisory board, etc.) for approval, to notify debtors/ creditors, and to perform many other important and urgent legal and organizational work.

In addition, the Ministry of Finance did not understand how to fund something which had not been provided for in the budget for this year, since there was a budget program for the National Television Company of Ukraine, which did not contain any information about UA:PBC. Nobody was sure whether people's deputies would want to make amendments to the State Budget 2016 and to reallocate funds for UA:PBC almost at the end of the budget year. Therefore, January 1, 2017 began to sound like the most realistic date of the actual launch and the beginning of the operation of Ukrainian public broadcaster.

Of course, if there had been political will at all branches of the Ukrainian government, all these processes could have been completed much faster.

The regulatory framework which was in effect at that time, as well as the reorganization procedure, did not stipulate that financial inspection bodies should carry out obligatory checks of companies that amalgamated the National Television Company of Ukraine. Within the framework of the liquidation of a company, fiscal and other controlling authorities were only carrying out formal checks of the activities of budget organizations, so no considerable violations could be detected there.

Regional state television and radio broadcasting companies, the National Radio Company of Ukraine, and "Kultura" TV channel followed all the necessary procedures and orders related to merger in a timely manner. Handover certificates of all companies, except for the Crimean ones, were signed, and the procedures for their dereg-

istration and further liquidation as separate legal entities began. The National Television Company of Ukraine actually became a united state media corporation, consisting of 28 regional branches, which broadcast under more than 160 licenses, including regional and national television and radio channels. This media corporation was managed from Kyiv, and it was suffocating because of the lack of funding and controversial budget legislation.

On January 15, 2016, the State Committee on Television and Radio Broadcasting issued 28 orders on the handover certificates of television and radio broadcasting companies, after which they started submitting packages of documents on the deregistration of legal entities to the state registrars.

All television and radio broadcasting companies which, in accordance with the Law on Public Broadcasting, were supposed to become part of the UA:PBC PJSC, except for the Crimean ones, drafted the relevant documents and were being deregistered as separate legal entities during 2016. The State Committee on Television and Radio Broadcasting appealed to the Treasury with regard to the accounts of Crimean companies twice, since they had not been funded since 2014, but the issue of their liquidation was not resolved due to the annexation of the Crimea. Because of delays in closing accounts, Crimean companies, just like Ukrtelevfilm, were also outside of the reform process at that time.

After all the entities which were being amalgamated with the National Television Company of Ukraine submitted handover certificates to the State Committee, it would have to approve the new wording of the Charter of the National Television Company of Ukraine, where it would be specified that the National Television Company of Ukraine was supposed to be a legal successor of all assets, obligations, and rights of legal entities which amalgamated in accordance with the law, and would have to issue a corresponding order on the transformation of the National Television Company of Ukraine into UA:PBC PJSC.

This order on the transformation had to be registered with the state registrar, after which a minimum of two months was provided for the submission of claims by creditors. Only after this (if the property appraisal was finished, the authorized

Press conference
on the occasion of
the 2nd anniversary
of the adoption
of the Law
on Public
Broadcasting



capital was determined, and the charter was approved) the legal entity of UA:PBC PJSC could be registered. Under the conditions of the domestic bureaucracy, these were incredibly difficult tasks, which were complicated by war, occupation, and annexation of territories. There had been no precedents for such a transformation in Ukraine.

In accordance with the government's decision, the draft Charter had to be prepared by the State Committee on Television and Radio Broadcasting. Other documents necessary for the operation of UA:PBC PJSC had to be prepared by the shareholder. An entity which would be appointed as a shareholder by the Cabinet of Minister was also kept secret until the end of 2016. Some people believed that the Cabinet of Ministers itself, in coordination with the Ministry of Finance, which would act as a budget holder, would be the ideal shareholder of UA:PBC PJSC, since it was the Ministry of Finance on which the funding of UA:PBC depended.

All documents necessary for the commencement of operation of UA:PBC could be submitted either together with the draft charter or separately after the approval of the charter. Everything depended on who would be the shareholder of UA:PBC PJSC. If the Cabinet of Ministers appointed itself as a shareholder, all the provisions which the shareholder was supposed to approve would have to be submitted to the government for approval together with the charter. If another body was appointed as the shareholder, these provisions would be approved by the regulatory documents of this ministry or department. Then there would be no need to submit them to the Cabinet of Ministers in a single package. And this package of documents also had to be prepared. Media advisers, together with the members of the Supervisory Board, which was a management body until the registration of a legal entity of UA:PBC PJSC and was not legitimized yet, were actively working on the drafts of these documents.

Only after the registration of the legal entity of UA:PBC PJSC the Commission on Securities had to register a supervisory board, which immediately began to work as a management body and would have the authority to conduct a competition for the position of the chair of the board, etc.

At the beginning of 2016, few people believed that all these tasks would be performed.

ПРОЦЕС СТВОРЕННЯ СУСПІЛЬНОГО МОВЛЕННЯ

Що важливо знати працівникам філій НТКУ



КРОК №

1

Припинення ДТРК

Припинення ДТРК як юридичних осіб і реоформлення їх майнових прав (перереєстрація авто, нерухомого майна, земельних ділянок тощо) на правонаступника – НТКУ. Станом на 11 липня припинено 23 із 30-ти юридичних осіб. Строки: оптимістичний прогноз – до кінця липня 2016 року.

КРОК №

2

«Укртелефільм»

6 червня 2016 року вступив в силу закон, яким виведено «Укртелефільм» за рамки першого етапу реформування. Спочатку буде створено ПАТ НСТУ, а потім до нього приєднають ПАТ «Укртелефільм». Кабмін має прийняти постанову про внесення змін до постанови КМУ № 567 та постанову про перетворення «Укртелефільму» в ПАТ «Укртелефільм».

КРОК №

3

Статут НТКУ

18 квітня 2016 року підписано оновлений статут НТКУ. Затверджено правонаступництво НТКУ 28 ДТРК, передавальні акти по яких були затверджені 15 січня 2016 року. Після затвердження передавальних актів по Кримській ДТРК, знову вноситься зміни до Статуту НТКУ.

КРОК №

4

Коли і чим завершиться перший етап реформування

Перший етап завершиться тоді, коли будуть внесені останні зміни до Статуту НТКУ і всі ДТРК припинять існувати як юридичні особи. Після прийняття змін до постанови КМУ № 567, Держкомтелерадіо видасть наказ про перетворення НТКУ в ПАТ НСТУ. Наказом Держкомтелерадіо буде створено Комісію з перетворення НТКУ в ПАТ НСТУ та затверджено її персональний склад. Також, Держкомтелерадіо має затвердити план заходів з перетворення НТКУ в ПАТ НСТУ. Строки: оптимістичний прогноз створення ПАТ НСТУ - 4 місяці з дати реєстрації в Єдиному держреєстрі наказу Держкомтелерадіо про перетворення НТКУ.

КРОК №

5

Речові права і скорочення

Оформлення речових прав і створення ПАТ НСТУ – це паралельні процеси (НТКУ 10 років не може оформити землю). Під час першого етапу відбулося 10% скорочення у всіх ДТРК. Станом на 1 липня скорочено 840 робочих місць, штатна чисельність на сьогодні складає 7 140 працівників.

КРОК №

6

Розмір статутного капіталу

Має бути визначений розмір статутного капіталу ПАТ НСТУ – ринкова оцінка майна НТКУ + ДТРК (крім майна, що лишилось на окупованих територіях). Організацію проведення оцінки майна здійснює Фонд держмайна.

КРОК №

7

Акціонер ПАТ НСТУ

Кабмін має затвердити Статут ПАТ НСТУ та визначити уповноваженого управління корпоративними правами держави (акціонера). Акціонером може бути:

- Кабінет Міністрів України,
- Міністерство економіки,
- Держкомтелерадіо,
- Міністерство культури,
- Міністерство інформаційної політики,
- інше міністерство.

КРОК №

8

Випуск акцій ПАТ НСТУ

Акціонер та голова комісії з перетворення НТКУ в ПАТ НСТУ мають забезпечити реєстрацію і подальші заходи, пов'язані з випуском та збереженням акцій.

КРОК №

9

Перші кроки Наглядової ради

Акціонер має затвердити Положення про Наглядову раду та Положення про правління. Наглядова рада на першому засіданні має обрати голову Наглядової ради, заступника і секретаря та оголосити конкурс на голову правління. Наглядова рада затверджує Положення про обрання голови та членів правління НСТУ і Положення про ревізійну комісію. За результатами конкурсу (3 місяці) Наглядова рада обирає голову правління, за поданням голови - членів правління. Наглядова рада обирає ревізійну комісію. Паралельно триває процес створення редакційних рад.

КРОК №

10

Перехід людей

Наглядова рада встановлює умови та розмір оплати праці працівників НСТУ (затверджує тарифну сітку). Правління затверджує структуру та штатний розпис НСТУ та погоджує штатний розпис дочірніх підприємств. У встановленому порядку документи щодо зміни умов праці працівників ПАТ НСТУ доводяться до профспілок і проводиться процедура переведення людей. Можливо деякі категорії посад будуть виставлені на конкурс. Під час цього етапу можливе скорочення чисельності.

КРОК №

11

Фінансування ПАТ НСТУ

До січня 2017 року Верховна Рада має ухвалити Держбюджет на 2017 рік з окремим рядком фінансування ПАТ НСТУ (0,2%), тому ПАТ НСТУ необхідно зареєструвати до прийняття бюджету.

Підготовлено ГО «Детектор медіа» в рамках проекту Ради Європи «Зміцнення свободи медіа і створення системи суспільного мовлення в Україні».



ДЕТЕКТОР М
МОНІТОРИНГ



In this process, employees of state broadcasters which were supposed to transform into the public broadcaster were the most confused of all. They were constantly saying about this and were asking to clarify the situation. However, not all heads of the branches were ready to explain them what was going on. Therefore, under the auspices of the Council of Europe and within the framework of the project "Strengthening the Freedom of the Media and Creating a System of Public Broadcasting in Ukraine", non-governmental organization "Detector Media" has developed a leaflet on the transformation of the National Television Company of Ukraine into UA:PBC.

What employees of the branches of the National Television Company of Ukraine had to know about the process of creating Public Broadcasting::

- the first stage will be completed when 30 legal entities will be deregistered as state television and radio broadcasting companies (as at August 1, 2016, six television and radio companies - Kirovohrad, Luhansk, Ivano-Frankivsk, Sevastopol, and Crimean regional state television and radio broadcasting companies, as well as the National Radio Company of Ukraine did not do this);
- the first stage will be completed when all the amendments will be made to the Charter of the National Television Company of Ukraine and when legal entities of all state television and radio broadcasting companies will be liquidated. After these changes, the State Committee on Television and Radio Broadcasting will issue an order on the transformation of the National Television Company of Ukraine into UA:PBC PJSC. The State Committee on Television and Radio Broadcasting was also supposed to approve the measures aimed at transforming the National Television Company of Ukraine into UA:PBC PJSC;
- after this, the authorized capital of UA:PBC PJSC had to be determined. The Cabinet of Ministers had to approve the Charter of UA:PBC PJSC and approve an authorized person who will manage the corporate rights of the state (a shareholder);
- the shareholder had to approve the regulation on the Supervisory Board and the regulation on the board. At the first meeting the Supervisory Board had to elect its management (a chair, a deputy, and a secretary) and announce a competition for the position of the chair of the board. The Supervisory Board also had to approve the resolution on the election of the chair and members of the board of UA:PBC and to elect the chair of the board upon the recommendation of the chair and members of the board according to the results of the competition (which was supposed to be held for three months);
- The Verkhovna Rada had to approve the State Budget 2017, which had to include a separate line about the funding of UA:PBC PJSC (0.2%), therefore the legal entity of UA:PBC PJSC had to be registered before the approval of the budget.

During the first stage, there was a 10% cut in all state television and radio broadcasting companies. As at **July 1, 2016**, 840 jobs were cut in the entire the system, after which the number of employees was 7,140.

In September, it turned out that if all state television and radio broadcasting companies do not liquidate their legal entities by the end of the month, creation of Public Broadcasting could once again extend for an entire year. There were problems with

the liquidation of Luhansk, Crimean, and Sevastopol state television and radio broadcasting companies, as well as the National Radio Company of Ukraine. If the State Committee on Television and Radio Broadcasting of Ukraine had not issued an order to transform the National Television Company of Ukraine into UA:PBC PJSC by **September 20**, Public Broadcasting would have appeared not earlier than in the second quarter of 2017.

With this regard, non-governmental media organizations appealed to the chair of the Committee, Viktoria Siumar, and called on the Committee on Freedom of Speech and Information Policy to urgently consider the problems with the creation of UA:PBC.

"Unfortunately, there is currently a critical situation that can once again postpone the launch of public broadcasting in Ukraine for an indefinite period of time," media NGOs said, reminding everyone that creation of public broadcasting was one of Ukraine's most important media obligations to the Council of Europe and the European Union.

The authors of the appeal pointed out that, despite the fact that amendments to the Law "On Public Television and Radio Broadcasting of Ukraine" regarding the procedure for the amalgamation of the state enterprise Ukrainian Television Film Studio Ukrtefilm had been approved on **May 17, 2016**, the Cabinet of Ministers of Ukraine still did not approve the relevant changes to the Resolution No. 567 "Some Issues Related to the Establishment of a Public Joint Stock Company National Public Broadcasting Company of Ukraine (UA:PBC PJSC), which regulated the transformation of the state company into the public broadcaster.

The authors emphasized that the State Committee on Television and Radio Broadcasting would not be able to approve the order on the transformation of the National Television Company of Ukraine into UA:PBC PJSC until the relevant amendments to the government documents were approved. In order to ensure timely completion of the process of property appraisal and drawing up of a handover certificate, the relevant order had to be issued by September 20, 2016. *"Thus, delays in the approval of the necessary amendments may lead to the fact that public broadcasting will not be launched in Ukraine at the beginning of 2017,"* non-governmental organizations pointed out.

In this regard, they were calling on the Committee to urgently consider the state and problems with the creation of UA:PBC at its meeting, inviting representatives of the Cabinet of Ministers of Ukraine, the State Committee on Television and Radio Broadcasting, persons responsible for the implementation of the reform, as well as representatives of the National Television Company of Ukraine, members of the Supervisory Board of the public broadcaster, representatives of international and non-governmental organizations.

The chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, believed that the fiscal service was slowing the reform of public broadcasting down not on purpose, but because of bureaucratic and procedural problems, which had been also experienced by other regional state television and radio broadcasting companies. Employees of the fiscal service were saying that since it was impossible to conduct an audit in the temporarily occupied and annexed territories, they could not give their consent to the liquidation of the four companies.

On September 20, 2016, members of the Supervisory Board of UA:PBC, the State Committee on Television and Radio Broadcasting, and the National Television Company of Ukraine met with the chair of the State Fiscal Service, **Roman Nasirov**, who assured them of the complete assistance in the implementation of the reform of Public Broadcasting within the framework of the current legislation. The legal way to resolve the problem was found, and the process got off the ground.

The head of the internal audit department of the State Committee on Television and Radio Broadcasting, Natalia Stepanova, noted that deregistration of the Luhansk, Crimean, and Sevastopol television and radio companies, as well as the National Radio Company of Ukraine, as independent legal entities depended only on fiscal authorities. For example, Luhansk television and radio company had signed a reorganization plan, but the fiscal authorities were still not implementing it.

The Crimean and Sevastopol television and radio companies had not been operating since 2014. *"We requested the central administration of the fiscal service, justifying regulatory documents, to remove reservations about liquidation of these companies, since they are exempt from tax audit. That is, there is nothing to check, the property remains in the annexed territory, funding has not been provided since 2014. In fact, these companies are just shells, but Dnipro District Fiscal Service is looking at the reaction of the central administration. And the central administration says to appeal to the fiscal service of the Dniprovskyi district. That is, they are just passing the ball to each other,"* Natalia Stepanova said. According to her, neither does the fiscal service start an audit, nor write a letter to the State Committee on Television and Radio Broadcasting about the fact that it agrees to remove the restrictions without carrying out an audit.

Natalia Stepanova also explained the situation with the National Radio Company of Ukraine, which had two land plots. *"Since there has been no estimate for the funding of the National Radio Company of Ukraine since January 1, 2016, the branch into which the company has transformed is paying taxes for these land plots. However, re-registration of a state act is a long process, as the state act is re-registered according to a decision of the city council session. We have no influence on the date for which the city council will schedule consideration of this issue. Taxes are paid in time. And the tax service refuses to liquidate the National Radio Company of Ukraine without re-registration. In addition, the revenue service must carry out a final audit of land issues during May - August. Employees of the revenue service of the Shevchenkivskyi district say that they have a very tight schedule of inspections and even cannot conduct an in-house audit,"* Ms. Stepanova said.

According to her, if these four companies are not removed from the register by September 20 and the State Committee on Television and Radio Broadcasting does not issue an order on the transformation, the State Property Fund will not be able to assess property in time. And if the State Committee on Television and Radio Broadcasting did not issue a draft resolution on the approval of the charter of UA:PBC PJSC by the end of September, this resolution would be unlikely to be approved by the Cabinet of Ministers in December. Approval is a long process: six ministries and departments had to express their opinion on the charter.

In addition, if the fiscal authorities did not remove the four companies from the register as independent legal entities, it would be necessary to urgently open a second budget program, which would provide for the funding of the National Television Company of Ukraine for the first quarter of 2017, whereas funding of UA:PBC PJSC would be provided for from the second quarter of 2017. All of this was very risky for the reform, but this was the only way to eliminate the risk of the absence of funding, that is, all employees of the National Television Company of Ukraine and its branches would receive salaries, and preparations for Eurovision would not be disrupted.

Members of the Supervisory Board of the National Public Broadcasting Company of Ukraine appealed to the Prime Minister of Ukraine Volodymyr Hroisman in connection with the situation that arose during the creation of UA:PBC PJSC, noting that if the Prime Minister did not interfere, the reform would be blocked for at least one more year.

APPEAL

of the Supervisory Board of the National Public Television and Radio Broadcasting Company of Ukraine to Prime Minister of Ukraine Volodymyr Hroisman

Dear Mr. Prime Minister!

Members of the Supervisory Board of the National Public Television and Radio Broadcasting Company of Ukraine (UA:PBC PJSC) express their respect and would like to draw your attention to the extremely alarming situation that arose during the creation of UA:PBC PJSC.

In 2014, for the purpose of fulfilling its obligations to the Council of Europe, as well as to ensure information rights of its citizens, Ukraine began to transform the state broadcasting into public broadcasting of a European standard. Despite all the obstacles, it seemed that this transformation was already almost on the home stretch. However, **there is currently a situation that threatens the success of all this reform**, as a result of which creation of public broadcasting in Ukraine may be postponed for at least one more year.

So that public broadcasting could be launched in the country on January 1, 2017, the process of liquidation of the legal entities of former state television and radio broadcasting companies was supposed to have already been completed. However, this process remains up in the air, as the State Fiscal Service has still not withdrawn its objections from the Unified State Register of Legal Entities and Individual Entrepreneurs regarding the National Radio Company of Ukraine (the State Fiscal Service of the Shevchenkivskiy district of Kyiv), "Krym" state television and radio broadcasting company and Sevastopol regional state television and radio broadcasting company (the State Fiscal Service of the Dniprovskiy district of Kyiv). Moreover, according to our information, on September 14, the State Fiscal Service of the Dniprovskiy district of Kyiv, objecting to the deregistration of the aforementioned legal entities, informed the Chair of the relevant reorganization commissions in writing about the fact that withdrawal of objections was beyond its competence. In turn, the Main Directorate of the State Fiscal Service of Kyiv, which still have not responded to the relevant appeal in writing, orally informed the Chair of the Commission that such a decision should be made at the tax payer's place of registration, that is, by the State Fiscal Service of the Dniprovskiy district of Kyiv. Thus, **bodies of the State Fiscal Service are not sure about their own competence and refer to each other, thus blocking the entire process of the socially important reform, the course of which is constantly monitored by the representative office of the Council of Europe in Ukraine.**

We believe that not only are such actions of the State Fiscal Service not beneficial for the state, but also entail unreasonable losses and reputational risks for Ukraine. Therefore, **we ask you to take the final stage of this reform under your personal control**, so that an independent public broadcaster could be finally launched at the beginning of 2017.

Legal entities of the aforementioned state broadcasters must be liquidated not later than at the end of September of the current year. If this does not happen, the State Committee on Television and Radio Broadcasting will have no legal grounds for making a decision on the transformation of the National Television Company of Ukraine into UA:PBC PJSC, which, in turn, will make it impossible for the State Property Fund to conduct an independent property appraisal during 2016 for the purpose of determining the authorized capital of the public broadcaster and, as a result, will make it impossible for the Government to approve the charter of UA:PBC PJSC. Therefore, from January 1, 2017, the Government will not be able to ensure the guaranteed constitutional right of more than 7 thousand employees of the National Television Company of Ukraine to receive salary under the budget program for the funding of UA:PBC PJSC, provided for in the draft state budget 2017. This will mean that the reform will be disrupted and the launch of public broadcasting in Ukraine will be postponed for at least one more year. We believe that this cannot happen.

In order to ensure constant government control over the final stage of the creation of public broadcasting in Ukraine, **we ask you to give an order to create of a special working group headed by the Deputy Prime Minister and to instruct this group to develop a plan** of the final stage of the reform in the shortest possible time, as well as to appoint persons who will be responsible for every item on such a plan, to control the situation, and promptly resolve any problems that will arise.

In the issue of such social importance, which our European partners pay so much attention to, Ukraine has no right to blunder. We hope for your understanding and look forward to your support.

Members of the Supervisory Board of UA:PBC Taras Avrakhov, Volodymyr Brynzak, Yevhen Hlibovytskyi, Daria Kariakina, Viacheslav Kozak, Tetiana Lebedieva, Lavrentii Malazonia, Vadym Miskyi, Svitlana Ostapa, Oleksiy Panych, Vitaliy Portnikov, Natalia Skrypka, Viktor Taran, Serhiy Taran, Ihor Khokhych, Taras Shevchenko, Volodymyr Yavorivskiy.

WHAT STATE COMMITTEE ON TELEVISION AND RADIO BROADCASTING DID IN 2016 TO IMPLEMENT THE LAW ON PUBLIC BROADCASTING

During 2016, the State Committee remained the governing body of the National Television Company of Ukraine. On March 29, 2016, the board of the State Committee on Television and Radio Broadcasting considered the issue "On the state of the implementation of measures aimed at the transformation of the National Television Company of Ukraine into UA:PBC PJSC".

The Board stated that the State Committee took a number of measures to transform the National Television Company of Ukraine into UA:PBC PJSC, namely, approved 28 handover certificates for the balance sheet accounts, tangible assets, assets and liabilities of entities which are being reorganized by amalgamation with the National Television Company of Ukraine, approved the budget program, which unblocked the receipt of budget money and settlement with the National Television Company of Ukraine and its branches; changed the composition of the commission for the reorganization of the State Enterprise StudioUkrtefilm, etc. At the meeting of the board it was also emphasized that if the structure of the merged National Television Company of Ukraine is not optimized, the effectiveness of management of the merged National Television Company of Ukraine will not be improved upon the completion of the first stage of the transformation.

At the meeting general director of the National Television Company of Ukraine, Zurab Alasania, noted that it was impossible to demand that the National Television Company of Ukraine should do in a matter of weeks everything that had not been done in years and should have been done a long time ago, namely to optimize the structure, to legalize the land plot and buildings of the National Television Company of Ukraine, etc.

The Board also considered the issue of delays in payment of salaries to the employees of the branches of the National Television Company of Ukraine. Chair of the State Committee, Oleh Nalyvaiko noted that they only had to overcome one last inch on the way to the creation of Public Broadcasting. He explained why there were problems with the funding of the branches of the National Television Company of Ukraine. *"We were previously planning that UA:PBC PJSC would be created on April*



Oleh Nalyvaiko and Bohdan Chervak, first deputy chair of the State Committee on Television and Radio Broadcasting

1, 2016 and wanted to transfer the entire financing system to this legal entity. We had doubts about the personnel capacity of the National Television Company of Ukraine, we were not sure whether they could professionally perform all functions of the budget holder within such a short time. Then at the government meeting, we agreed to transfer the financing system National Television Company of Ukraine now, taking into account interests of people who were owed salaries. If we had a task to liquidate the institution, we would have done this a long time ago, but we have a task to reform it, and it is in this way that we are creating UA:PBC PJSC," Oleh Nalyvaiko added.

The Board of the State Committee on Television and Radio Broadcasting made a decision that the state of transformation of the National Television Company of Ukraine into the National Public Television Broadcasting Company of Ukraine was satisfactory. The chair of the commission for the reorganization of state television and radio broadcasting companies was instructed to ensure that legal entities were deregistered within a week. The departments of internal audit and television and radio broadcasting had to constantly monitor the work of the commission for the reorganization of Ukrtefilm; chair of the commission for the reorganization of the "Krym" state television and radio broadcasting company and Sevastopol regional state television and radio broadcasting company, Serhiy Omelchuk, had to immediately submit handover certificates for the balance sheet accounts, tangible assets, assets, and liabilities of entities which were being transformed into the National Television Company of Ukraine for approval to the chair of the State Committee on Television and Radio Broadcasting.

The Board also decided that by **April 15, 2016**, the National Television Company of Ukraine should take measures to bring license terms related to the adjustment of radio broadcasting segments of the National Television Company of Ukraine into line with broadcasting networks in the BM, VHF-FM, and the wired radio networks, approved by the State Committee on Television and Radio Broadcasting, by making the relevant amendments to the broadcasting licenses. And by April 22, 2016, it had to ensure that a project of an optimized structure and staff composition of the National Television Company of Ukraine is developed and submitted for approval to the State Committee on Television and Radio Broadcasting, as well as to ensure that proprietary rights to the transferred property and land plots on which it was located are re-registered in accordance with the established procedure.

In addition, the board instructed the department of the development of the information sphere and European integration to ensure the development and maintenance of a legislative legal act on the approval of the Charter of UA:PBC PJSC. The chair of the State Committee on Television and Radio Broadcasting was supposed to exercise control over the implementation of this decision.

On **April 18, 2016**, the State Committee on Television and Radio Broadcasting made additional amendments to the Charter of the National Television Company of Ukraine, related to the merger with state television and radio broadcasting companies. The National Television Company of Ukraine registered this Charter in accordance with the legislation. The National Television Company of Ukraine became the legal successor of the property, rights and, obligations of the National Radio Company of Ukraine, "Kultura" TV channel, and 28 state television and radio broadcasting companies, which had been transformed into the branches of the National Television Company of Ukraine. In particular, these are Ivano-Frankivsk, Poltava, Kherson, Khmelnytskyi, Volyn, Dnipropetrovsk, Donetsk, Zhytomyr, Zakarpattia, Zaporizhzhia, Kirovohrad, Lviv, Mykolaiv, Odesa, Rivne, Sumy, Ternopil, Kharkiv, Cherkasy, Chernivtsi, Chernihiv, Vinnytsya, Luhansk regional state television and radio broadcast-

ing companies, Kyiv State Television and Radio Broadcasting Company, Novhorod-Siverskyi and Kryvyi Rih state television and radio broadcasting companies. We would like to remind you that the Cabinet of Ministers was the founder of the National Television Company of Ukraine. Two Crimean state television and radio broadcasting companies, with regard to whose property and accounts inspection bodies and the Treasury had questions, were not amalgamated yet.

"These were not the last changes to the Charter of the National Television Company of Ukraine, since we still have to amalgamate two Crimean state television and radio broadcasting companies and make the final amendments. And then we can already start the transformation of the National Television Company of Ukraine into UA:PBC PJSC. This will be the case, if the parliament adopts amendments to the law on Public Broadcasting and removes the Ukrtefilm studio from the first stage of the reform," Oleh Nalyvaiko said in spring.

In order to develop the optimal structure of the provision of assets and technical equipment for the National Television Company of Ukraine, the State Committee on Television and Radio Broadcasting conducted an audit of the state of the facilities of state television and radio broadcasting companies. Based on the results of this audit, it recommended measures to optimize fixed assets, complete the procedure for the registration of proprietary rights to property and land plots, etc. to the heads of television and radio broadcasting organizations.

In order to ensure preservation of intangible assets of state television and radio broadcasting companies, the State Committee on Television and Radio Broadcasting issued an order, thereby approving measures to create a single electronic list of audiovisual works.

Branches (regional and central offices) were created by the National Television Company of Ukraine to provide jobs for the employees of state television and radio broadcasting companies and state enterprise Ukrainian Television Film Studio Ukrtefilm. Positions which existed in the state television and radio broadcasting companies were integrated into these branches, and employees of state television and radio broadcasting companies were appointed to these positions. Only the positions of the Central Office

"Ukrainian Television Film Studio Ukrtefilm" of the National Television Company of Ukraine remained vacant.

Chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, was absolutely convinced that the law-enforcement bodies, the judicial authorities, and the common sense of Ukrtefilm employees will make it possible to unlock reorganization of the state enterprise and that the legal entity of UA:PBC PJSC would be registered by April 1, 2016. However, the common sense did not help, and law enforcement bodies and judicial authorities were not able to influence the decision of the Ukrtefilm team. According to Nalyvaiko, the main reason for the resistance of the team is the residential building built in the territory of the studio, in which there were undisturbed apartments and office premises, which employees of the studio wanted to make profit on.

The State Committee on Television and Radio Broadcasting developed a draft procedure for the transformation of the state enterprise Ukrainian Television Film Studio Ukrtefilm into a public joint-stock company Ukrtefilm and a draft resolution of the Cabinet of Ministers of Ukraine, according to which this procedure was supposed to be approved.

The State Committee approved handover certificates of the "Krym" State Television and Radio Company (Order No. 130) and the state organization "Sevastopol Regional State Television and Radio Company" (Order No129). In accordance with these orders, chair of the reorganization commission had to submit handover certificates to the state registrar for the state registration of the liquidation of the aforementioned legal entity; to arrange transfer of property of the "Krym" State Television and Radio Company to the National Television Company of Ukraine by concluding a handover certificate; to allocate property of these companies, specified in the handover certificates, to the National Television Company of Ukraine on the basis of operational management.

Somewhat earlier, the National Television Company of Ukraine had created a branch of the National Television Company of Ukraine "UA:Krym", headed by Mykhailo Smutok, after which the Crimean state television and radio

broadcasting companies could start the procedure for the liquidation of legal entities, which all regional state television and radio broadcasting companies went through, and whose handover certificates were approved by the State Committee on Television and Radio Broadcasting on January 15, 2016.

The chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, approved the new wording of the charter of the National Television Company of Ukraine (order No. 145). This was the last change of the charter before the transformation of the National Television Company of Ukraine into UA:PBC PJSC. Two important amendments were made. In the first one it was added to the general provisions that the National Television Company of Ukraine was the legal successor of property, rights, and obligations of the "Krym" State Television and Radio Company and Sevastopol Regional State Television and Radio Company. The second one concerned section 9 "Employees". Powers and rights of employees of separate subdivisions were added. In particular, powers of employees of the National Television Company of Ukraine had to be exercised not only by means of the general meeting of the National Television Company of Ukraine, but also by means of the meeting of employees of separate subdivisions. In addition, interests of employees of the National Television Company of Ukraine and the structural separate subdivisions had to be represented by the elected bodies of the primary organizations of the trade union.

SEPTEMBER 30 — A MOMENTOUS ORDER

On September 30, 2016, the State Committee on Television and Radio Broadcasting issued order No. 177 "On the Reorganization of the National Television Company of Ukraine". In accordance with the document, the National Television Company of Ukraine had to be liquidated by means of its transformation into a public joint stock company "National Public Broadcasting Company of Ukraine". Zurab Alasania was appointed as a chair of the commission for the transformation of the National Television Company of Ukraine. The first deputy general director of the National Television Company of Ukraine, Oleksandr Kharebin, deputy general directors Hanna Bychok, Mykhailo Shmatov, Daria Yurovska and others became members of the commission. According to the order, it was necessary to determine a deadline by which creditors had to file their claims to the National Television Company of Ukraine, namely two months from the date on which liquidation of the National Television Company of Ukraine was announced.

The reorganization could be deemed to have been completed after the deregistration of legal entities which were amalgamated with the National Television Company of Ukraine and whose names were specified in the law.

On October 13, 2016, a draft charter of the Public Joint Stock Company National Public Broadcasting Company of Ukraine (UA:PBC PJSC) was posted on the official website of the State Committee on Television and Radio Broadcasting. In accordance with the procedure of the Cabinet of Ministers, the State Committee on Television and Radio Broadcasting sent government resolutions approving the charter of UA:PBC PJSC and the draft charter, which had been developed by the State Committee on Television and Radio Broadcasting together with the Supervisory Board of UA:PBC, taking into account recommendations of experts from the Council of Europe and representatives of the public in the media sphere, for approval to the Ministry of Economic Development and Trade, the Ministry of Finance, the Ministry of Information



Policy, the National Council on Television and Radio Broadcasting, the National Commission on Securities and Stock Market, and the State Property Fund Taking into account that the authorized capital of UA:PBC PJSC could be determined two months after the appraisal of property of the National Television Company of Ukraine (not earlier than on November 30, 2016) and that UA:PBC PJSC was supposed to be created on January 1, 2017, the agreed draft resolution approving the charter of UA:PBC PJSC had to be submitted to the government for consideration by the first decade of December 2016.

In order to launch UA:PBC PJSC in Ukraine in January 2017, it was necessary to do the following tasks by the end of 2016:

- to assess non-current assets and re-assess them based on the records of the National Television Company of Ukraine;
- to approve the property valuation report;
- to determine the value of the authorized capital of UA:PBC PJSC;
- to approve the list of property which would be transferred to the company for economic management;
- to draw up and approve the transfer balance sheet of the National Television Company of Ukraine as at January 1, 2017;
- to undergo the relevant inspections and receive certificates necessary for the registration of the company in the Unified State Register;
- to register UA:PBC PJSC;
- to make a decision on the issue of the company's shares.
- to register the issue of shares with the National Commission on Securities and Stock Market;
- to conclude an agreement on the provision of services related to the issue of equity with the issuer;
- to resolve issues related to amendments to regulatory acts regarding reduction of tax burden on UA:PBC PJSC;
- and to approve regulatory documents necessary for ensuring the company's activities and receiving budget allocations.

Based on the previous experience in the liquidation of legal entities of state television and ra-

dio broadcasting companies, it is not a secret how many obstacles may arise at each of the steps listed. In addition, there was also bureaucracy and the human factor.

However, in October, it was clear that the first stage was behind; all state television and radio broadcasting companies merged with the National Television Company of Ukraine, which actually took almost a year. But there was very little time left for second stage of the reform. And nobody had a right to blunder: neither the State Committee on Television and Radio Broadcasting, nor the National Television Company of Ukraine, nor the ministries and departments involved in the reform, nor the Cabinet of Ministers.

The State Committee on Television and Radio Broadcasting and the National Television Company of Ukraine were implementing measures aimed at transforming the National Television Company of Ukraine into UA:PBC PJSC. In particular, within the framework of the implementation of the order No. 161 "Some Issues Related to the Establishment of a Public Joint Stock Company National Public Broadcasting Company of Ukraine", issued by the State Committee on Television and Radio Broadcasting on August 29, 2016, and order No. 177 "On the Reorganization of the National Television Company of Ukraine", issued on September 30, 2016, inventory of all property of the merged National Television Company of Ukraine was conducted, and its appraisal for the purpose of determining the authorized capital of the future public broadcaster was underway.

In order to ensure provision of funding for UA:PBC PJSC, they also had to develop, and the government had to approve, the Procedure for the Use of Funds Under the Budget Program "Financial Support of the National Public Broadcasting Company of Ukraine" (the draft of this procedure, which had been submitted by the National Television Company of Ukraine, was being handled at the State Committee); the State Committee on Television and Radio Broadcasting, together with the Ministry of Finance, had to issue a joint order according to which this budget program and a plan for the use of funds had to be approved. However, there would be a legal basis for the approval of these documents not earlier than in January 2017.

PROBLEMS WHICH COULD HAVE SLOWN DOWN THE CREATION OF A LEGAL ENTITY OF UA:PBC PJSC IN JANUARY 2017



Failure to meet a deadline for the determination the company's authorized capital would make it impossible for the government to approve the decision on the approval of the charter of UA:PBC PJSC by the end of the year, in connection with which there would be no legal basis for drawing up the transfer balance sheet of the National Television Company of Ukraine, and then there would be a chain reaction... At the same time, failure of employees of the National Television Company of Ukraine to draw up a transfer balance sheet in time, even if there were all grounds for this, as well as failure to obtain certificates necessary for registration in the Unified State Register, could have affected the deadline for the registration of UA:PBC PJSC, and there would also be a chain reaction...

The State Committee on Television and Radio Broadcasting developed an action plan for the second stage of the reform, which was aimed at the creation of UA:PBC PJSC within the framework of the reorganization of the merged National Television Company of Ukraine. In particular, according to this plan, on November 30, 2016, the State Committee on Television and Radio was supposed to approve valuation report on the property of the National Television Company of Ukraine, which had to be reviewed by the State Property Fund of Ukraine, and the list of property that was not included in the authorized capital of UA:PBC PJSC.

According to the action plan, if the government approved the charter of UA:PBC PJSC by the end of December, and if a transfer balance sheet of the National Television Company of Ukraine was drawn up by **January 1, 2017**, then the state registration of the legal entity of UA:PBC PJSC could be carried out as early as **January 6, 2017**.

The merged National Television Company of Ukraine consisted of the company itself and 29 branches. There were a total of 7,124 employees.

The merged National Television Company of Ukraine owned 274 real estate assets (administrative buildings, garages, dormitories, cinemas, warehouses, industrial facilities, a bomb shelter).

The total area of the merged National Television Company of Ukraine was more than 193 thousand and 124 square meters. It had 39 land plots in permanent use. The total area of land plots was 34 hectares.

The merged National Television Company of Ukraine had 162 licenses, of which there were 73 television broadcast licenses and 89 radio broadcast licenses.

On **November 23, 2016**, the Cabinet of Ministers made amendments to the resolution "On the Competition for the Positions of Heads of Economic Entities of the State Sector", thereby making it impossible for the government representatives to influence the appointment of the head of public television and radio in Ukraine. Government members backed the resolution amending paragraph 1.1 of the Resolution of the Cabinet of Ministers of Ukraine dated **September 3, 2008** No. 777 "On the Competition for the Positions of Heads of Economic Entities of the State Sector", where the exceptions which are not obligated to follow the procedure for holding the competition for the positions of heads of economic entities of the state sector are listed.

At the government meeting, the Minister of Information Policy, **Yuriy Stets**, noted that these amendments made by the government make it impossible for the government representatives to influence the appointment of the head of the public broadcaster, which will be the exclusive right of the Supervisory Board of UA:PBC PJSC (Public Joint Stock Company National Public Broadcasting Company of Ukraine): *"This resolution is a big and important step towards the completion of the reform of public television and radio broadcasting in Ukraine. This is an acceleration of this reform. And this means that in the future there will be no man at this table, no government representative, who will be able to influence the appointment of the head of public television and radio broadcasting in Ukraine. This will be an exclusive right of the Supervisory Board of the National Public Broadcasting Company of Ukraine."*



СТРУКТУРА НАЦІОНАЛЬНОЇ ТЕЛЕКОМПАНІЇ УКРАЇНИ ОБ'ЄДНАНІ

30 вересня 2016 року – завершення першого етапу реформи: всі ДТРК об'єдналися з НТКУ.

Підготовлено ГО «Детектор медіа» в рамках проекту Ради Європи «Зміцнення свободи медіа і створення системи суспільного мовлення в Україні».



НТКУ об'єднана (НТКУ+29 філій; 7 124 працівники):

«Культура»
(центральна дирекція)

«Українське радіо»
(центральна дирекція)

Регіональні дирекції
(27)

Кадровий і майновий ресурс



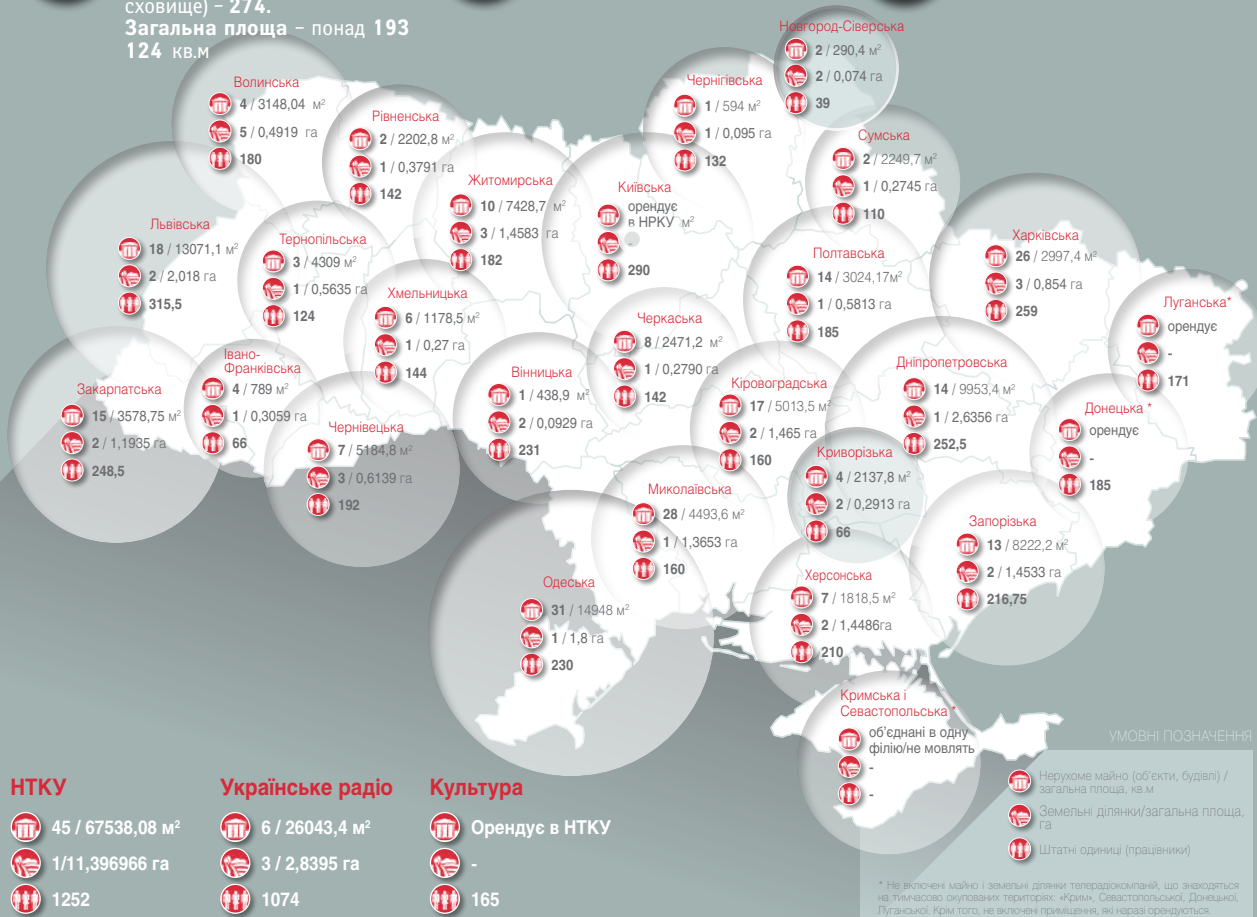
Всього об'єктів нерухомої власності (адмінбудівлі, гаражі, гуртожиток, кінотеатр, склади, виробничі споруди, бомбоховище) – 274.
Загальна площа – понад 193 124 кв.м



Земельних ділянок у власності - 39.
Загальна площа – понад 34 га



Ліцензії: 162,
з них ТБ – 73, РМ – 89.



НТКУ

45 / 67538,08 м²
1/11,396966 га
1252

Українське радіо

6 / 26043,4 м²
3 / 2,8395 га
1074

Культура

Орендує в НТКУ
-
165

УМОВНІ ПОЗНАЧЕННЯ
 Нерухоме майно (об'єкти, будівлі) / загальна площа, кв.м
 Земельні ділянки/загальна площа, га
 Штатні одиниці (працівники)

* Не включено майно і земельні ділянки телеерадикальної, що знаходяться на тимчасово окупованій території: «Крим», Севастопольська, Донецька, Луганська. Крім того, не включено приміщення, які зараз орендуються.

Другий етап реформи (1 жовтня 2016 – січень 2017). ПЛАН ЗАХОДІВ

- здійснити оцінку та провести з обліку НТКУ/перецінку необоротних активів
- затвердити акт оцінки майна
- визначити вартість статутного капіталу ПАТ НСТУ (до 30 листопада 2016 року)
- затвердити перелік майна, що передаватимуть товариству в господарське відання
- скласти й затвердити передавальний баланс НТКУ на 1 січня 2017 року
- пройти відповідні перевірки та отримати для реєстрації товариства в Єдиному державному реєстрі необхідні довідки, зареєструвати ПАТ НСТУ
- ухвалити рішення про випуск акцій товариства
- зареєструвати випуск акцій в Національній комісії з цінних паперів та фондового ринку
- укласти угоду з емітентом про обслуговування акцій
- опрацювати питання змін до законодавчих актів щодо зменшення податкового навантаження на ПАТ НСТУ, а також затвердити нормативні документи для забезпечення діяльності товариства й отримання бюджетних призначень
- Кабміну затвердити статут ПАТ НСТУ (грудень 2016 року)
- зареєструвати юридичну особу ПАТ НСТУ (січень 2017 року)
- акціонеру (стане відомий тільки після затвердження статуту ПАТ НСТУ) після реєстрації юридичної особи затвердити положення про наглядову раду ПАТ НСТУ та правління ПАТ НСТУ (січень 2017 року)
- Наглядовій раді ПАТ НСТУ обрати керівництво НР та оголосити конкурс з обрання Голови правління та членів правління ПАТ НСТУ



Yuriy Stets,
the Minister of Information Policy

On December 2, 2016, a meeting of the Commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC was held. Zurab Alasania and Daria Yurovska, who had resigned from the National Television Company of Ukraine in November 2016, were withdrawn from the commission.

Deputy chair of the State Committee on Television and Radio Broadcasting, Mykola Bilous, the head of the accounting department, Natalia Smalius, and the head of the primary trade union organization of the National Television Company of Ukraine, Oleksandr Kosiachenko, became members of the Commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC.

The chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, appealed to the Prime Minister Volodymyr Hroisman, requesting him to approve the draft Law of Ukraine "On Amendments to the Tax Code of Ukraine" regarding temporary exemption of UA:PBC PJSC from tax. In the letter it was stated that the planned expenditures for the funding of UA:PBC, provided for in the draft State Budget of Ukraine for 2017, were considerably less than the baseline minimum and less than 0.2% of the state budget general fund's expenditures for the previous year, which the National Public Broadcasting Company of Ukraine was supposed to receive in accordance with the law.

"Immediately after its creation, UA:PBC will not have any benefits, which will increase the tax burden significantly and will make it impossible to purchase new equipment for the company, to attract skilled workers, to allocate money necessary

for the creation of content for public needs, and, therefore, to implement the tasks assigned to it in accordance with the law," it was said in the letter.

Regardless of this, it was absolutely necessary for UA:PBC to receive support from the state in the form of tax concessions due to underfunding during the first year of its operation. The State Committee on Television and Radio Broadcasting requested the Ministry of Finance, together with the interested bodies, to give an order to approve the draft law of Ukraine and submit it to the government for consideration in accordance with the procedure stipulated by the legislation.

THE STATE COMMITTEE ON TELEVISION AND RADIO BROADCASTING APPROVED THE VALUATION REPORT ON THE PROPERTY OF THE NATIONAL TELEVISION COMPANY OF UKRAINE

On **December 15, 2016**, the chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, signed the order No. 231, thereby approving the valuation report on the property of the National Television Company of Ukraine. According to the appraisal, the authorized capital amounted to **UAH 2 billion 544 million and 273 thousand**.

The order, in particular, concerned the fact that valuation report on the property of the National Television Company of Ukraine (together with a review thereto) was approved in accordance

with paragraphs 20 and 21 of the Methodology for Property Valuation, which had been approved by the Resolution of the Cabinet of Ministers of Ukraine dated December 10, 2003 No. 1891 (as amended by the resolution of the Cabinet of Ministers of Ukraine No. 1033 dated November 25, 2015), based on the letter of the National Television Company of Ukraine dated December 14, 2016, No. 01-07/3559, taking into account the positive overall conclusion of the State Property Fund of Ukraine (the reviewer), contained in the review of the valuation report on the property of the National Television Company of Ukraine, and for the purpose of determining the authorized capital of a Public Joint Stock Company National Public Broadcasting Company of Ukraine (hereinafter referred to as the company).

At the same time, the chair of the Committee gave an order to approve:

- the list of the property that was not included in the company's authorized capital (the cost of housing);
- the list of the property that was not included in the company's authorized capital (objects that are not subject to privatization);
- the list of property about whose withdrawal from the company's authorized capital the commission on the transformation of the National Television Company of Ukraine had not made a decision.

Oleh Nalyvaiko reserved the right to exercise control over the implementation of this order. He assured everyone that on December 16, 2016, this package of documents would be sent to the Ministry of Justice, and then to the Cabinet of Ministers, for the purpose of approving the charter of UA:PBC PJSC.

INTERNAL RESISTANCE TO THE REFORM

There was an internal resistance to the reform at the National Television Company of Ukraine. Employees were demanding to see UA:PBC structure. But at that moment, nobody could show it to them. According to general director Zurab Alasania, management mistakes were one of the internal problems of National Television Company of

Ukraine. According to him, during the radical reformation of public broadcasting, 70% of management should be authoritarian, and the remaining 30% should be democratic by 30%; and after the restructuring, one may switch these percentages around. *"Democratic methods of management were based on the erroneous expectations that all employees shared the same values, had the same goal, and wanted to achieve the result. Therefore, it is necessary and sufficient to build a horizontal professional hierarchy, where all are equal, and everyone is responsible for their area of work, rather than a non-vertical management hierarchy. It does not work,"* Zurab Alasania wrote. In his opinion, for the most part, people do not want to have freedom of action and responsibility related thereto.

Employees of the National Television Company of Ukraine were worried if they would lose their job after the registration of UA:PBC. The State Committee on Television and Radio Broadcasting assured them that employment relations would not be terminated.

The State Committee had to answer a number of questions from the primary trade union organization of the branch of the National Television Company of Ukraine "Central Directorate "Ukrainian Radio", which concerned the order on the reorganization of the National Television Company of Ukraine dated September 30, 2016. The primary trade union organization of the branch of the National Television Company of Ukraine "Central Directorate "Ukrainian Radio" asked the State Committee on Television and Radio Broadcasting, as a management body of the National Television Company of Ukraine and the authorized state body which was taking measures to establish UA:PBC, to answer a number of questions. The trade union was interested in which structural and organizational changes - within the National Television Company of Ukraine and the branch - the order No. 177 would entail; what the "transformation" or "reorganization", which were mentioned in the order, would mean for the workers from a legal point of view; when the reorganization of the National Television Company of Ukraine was supposed to take place; what legal mechanism would be applied in this regard, in particular, concerning interaction with trade unions; whether reorganization of the National Television Company of Ukraine provided for

the reduction in the number of employees of the "Ukrainian Radio" (and if so, to what extent) and, accordingly, for the development of a new staffing chart; if so, who was working on it, what its main parameters were, and whether trade unions would be involved in this process, as stipulated by the legislation; whether employees of the radio company would be obligated to write letters of resignation, job applications, etc. in order to comply with this order and the resulting bylaws of the National Television Company of Ukraine; what would guarantee that they would not suffer finan-

cial losses regarding calculation of vacation pays, sick leaves, etc. after the transformation; how the team of the PJSC would be formed; how salaries would be calculated in the new structure; whether the proposal to include a representative of trade unions in the liquidation commission, provided for in order No. 177, which had been submitted at the Plenum of the Central Committee of the trade union of cultural workers of Ukraine, was taken into account.

The response of the State Committee on Television and Radio Broadcasting was concise:

— According to the order of the State Committee on Television and Radio as of September 30, 2016 No. 177 "On the Reorganization of the National Television Company of Ukraine", a decision was made to reorganize the National Television Company of Ukraine by transforming it into UA:PBC PJSC. In addition, from the moment of its appointment, the commission for the transformation of the National Television Company of Ukraine, which was formed in accordance with the aforementioned order, acts as the management body of the television and radio broadcasting organization in accordance with Article 105 of the Civil Code of Ukraine and, accordingly, makes decisions regarding structural and organizational changes in the National Television Company of Ukraine, which do not contradict the legislation.

According to Article 104, part one of the Civil Code of Ukraine, reorganization is a type of liquidation of a legal entity (the National Television Company of Ukraine). At the same time, in accordance with Articles 104 and 108 of the Civil Code of Ukraine, transformation is a type of reorganization, based on the results of which organizational and legal form of a legal entity is changed. In the case of the National Television Company of Ukraine, organizational and legal form is changed from a state organization to a public joint stock company, with a change in the name of the legal entity.

The State Committee on Television and Radio Broadcasting is planning to register liquidation of the National Television Company of Ukraine in the first decade of January 2017. Taking into account that the commission for the transformation of the National Television Company of Ukraine is the management body of the television and radio broadcasting organization, we would like to inform you that the decision on the reduction in the number of employees is within its powers.

According to Article 36, part four of the Labor Code of Ukraine, if the owner of the enterprise changes, or in the event of its reorganization (merger, amalgamation, division, separation, transformation), employees' employment agreements shall be extended. Employment agreement may only be terminated on the initiative of the owner or their authorized body in the event of a reduction in the number of employees.

Given the above rule, if the commission for the transformation of the National Television Company of Ukraine does not decide to reduce the number of employees, as at the day of the state registration of the newly established legal entity (UA:PBC), **employment relations with all employees of the National Television Company of Ukraine will not be terminated (on the initiative of the owner or their authorized body) and will be extended on the terms which will be in effect at the time of the liquidation of the National Television Company of Ukraine.**

According to the draft charter of UA:PBC, in addition to the management, it is suggested to assign powers related to the formation of a team of UA:PBC (appointment and dismissal) to the chair of the board of UA:PBC and the heads of separate structural subdivisions (if they are assigned such powers in accordance with the issued powers of attorney).

In addition, we would like to inform you that, in accordance with Article 7, part 2, paragraph 81 of the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine", establishment of the conditions and salaries of UA:PBC employees is within the powers of the Supervisory Board of UA:PBC.

According to the order of the State Committee on Television and Radio Broadcasting No. 213 dated November 25, 2016, the head of the primary trade union organization of the National Television Company of Ukraine Oleksandr Ivanovych Kosiachenko was included in the commission for the transformation of the National Television Company of Ukraine.



ALASANIA'S RESIGNATION

On November 1, general director of the National Television Company of Ukraine, Zurab Alasania, wrote a letter of resignation.

On November 2, 2016, the Cabinet of Ministers approved the letter of resignation, submitted by the general director of the National Television Company of Ukraine, Zurab Alasania. On November 4, Daria Yurovska, deputy general director of the National Television Company of Ukraine, resigned.

For many media, this was a sensation. What was behind Zurab's resignation?

It seemed that he was hanging on like grim death. He was both under external (representatives of the authorities, with regard to journalistic investigations) and internal (trade unions, etc.) pressure. At first, he was only managing the National Television Company of Ukraine, and in the course of the reform he started managing the merged National Television Company of Ukraine (which was more than 7 thousand employees throughout Ukraine). In addition, he had to implement the reform together with the State Committee on Television and Radio Broadcasting. During 2016, some of the powers of the State Committee on Television and Radio Broadcasting were transferred to the National Television Company of Ukraine. At the beginning of the second stage of the reform (autumn of 2016), Zurab Alasania also became the chair of the commission for the transformation of the National Television Company of Ukraine.

At the same time, everyone was demanding new high-quality content from Zurab, since it was UA:Persnyi. Some experts believed that it was a mistake to carry out the re-branding of the First National Television Channel by introducing the new logo UA:Persnyi on April 7, 2015, just when the law came into effect, since viewers already started perceiving the channel as the National Public Broadcasting Company of Ukraine. The content did change radically on the channel, especially the news, which became unbiased and met journalistic standards. Dozens of new projects were launched, but unfortunately, those were low-budget ones. Viewers did not understand that it was formally still a state channel, whose funding was the same, or even less. In addition, native advertising, thanks to which predecessors (even though, only the select few, that is, 50-60 people) had salaries which could be compared to those on commercial channels, disappeared from the channel. And because of the drop in ratings, revenue from advertising declined as well. The team was obviously dissatisfied with the decline in income. Earlier, the channel's ratings were high due to, for example, Mykhailo Poplavskyi's concerts and Savik Shuster's talk shows. But Zurab Alasania removed virtually all projects which, in his opinion, were low-quality or included native advertising, from the air.

Zurab Alasania's decision to resign was obviously not spontaneous, even though virtually everyone had been accusing him of being too emotional. This was evidenced by a well-written explanation of the reasons for the resignation, which included figures, facts, etc. He was right that there was no point in the reform without the proper budget. And he also was concerned that somebody could "set him up" during the preparation for Eurovision Song Contest. According to him, he was not abandoning the reform. He said this both to the representatives of donor organizations and to the chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko.

In addition, although the phrase "Alasania's team" was often heard, there was actually no friendly team. Zurab felt some responsibility for this as well. He had five deputies, some of whom were constantly arguing with each other. After the announcement of Alasania's resignation, several of them wrote letters of resignation, namely

Daria Yurovska, Viktoria Romanova and Mykhailo Shmatov, but Zurab Alasania, who was still the head at that time, did not sign them.

Public statement of the "Public Broadcasting Coalition" was no less resonant than Alasania's letter of resignation. The statement, which was announced almost at midnight on November 1, 2016, prompted the Prime Minister to consider this issue the next day, at a government meeting held on November 2. Volodymyr Hroisman once again confirmed Ukraine's intention to create the National Public Broadcasting Company and unexpectedly gave the Minister of Information Policy Yuriy Stets, rather than the chair of the State Committee on Television and Radio Broadcasting (it is this body that was responsible for this reform), to find and eliminate all threats to the completion of the reform. Stets made an optimistic statement that all the necessary documents would be adopted as early as at the next government meeting. Did this mean that the Ministry of Information Policy received more powers? "No," Stets said to Detector Media, "it was just an order which the prime minister gave to the minister.

Oleh Nalyvaiko commented on this assignment as follows: *"I am not a member of the government, whereas the Minister Yuriy Stets is such a member. I think it is because of this that Volodymyr Hroisman instructed the Minister of Information Policy to help create UA:PBC PJSC. This means that we will be doing this together. The most important thing now is for all ministries and departments to agree on the charter of UA:PBC PJSC and for the government to approve it."*

Zurab Alasania's resignation did not really affect the reform, which was now managed by Oleh Nalyvaiko. Meanwhile, Zurab said he would only return, if he wins the competition for the post of the chair of the Board of UA:PBC PJSC.

On **December 20, 2016**, at a meeting of the board of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, who became the chair of the commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC after Zurab's resignation, stated that at the last stage of the registration of UA:PBC PJSC, there was a systemic attack aimed at disrupting the Public Broadcasting reform.

As for the problems of the second stage of the creation of Public Broadcasting, Oleh Nalyvaiko mentioned the disruption of the reform by one of the managers of the National Television Company of Ukraine, whose *"career ambitions had not been fulfilled."*

"Zurab Alasania's resignation, which was caused by various factors, is one of the most difficult challenges in the last period. In my opinion, he made a key statement about the fact that "one destructive person who joined the team by mistake can create numerous arguments and completely destroy the result of many years of work," Nalyvaiko noted, hinting at Mr. Kharebin, the first deputy general director of the National Television Company of Ukraine. *"When I became the head of the commission for the transformation of the National Television Company of Ukraine into UA:PBC and saw the situation inside the team, I understood why Zurab Alasania had resigned. I saw what happens when career ambitions of one person are not fulfilled, even though this is a very respectable person. In my opinion, now, at the last stage, when UA:PBC PJSC will be registered in 2-3 weeks, there are systematic attempts to disrupt the reform. After this person failed to become the chair of the company, there were fake news about the fact that both the Public Broadcasting and the Eurovision Song Contest were over. Moreover, such news appears on Russian websites based on the information from one source. Then, the same source refutes these news on those websites. However, they continue to spread from Russian websites to Ukrainian media resources. I am absolutely convinced that this is done by the same group which was purchasing media assets before the Maidan and is now actively acting in its interests through its former members of supervisory boards, operational directors, heads of legal departments,"* he said.

"We currently do not have time to conduct an investigation. We will have our powers for just a couple of weeks. In fact, the dogs bark, but we carry on with the reform. In January, as soon as the acting chair of the board of UA:PBC PJSC is appointed and as soon as the supervisory board starts to exercise its powers, the first thing they need to do, in my opinion, is to conduct an official investigation into how officials of the National Television Company of Ukraine were trying to disrupt the reform," Nalyvaiko said at the meeting.

According to the chair of the transformation commission, a team of the National Television Company of Ukraine, together with the State Property Fund, had recently done a great job on the determination of the authorized capital, which amounted to UAH 2 billion 544 million and 273 thousand.

"In our opinion, we are proceeding within the framework of the "road map". The Charter of UA:PBC PJSC has undergone all the necessary approvals and is currently in the Ministry of Justice. The charter of UA:PBC PJSC will definitely be approved at a government meeting this year. We are waiting for good news on the financing of the public broadcaster," Oleh Nalyvaiko said.

As for the challenges which the agency would face the next year, the chair of the transformation commission mentioned the transition period, which would start the moment UA:PBC PJSC would be registered in the second decade of January and would last until the Supervisory Board of UA:PBC would elect its chair and members of the board. In his opinion, this period will last about three months.

"There are certain problems associated with corporatization and registration of a legal entity. But we do not see anything that could disrupt this reform. I am absolutely convinced that the Supervisory Board, which became a professional agency during all this time, will gradually shoulder the burden of responsibility, since it can start operation in January. Many issues seemed impossible. There were many situations when we were meeting in the evenings, did not know how to deal with a certain situation, starting with the moment when we decided to create UA:PBC PJSC, since there were no precedents. We could not even imagine how difficult the Ukrtefilm problem was, how difficult the problem of amalgamating Donetsk, Luhansk, Crimean, and Sevastopol companies to the National Television Company of Ukraine was, since there once again had been no precedents. We were solving these problems with no margin for error, so that there would be no lawsuits. Of course, when it comes to the implementation of the reform, many problems were caused by the Eurovision Song Contest, as it is very difficult to implement two large projects at once," Oleh Nalyvaiko said.

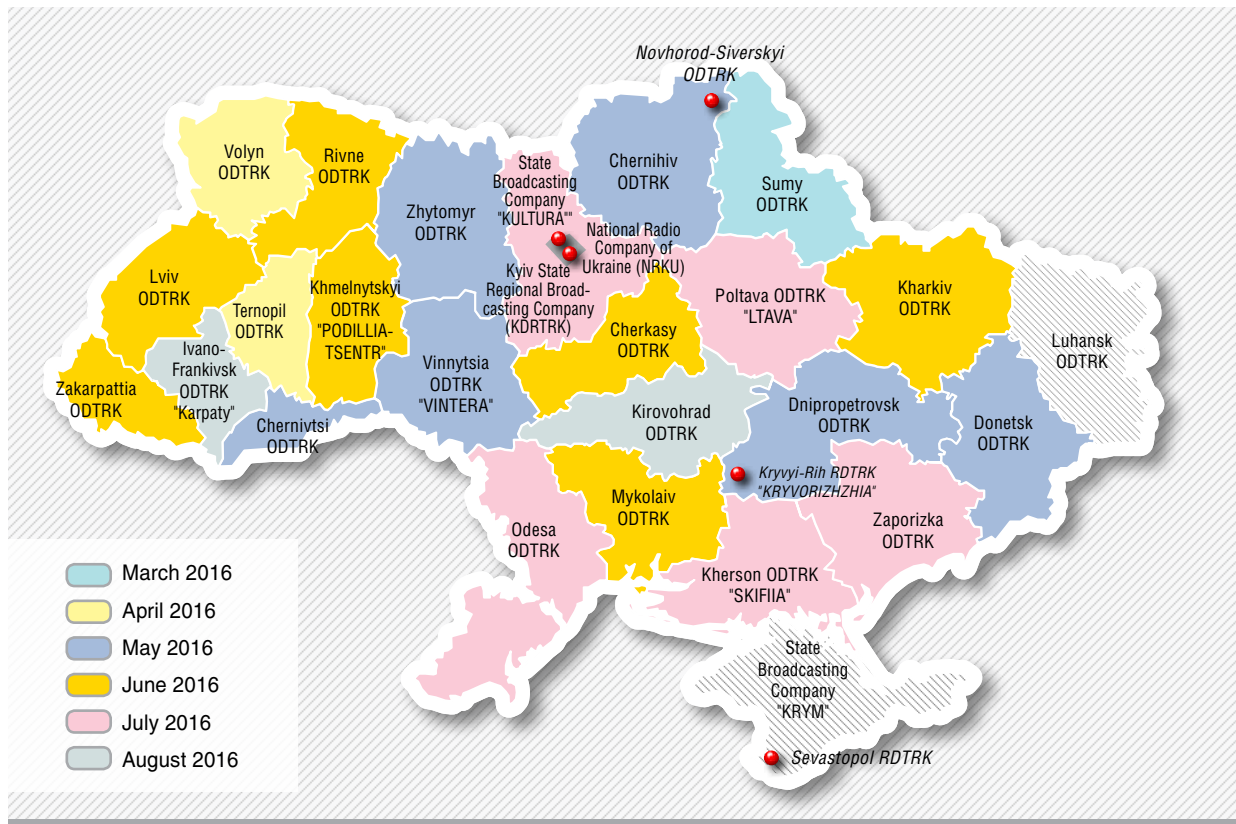
In December, there were certain changes in personnel at the National Television Company of

Ukraine. On December 15, 2016, Oleh Nalyvaiko, chair of the transformation commission, appointed Oleksandr Melnychuk and Pavlo Hrytsak as deputy general directors of the National Television Company of Ukraine. Thus, there were already seven Deputy General Directors at the National Television Company of Ukraine: first deputy **Oleksandr Harebin**, deputies **Hanna Bychok**, **Mykhailo Shmatov**, **Viktoria Romanova**, **Oleksandr Melnychuk**, **Pavlo Hrytsak**, and **Yevhen Kalenskyi**. No one was appointed as the Acting General Director after Zurab Alasania's resignation. All responsibility for the activities of the National Television Company of Ukraine was borne by the head of the Commission for the Transformation of the National Television Company of Ukraine into UA:PBC PJSC, Oleh Nalyvaiko.

On December 22, 2016, the chair of the State Committee on Television and Radio Broadcasting and the Commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC, Oleh Nalyvaiko, signed the order No. 367 "On the approval of the form for the handover certificate and implementation of urgent measures prior to its preparation". This document is one document necessary for the registration of the legal entity of UA:PBC PJSC.

Employees immediately started preparing appendices (more than 40) to the handover certificate in order to ensure its timely preparation. The Commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC had to approve this handover certificate and transfer it to the registrar together with other documents for the purpose of carrying out registration of the legal entity of UA:PBC PJSC. The order, in particular, referred to the fact that the Deputy General Director of the National Television Company of Ukraine Hanna Bychok and the executive directors of branches of the National Television Company of Ukraine had to ensure inventory of all non-current assets, current assets, and liabilities as at the date of the preparation of the handover certificate, that is, January 1, 2017. The department of accounting and reporting, executive directors of branches, and heads of structural subdivisions of the National Television Company of Ukraine were also instructed to ensure timely preparation of appendices to the handover certificate, etc.

● PUBLIC BROADCASTING REFORM: REFORMING OF OBLAST-LEVEL BROADCASTING COMPANIES (ODTRK) INTO CONSOLIDATED NATIONAL BROADCASTING COMPANY OF UKRAINE (NBCU)



On the night of **December 21**, the Verkhovna Rada approved the state budget 2017, where the financial support of UA:PBC was approved in the amount of UAH 970,797.8.

At a government meeting on December 21, Prime Minister Volodymyr Hroisman had promised that UA:PBC would receive at least UAH 1.2 billion for 2017.

The State Committee on Television and Radio Broadcasting promised that there will be no delays in payment of salaries to UA:PBC employees in January 2017 and approved the valuation report on the property of the National Television Company of Ukraine. The size of the authorized capital was more than UAH 2.5 billion. (namely UAH 2 billion 544 million and 273 thousand).

On December 23, 2016, the Ministry of Justice approved the draft charter of UA:PBC PJSC.

On the same day, the State Committee on Television and Radio Broadcasting sent a draft resolution approving the charter, together with a legal opinion of the Ministry of Justice, to the secretariat of the Cabinet of Ministers.

On December 28, 2016, the Cabinet of Ministers unanimously approved the charter of UA:PBC PJSC at a meeting chaired by the Prime Minister of Ukraine Volodymyr Hroisman.

In 2016, legal entities of regional state television and radio broadcasting companies were liquidated one after another.

On March 24, 2016, the Sumy Television and Radio Company was the first one to cease to exist as a legal entity in the status of a regional state television and radio broadcasting company. The corresponding entry was made in the Unified State Register of Legal Entities and Individual Entrepreneurs.

On April 18, Ternopil Television and Radio Company was liquidated,

On April 25, Volyn Television and Radio Company was liquidated,

On May 6, Vinnytsya Television and Radio Company was liquidated,

On May 13, Novhorod-Siverskyi and Kryvyi

Vitaliy Meshcheriakov, general director of the Zakarpattia regional state television and radio broadcasting company



Rih Television and Radio Companies were liquidated,

On May 16, Mykolaiv Television and Radio Company was liquidated,

On May 19, Donetsk Television and Radio Company was liquidated,

On May 22, Zhytomyr and Chernihiv Television and Radio Companies were liquidated,

On May 31, Dnipropetrovsk Television and Radio Company was liquidated,

On June 1, Chernivtsi Television and Radio Company was liquidated,

On June 9, Rivne Television and Radio Company was liquidated,

On June 18, Zakarpattia and Cherkasy Television and Radio Companies were liquidated,

On June 21, "Kultura" TV channel was liquidated,

On June 30, Khmelnytskyi Television and Radio Company was liquidated,

On July 2, Zaporizhia Television and Radio Company was liquidated,

On July 7, Kyiv State Regional Television and Radio Broadcasting Company "Tsentralnyi Kanal" was liquidated,

On July 10, Kherson Television and Radio Company was liquidated,

On July 11, Poltava Television and Radio Company was liquidated,

On July 16, Odesa Television and Radio Company was liquidated,

On August 1, Kirovohrad Television and Radio Company was liquidated,

On August 5, Ivano-Frankivsk Television and Radio Company was liquidated,

On September 9, Luhansk Television and Radio Company was liquidated,

On September 30 the National Radio Company of Ukraine was liquidated,

On October 30, Sevastopol State Television and Radio Company and "Krym" State Television and Radio Company ceased to exist as legal entities in the status of regional state television and radio broadcasting companies,

The satellite TV channel of the Ukrainian public broadcaster "UA:Pershyi Ukraine" changed its logo to "UA: Krym." The decision about the fact that the National Television Company of Ukraine re-issued one of the satellite broadcast licenses in connection with the change of the logo was adopted by the regulator on **September 29, 2016**.

WHAT HEADS OF BRANCHES OF THE NATIONAL TELEVISION COMPANY OF UKRAINE WERE SAYING ABOUT PROBLEMS DURING THE TRANSFORMATION INTO THE NATIONAL PUBLIC BROADCASTING COMPANY OF UKRAINE AND ABOUT THEIR PLACE IN THE STRUCTURE OF UA:PBC PJSC

During the process of liquidation of legal entities of regional state television and radio broadcasting companies, general directors of branches were complaining about various difficulties. Some branches did not carry out registration of all property or land plots, for example, it turned out that there was a seizure of accounts at the Dnipropetrovsk regional state television and ra-

dio broadcasting company, which had actually been canceled in 2013.

Vitaliy Meshcheriakov, general director of the branch of the National Television Company of Ukraine "Zakarpattia Regional Office", noted that the legal entity of Zakarpattia regional state television and radio broadcasting company could not be terminated due to bureaucracy. "We currently have the official refusal of the state registrar to liquidate the Zakarpattia regional state television and radio broadcasting company with reference to the local fiscal service. We are working on the re-registration of land rights, property, vehicles, and a few small issues," he said.

As at **July 1, 2016**, after the ten-percent cut, there were 248.5 positions at the Zakarpattia regional state television and radio broadcasting company. The average salary of journalists was UAH 3,170 (whereas after taxes they actually received about UAH 2,500, which was slightly more than 100 US dollars according to the exchange rate at that time), while the average salary in the region at that time was UAH 4,650. Therefore, according to Vitaliy Meshcheriakov, most people were interested whether working conditions would improve and whether salaries would increase.

Valentyn Chanhli, general director of the Dnipropetrovsk branch, noted that some employees were afraid of changes, whereas others were waiting for them. Yet people were worried about the purchase of new equipment, training, general principles of work, prospects of the increase of salaries, and wanted to know what they had to do for this to happen. After the cut, there were 253 employees at this branch.

According to the general director of the Chervivtsi branch, **Liubov Hodniuk**, employees were ready for changes and rebranding. At the same time, employees of the channel did not have a clear understanding of either the structure of the future UA:PBC PJSC, or the place of the branch in this structure. Employees were concerned about the volume of broadcasting of regional television broadcasting companies: whether it would be sufficient to preserve regional peculiarities and fully meet information needs of citizens of a particular region. We would like to remind you that the branch had only 4 hours of analog broadcasting and round-the-clock digital broadcasting.

The team was concerned about the number of employees at the future branch of UA:PBC PJSC and about the size of salaries. After the reduction, there are 192 employees at this institution.

General director of the branch of the National Television Company of Ukraine "Kharkiv Regional Office", **Yulia Lytynska** noted that there were no problems with the liquidation of the legal entity at the Kharkiv regional state television and radio broadcasting company. After the 10-percent cut, there were 259 employees at the Kharkiv branch. The team was most concerned about the date of the next cut and about the number of employees who would be dismissed. At the same time, young people were asking when the Kharkiv branch would receive the Public Broadcasting logo — "UA:".

Branches of the National Television Company of Ukraine, which had been regional state television and radio broadcasting companies until recently, were on a difficult path of transforming into public broadcasting. They were undergoing many changes, including with regard to the system of communication with the capital, which had been developed over many years. Earlier, the State Committee on Television and Radio Broadcasting was actually responsible for their work, whereas in 2016, they became part of the structure of the merged National Television Company of Ukraine, which was supposed to transform into UA:PBC PJSC. Some of the executive directors were stating that they needed 24-hour broadcasting, whereas others said that they did not need the night air. At the same time, all heads were against the transformation of branches into news offices; they believed that in the light of decentralization, full-fledged television and radio companies had to be preserved in the regions.

As at July 1, 2016, 840 employees were dismissed in the state broadcasting system: after the cut, there were 7,136 employees at the National Television Company of Ukraine and its branches, "Kultura" TV channel, and the National Radio Company of Ukraine. Of them 1,289 people were employees of the National Television Company of Ukraine. This 10%-cut took three months. We would like to remind you that in 2014, there had been 1,600 employees at the National Television Company of Ukraine ("The First National" TV channel).

NEW PROJECTS — LIFE WAS GOING ON

In parallel with the reform, in 2016, new projects were launched at the merged National Television Company of Ukraine (both on television and on the radio).

At the beginning of 2016, a series of interviews with businessmen who left the ATO zone entitled "New Countdown" was launched on the First Channel of the Ukrainian Radio within the framework of a special project "Donbas-ua".

On January 11, a joint project of UA:Pershyi and Hromadske.tv about the reforms at the local level was launched. On January 22, a television version of the performance-presentation based on the novel "Airport", which describes history of the fight for the Donetsk Sergei Prokofiev International Airport, was launched on UA:Pershyi. On January 26, a special project of UA:Pershyi on decentralization was launched.

On February 27, UA:Pershyi hosted a premiere screening of a documentary film "Poverny Meni Imya" [Bring Me Back My Name] about volunteers who were traveling to the occupied territory and were bringing missing in action military personnel back, so that instead of a serial number, those who had died could have their own history, family, and name again. In March, UA:Pershyi started screening the program "Slovo Na Vulytsi"

[Word on the Street], which helped to learn English and get acquainted with British culture. The project was launched in the Year of the English Language in Ukraine.

On March 14, a new program "Veresen," with Mykola Veresen as TV presenter, went on the air on UA:Pershyi for the first time. In June, the channel aired five episodes of the documentary cycle "Decommunization.ua", which was prepared by the participants of the Video Academy of the DOCemotion documentary series.

"Ukrainian Radio" launched the project "Lecture Course: 500 Minutes About Ukraine" on the threshold of the Independence Day. Oleksandr Zinchenko launched a new project "Unmasked History" on UA:Pershyi. The channel launched News:Culture and a weekly program "Sport. Week".

There was a total of 23 own projects, as well as 5 news releases, on the air of UA:Pershyi.

During 2016, the First channel of the Ukrainian Radio launched 16 new programs and 7 special projects; "Kultura" radio launched 13 own projects, and radio Prominlaunched 11 new programs.

In 2016, 115 new projects, 66 documentaries, and 86 programs produced by the companies

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themselves were launched at the 28 branches of the National Television Company of Ukraine. In total, during this year, branches of the National Television Company of Ukraine were broadcasting their own new content during 42 million 757 thousand and 536 hours. This was mentioned in the analytical statement on the state of broadcasting and the number of programs produced by the companies themselves (including new projects launched in 2016) at the branches of the National Television Company of Ukraine in 2016.

In 2016, 28 branches of the National Television Company of Ukraine were producing the following programs, projects, and films: Vinnytsya Regional Office "Vintera" (4 documentary films, 8 projects), Volyn branch (6 projects, 25 documentary films), Dnipropetrovsk branch (1 television project), Donetsk branch (26 programs), Zhytomyr branch (2 projects, 10 programs), Zakarpattia branch (6 programs), Zaporizhia branch (6 projects, 1 documentary film), Ivano-Frankivsk branch "Karpaty" (13 radio projects, 1 documentary film, 1 television project), Kyiv Regional Office (3 projects), Kirovohrad branch (2 programs, 1 documentary film, 1 project), Kryvyi Rih branch "Kryvorizhzhya" (1 project), Luhansk branch (5 projects), Lviv branch (1 documentary film, 2 projects), Mykolayiv branch (15 programs), Novhorod-Siverskyi branch "Siverska" (2 projects), Odesa Regional Office (1 project, 2 documentary films), Poltava branch (4 projects, 10 documentary films), Rivne branch (6 documentary films, 1 program), Sumy branch (5 projects), Ternopil branch (4 projects), Kharkiv branch (7 programs), Kherson branch "Skifia" (5 projects, 7 documentary films), Khmelnytskyi branch "Podillya — Center" (11 programs), Central Office "Kultura" TV channel (2 documentary films, 1 program), Cherkasy branch (0), Chernivtsi branch (2 projects, 4 documentary films), Chernihiv branch (12 programs), central branch of the National Television Company of Ukraine Ukrainian Radio (36 projects).

Ukrainian Radio Symphony Orchestra had a number of tours, in particular, abroad.

In 2016, experts noted that UA:Pershyi was really moving towards the declared creation of public broadcasting. After all, things that were shown and told on the air had all the signs of socially important projects, starting from the topics chosen



by journalists to their analysis. Monitorings of news prepared by branches showed that there was a large number of materials which had the signs of promoted stories, therefore Zurab Alasania warned employees that he would dismiss everyone who was selling native advertising. In 2016, news prepared by branches were still customized to the authorities.

On July 1, Donetsk Regional Office (branch) of the National Television Company of Ukraine finally launched "Holos Donbasu" radio station. An off-site meeting of the Committee on Freedom of Speech, which had been held in Kramatorsk in June 2016, also contributed to this. People's deputies were indignant about the fact that the radio of the Donetsk branch had not been revived for such a long period of time.

2016 – THE YEAR OF UKRAINE'S VICTORY IN THE EUROVISION SONG CONTEST

On February 21, in the final of the national selection, it became known that Jamala with her song "1944" would represent Ukraine at the 61-st Eurovision Song Contest -2016. **In May, Jamala won the Eurovision-2016 contest.**

People immediately started talking about the fact that creation of Public Broadcasting in Ukraine might be postponed. However, the authorities assured that everything would go according to the plan, and that there would be no delays in connection with the Eurovision Song Contest 2017. This, in particular, is what the Vice Prime Minister of Ukraine Vyacheslav Kyrylenko said to the "Public Broadcasting" website on June 1. According to him, Eurovision Song Contest 2017 would be held in accordance with the plan; there was already a socio-political position on the creation of a Public Broadcaster. On June 1, the Organizing Committee of the Contest in Ukraine was created. Members of the European Broadcasting Union obviously wanted to see this contents broadcast by the Public Broadcaster, rather by the state one.

In response to a question of a Detector Media journalist, President of Ukraine Petro Poroshenko also said that he wanted the Eurovision Song Contest which would be held in Ukraine in 2017 to be broadcast by the Public Broadcaster; he was convinced that it would be created by that time.

At a government meeting on **June 24, 2016**, the Prime Minister and chair of the Organizing Committee on the Preparation and Carrying out of the Eurovision Song Contest 2017 in Ukraine, Volodymyr Hroisman, announced the start of the selection of a city which would host the Eurovision Song Contest 2017. A several-months-long epic of the selection of cities that wanted to host the contest began, although the capital still won in the end. Several cities, namely Kyiv, Lviv, Dnipro, Odesa, Kharkiv, and Kherson, said they wanted to host Eurovision. The National Television Company of Ukraine used this competition to broadcast the process of selection on its air.

In order to hold the Eurovision Song Contest 2017, the National Television Company of Ukraine had to receive financial guarantees in the amount of 15 million euros from the state. Such a decision was made on July 27, at a meeting of the Cabinet of Ministers.

At a meeting on August 8, the Cabinet of Ministers allocated UAH 450 million to the State Committee on Television and Radio Broadcasting from the reserve fund, so that it could take measures to hold the Eurovision Song Contest 2017.

The parliament also agreed to meet the organizing committee halfway and adopted



Oleksandr Kharebin,
first deputy general director
of the National Television
Company of Ukraine

a law on the facilitation of tender procedures for carrying out the Eurovision Song Contest 2017.

Head of the Information Society Department, Directorate for Information Society and Counteracting Crime, Directorate General Human Rights and Rule of Law (DGI) of the Council of Europe, Patrick Penninks, during a coordination meeting on the development of a plan for the implementation of the expert report of the Council of Europe on the distribution of powers of institutions in the field of information policy and media in Ukraine, which was held in Kyiv on **October 26, 2016**, said that Eurovision-2017 must not slow down the creation of UA:PBC PJSC. According to him, both processes must be underway at the same time.

AUDIENCE ANALYSIS

Just as in the previous years, the National Television Company of Ukraine did not have the means to study and measure its audience. The ratings remained rather low, even though they were slightly higher in the regions than in the center. However, some experts were saying that UA:PBC should not work for the sake of high ratings. For example, in the opinion of Yevhen Hlibovytskyi, member of the supervisory board (who had been elected as a representative of NGOs in the creative sphere), it was not the purpose of Public Broadcasting to make everyone watch it all the time. The main part of the audience was watching the

news on commercial channels, and when something controversial happened, people switched to UA:PBC, because they understand: here they can find weighed and reliable information, and here they will not be misled. *"The content of Public Broadcasting is not intended to please everyone, it is developed for the purpose of ensuring harmony and providing a possibility of the development of the society,"* noted Hlibovytskyi.

Some audience analyses were carried out at the expense of donors. For example, according to the results of the GFK Ukraine's brand-awareness survey, 26% of Ukrainian respondents knew about/ were watching UA:Persnyi, 17% had heard about it, but never watched it, and 57% of the respondents did not know about the channel. More young people started watching UA:Persnyi.

Such data was presented by GFK Ukraine at the conference "Analysis of the audience of the public broadcaster" on February 12, 2016. The study carried out by "GFK Ukraine" covered 1,000 respondents throughout Ukraine, except for the occupied territories.

Earlier, in June 2015, at the request of the Detector Media NGO, Kyiv International Institute of Sociology had conducted a sociological survey "The Attitude of the Population to the Media, Propaganda and Media Reforms during the Conflict". According to this survey, 94% of the polled Ukrainians did not know who was the owner of UA:Persnyi, and 3% believed that the channel belonged to the President of Ukraine Petro Poroshenko.

2016 SCANDALS

During the reform, there were scandals at UA:PBC from time to time, which also hampered the reform. Some of them were actually connected with the reform. In particular, due to a delay in signing the necessary documents at the Ministry of Justice, there was a significant delay in payment of salaries to the employees of the National Television Company of Ukraine in early 2016.

"Almost half of the month of March is behind, but employees have not received salaries yet. The situation is the same with the rest of payments," Zurab Alasania wrote, explaining that this was caused by the fact that the Ministry of Finance ordered local treasuries not to make payments without the approved budgets. According to him, this situation is an illustration of the "stupidity of the system", since the National Television Company of Ukraine submitted the consolidated document in December 2015, but it was still being approved by the Ministry of Justice in March 2016. The general director noted that the management of the National Television Company of Ukraine was constantly "bombarding" the Ministry of Justice with letters, and directors of branches, instead of explaining the situation to employees, were joyfully saying that this was the responsibility of the National Television Company of Ukraine and the result of the *"damn Public Broadcasting reform"*.

On **March 16, 2016**, at a meeting of the Cabinet of Ministers, a new wording of the "Procedure for the use of funds for the broadcast of television and radio programs made for state needs, provided for in the state budget" was approved, according to which the National Television Company of Ukraine was supposed to manage its own funds, as well as the funds of its branches. Thus, the era of regional state television and radio broadcasting companies and dependence on the State Committee on Television and Radio Broadcasting ended.

In this regard, there was a dispute between the management of the National Television Company of Ukraine and the State Committee on Television and Radio Broadcasting. In particular, Oleksandr Kharebin, the First Deputy General Director of the National Television Company of Ukraine, wrote: *"It was the reluctance of the State Committee on Television and Radio Broadcasting to allow*

the National Television Company of Ukraine to manage funds of the branches that was the reason for the fact that the funding was cut off."

Deputy chair of the State Committee on Television and Radio Broadcasting, **Bohdan Chervak**, refuted these statements: *"Regional state television and radio broadcasting companies would not have been reformed without the State Committee on Television and Radio Broadcasting, and today we would not be talking about the irreversibility of the creation of Public Broadcasting. There were no delays on the part of the State Committee on Television and Radio Broadcasting; on the contrary, there were initiatives to assist the process of the creation of Public Broadcasting in every possible way, including its financial independence. We were trying to help implement the law on the creation of the National Public Broadcasting Company of Ukraine as much as possible, so no one can talk about any reluctance, including with regard to funds."*

During the entire period of existence of the state television and radio broadcasting system in Ukraine, the National Television Company of Ukraine, the National Radio Company of Ukraine, "Kultura" TV channel, and regional state television and radio broadcasting companies were financed through the State Committee on Television and Radio Broadcasting, which acted as the principal administrator of budget funds. After receiving the relevant budget program, it was carrying out direct financing of the subordinate structures. After the amalgamation of the National Radio Company of Ukraine, "Kultura" TV channel, and regional state television and radio broadcasting companies, which became branches of the National Television Company of Ukraine, it became clear that such a system of financing, where the National Television Company of Ukraine and its branches received equal access to funds, could not exist anymore. This was evident not only to the National Television Company of Ukraine, but also to the state authorities responsible for the control over budget funds.

In April, the National Television Company of Ukraine started to fully and effectively dispose of funds allocated to it by the state, which was done under the watchful eye of the State Committee on Television and Radio Broadcasting.

On **March 24**, the Ministry of Finance finally signed the budget according to which all state tel-

evision and radio companies had to be financed. After this, employees of the branches began to receive salaries.

The next scandal broke in March, after Oleksandr Kharebin's statement about alleged corrupt practices on the part of officials during the Public Broadcasting reform. According to the first deputy general director, the state television and radio broadcasting system in Ukraine was rotten and practically destroyed. Restoration of this system, and moreover, bringing it into line with the public broadcasting standards, required tremendous effort, which would produce a rather questionable result. According to him, the National Television Company of Ukraine would file the relevant lawsuits.

According to Kharebin, the National Television Company of Ukraine signed the license agreement with Euronews in 2010 without a mandatory legal examination of this agreement, without a tender, and with complete disregard for the budget law. *"This case is currently being considered by the Kyiv Court of Appeal; we lost in the trial court. I would like to remind you that last year, the budget of the National Television Company of Ukraine amounted to UAH 170 million, whereas this year, the budget of the entire system of state television and radio broadcasting was UAH 670 million. Thus, according to the current exchange rate, Euronews' claims amount to slightly more than UAH 300 million,"* he said.

According to Oleksandr Kharebin, a situation with the research and production association Poverkhnost was in the second place in terms of the scale of possible corrupt practices. *"We could have lost over UAH 100 million at the last year's exchange rate, if the court had ruled that this company had the right to recover money for content that was broadcast on the air of the First National Channel without a license agreement from the National Television Company of Ukraine. There is plenty to tell about who is behind this company, how this content got on the air, and who benefited from this, but there is no escaping the fact that we won this case. The cassation authority dismissed their claim,"* Kharebin said.

According to Kharebin, Ukrtelegroup was in the third place both in terms of the possible losses of the state and in terms of ineffective state property management.

He also mentioned many years of free use of the resources of the National Television Company of Ukraine by "Era" television and radio broadcasting company, especially in terms of signal transmission. *"What is outrageous in this situation is both that a private television company, whose broadcast license was issued, to put it mildly, not completely transparently, was broadcasting on the first national radio channel of the country", and that state managers are unable, and often simply reluctant, to protect financial interests of the state. In May last year, for the first time in many years, the National Television Company of Ukraine made "Era" pay for things it had been previously using free of charge. "Radio Era" has been broadcasting on the first national radio channel of the country for more than ten years under the agreement on joint activities with the National Radio Company of Ukraine. In violation of all resolutions of the Cabinet of Ministers and under documents which are quite controversial from a legal point of view, it does not pay for the actual expenses of UR-1 related to broadcast and even issues absurd invoices for its "joint activity". These are all tens of millions UAH of losses, which we will still have to prove in courts,"* Kharebin said.

In the statement about alleged corrupt practices, separate attention is paid to numerous investment agreements related to the construction or lease of residential and non-residential real estate. Construction in Kyiv on Pervomayskoho St., an agreement on the construction on Hrinchenka St., construction in Khmelnytskyi, Kherson, lease in Lviv. Kharebin believed that the state could lose tens, if not hundreds, millions UAH, if it did not take control over the protection of the interests of the National Television Company of Ukraine under these agreements concluded by the previous heads of the State Committee on Television and Radio Broadcasting and by the economic entities that were within their scope of responsibility.

The first deputy general director of the National Television Company of Ukraine had many questions about the efficiency of the use of budget funds during the restoration of broadcasting in the Donetsk and Luhansk regions, which was carried out on the basis of local regional state television and radio broadcasting companies. *"Misuse of public funds, which we are currently investigating, unreasonably high number of employees, in-*

efficient use of funds allocated for the purchase of equipment, the lack of control over financial assistance provided to the regional state television and radio broadcasting companies for the purpose of restoring broadcasting... We are investigating all this issues as thoroughly as possible, because under the conditions of war such actions may well qualify not just as an offense, but as a treason against the state," Kharebin said in an interview for the "Public Broadcasting" website.

At the meeting of the board, the chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, publicly criticized Oleksandr Kharebin for accusing the agency of corrupt practices. *"I had the impression that all the heads of the National Television Company of Ukraine decided to run for the chair of the board of UA:PBC. This is great, since there will be competition. But we must not ruin the cohesion of our actions, because this will disrupt the project. In particular, the first deputy general director of the National Television Company of Ukraine, Oleksandr Kharebin, said that corrupt practices were detected in the process of the creation of Public Broadcasting. I am surprised, because some of the mentioned facts have been known for many years (about Euronews, etc.). I am also surprised by the allegations concerning the development of broadcasting in the Donbas. In a situation when terrorists seized Donetsk and Luhansk, we may have made mistakes when developing broadcasting in the Donbas, but if we had acted based on the recommendations, for example, from the Ministry of Economy, there would still have been no broadcasting for a long time. We can say a lot about the things we did in the Donetsk and Luhansk regions, but we will not be doing this today. It is surprising that someone talks about corrupt practices in an interview, while certificates are signed without any remarks, the organizational chart is approved without any remarks; and when Mr. Kharebin is talking about the treason against the state, he has to take responsibility for his words. We are waiting for new information," Nalyvaiko said.*

Since **April 1**, programs produced by Radio Era and Hromadske Radio were no longer broadcast on Ukrainian Radio, since the National Television Company of Ukraine ceased joint production. The vacant air was filled with programs produced



Mustafa Nayem,
people's deputy

by Ukrainian Radio. Subsequently, Hromadske Radio continued its broadcasting on Ukrainian Radio, but on the new terms. On June 23, Andriy Kulykov, chair of the Hromadske Radio NGO, signed a memorandum on the broadcast of a live evening program Hromadska Khvyliya [Public Wave] on Ukrainian Radio. From **July 12**, Hromadska Khvyliya had one hour of broadcast on UR-1: from 22:10 to 22:59 (it had been previously broadcasting for two hours, from 21:00 to 22:59).

Then Zurab Alasania was criticized by the National Union of Journalists. In the spring of 2016, at a plenary meeting, the National Union of Journalists of Ukraine made a statement, demanding that Volodymyr Hroisman dismiss the general director of the National Television Company of Ukraine, Zurab Alasania. They were primarily criticizing Alasania for the low ratings, although the real reasons were different. Most heads of regional state television and radio broadcasting companies were holding top positions in the National Union of Journalists of Ukraine, and they were making Alasania a scapegoat for all the problems which had arisen during the reform, and some of them were even categorically against the elimination of state broadcasting.

The next scandal broke after UA:Pershyyi refused to broadcast the anniversary concert of Oksana Bilozir, after which some Ukrainian artists immediately accused it of Anti-Ukrainian sentiment. On April 26, on his Facebook page, the husband of Ms. Bilozir, general director of "Palace Ukraine", Roman Nedzelskyi, said that the management of the First National Channel took Oksana Bilozir's anniversary concert, which had been scheduled earlier, off the Easter air due to its *"non-compliance with the channel's format and the concept of public broadcasting"*. *"I will not be in exile on the air in my country and will not present my Ukrainian songs only on the Internet, and I am not going to let these "newcomers" occupy our national television and radio space,"* he said.

Zurab Alasania replied that UA:Pershyyi had no agreements on the broadcast of Oksana Bilozir's anniversary concert, since such a format does not fit the channel's editorial policy. According to him, UA:Pershyyi had not planned to screen Oksana Bilozir's concert, had not included it in the program, and had not announced it. *"The product produced by the "Ukraine" Research Institute*

was considered by the program department of UA:Pershyyi in the same way dozens of other television products are considered every day, without any obligations to the copyright holders of these products. Negotiations on the transfer of rights to the non-exclusive use of the product on the channel's air start when it has been decided that the product complies with the channel's editorial policy. In this case, negotiations with the copyright holders were not conducted: the format of the "anniversary concert" with a welcome speech is not used in the channel's editorial policy," Mr. Alasania said.

On May 5, the management of the "Lviv Radio" (Lviv Regional Radio) refused to broadcast an interview by Svyatoslav Drabchuk, the host of a morning program, with Zurab Alasania, general director of the National Television Company of Ukraine. The host stated that there was censorship.

On May 19, 2016, a session of the Kyiv Court of Appeal was held following Euronews' lawsuit against the National Television Company of Ukraine for the collection of 10,591,224.48 euros. The National Television Company of Ukraine lost the lawsuit and subsequently filed a cassation. General director of the National Television Company of Ukraine, Zurab Alasania, suggested that the government would gradually repay the debt to Euronews. *"The government and Euronews may start negotiations on the restructuring of the debt of over 10 million euros, which the European channel wants to collect from the National Television Company of Ukraine,"* he told in an interview for Deutsche Welle. Prime Minister Volodymyr Hroisman was informed about the fact that the European channel wanted to collect the debt from the National Television Company of Ukraine and about other details of the case.

The National Television Company of Ukraine filed a counterclaim on the annulment of the 2010 agreement because of a violation of the current legislation. According to Alasania, the agreement between the National Television Company of Ukraine and Euronews had been concluded for six years in violation of the law, since state institutions had no right to conclude agreements for more than one year.

Operation of the Ukrainian editorial team of Euronews cost the National Television Compa-

ny of Ukraine approximately 5.5 million euro per year. Zurab Alasania took up his position in 2014, when the National Television Company of Ukraine already owed over 10 million euro to Euronews under the license agreement.

"Since I had not received any guarantees from the government that the debt will be paid, in 2015, I did not renew the agreement with Euronews in order not to increase the debt. If I had not done this, there would automatically have been 17 million euro of debt in February 2016," Zurab Alasania said.

On October 20, 2016, at an extraordinary conference of the primary trade union organization of the National Television Company of Ukraine, members said that they did not trust the chair of the transformation commission, general director of the National Television Company of Ukraine, Zurab Alasania. The head of the legal department of the State Committee on Television and Radio Broadcasting, Taisiya Myrovets, assured everyone that employment relations with all employees of the National Television Company of Ukraine would be extended and would not be terminated after the reorganization of the television company and the formation of UA:PBC PJSC. Therefore, there was no need to inform trade unions about the reduction in the number of employees three months in advance.

There was also a huge scandal due to the resignation of Zurab Alasania on November 1.

"I do not agree that there will be considerable underfunding of the National Public Broadcasting Company of Ukraine, which is expected to be created next year. According to the Law on the Public Broadcasting, UA:PBC should receive 0.2% of the state budget, which is about UAH 1.2 billion. Of these, the state will take away UAH 450 million for Eurovision-2017, UAH 250 million will be taken away as a payment for broadcast, UAH 149 million will be taken away as taxes, and UAH 46 million will be taken away by the city as utility payments. In addition, UAH 112 million will a priori be spent on international activities (broadcast of Olympics, World Championships, etc.). Thus, there will be UAH 193 million left," Alasania said.

The chair of the State Committee on Television and Radio Broadcasting, Oleh Nalyvaiko, mentioned two possible reasons for Zurab Alasania's resignation: fatigue due to double load from the

implementation of the reform and preparation for Eurovision Song Contest; as well as the desire to run for the post of the chair of the future UA:PBC. According to him, it is easier to win the election as a media expert than as a member of the company.

Immediately after the announcement of Zurab Alasania's resignation, journalists, social activists, and people's deputies, who promptly created the coalition "For Public Broadcasting", appealed to the President of Ukraine, the Government, the Parliament, and journalists with regard to the possible disruption of the public broadcasting reform".

The coalition demanded that the Public Broadcaster was funded in the amount guaranteed by law. **On November 8**, the Supervisory Board of the National Public Broadcasting Company of Ukraine called on the Verkhovna Rada and the Cabinet of Ministers to ensure transformation of the National Television Company of Ukraine into UA:PBC PJSC.

After Zurab Alasania's resignation, UAH 100 million were added to the 2017 draft budget of the National Television Company of Ukraine, and the total amount was 0.97 billion, whereas in accordance with the law, this amount had to be UAH 1.2 billion. Zurab Alasania, who was still the chair of the commission for the transformation of the National Television Company of Ukraine into UA:PBC PJSC at that time, said that he was ready to file a lawsuit against the Cabinet of Ministers for the violation of the law. *"The letter of resignation filed by the general director of National Television Company of Ukraine cost the authorities UAH 100 million. It is this amount that they added to the new draft budget, where this money was additionally allocated to the National Public Broadcasting Company of Ukraine. Trying to throw a bone? This won't work. According to the law, it is 1.2 billion, and not 0.97 billion. And if this does work, then the first thing I will do, if I am elected the chair of the board of UA:PBC, is file a lawsuit against the Cabinet of Ministers of Ukraine. For the blatant violation of the law of Ukraine,"* he said. According to Mr. Alasania, the Cabinet of Ministers could under no circumstances be given the opportunity to circumvent the law, otherwise *"if you give them an inch, they will take a mile."* Subsequently, having become the chair

STATEMENT

Of the coalition "For Public Broadcasting" to the President of Ukraine, the Government, the Parliament, and journalists with regard to the possible disruption of the public broadcasting reform.

"We believe that the lack of a proper and timely response to problems that have arisen and continue to arise in the process of transforming state broadcasters into the National Public Broadcasting Company of Ukraine may lead to a disruption of the reform.

Therefore, we are united and created the coalition "For Public Broadcasting" and demand:

that the sabotage of the reform of public broadcasting in Ukraine should be stopped.

that in 2017 and subsequent years, the public broadcaster receives all the funds guaranteed by law. that Eurovision Song Contest is not financed at the expense of funds provided for the operation of UA:PBC.

that the Cabinet of Ministers of Ukraine ensure that amendments necessary for the completion of the transformation and further operation of UA:PBC PJSC are made to the resolutions of the government and the ministries, and approve the Charter of UA:PBC, which has been revised and agreed with the public, by December 31, 2016.

that the Verkhovna Rada Committee on Freedom of Speech and Information Policy consider the situation regarding issues related to public broadcasting and ensure control over the approval of the Charter of UA:PBC.

that the State Property Fund of Ukraine assess the assets of the National Television Company of Ukraine and its branches by November 30, 2016.

that the Cabinet of Ministers and the State Committee on Television and Radio Broadcasting agree the candidacy of the acting general director with the Supervisory Board of UA:PBC.

that independent editorial policy, in particular, with regard to the coverage of anti-corruption topics, reforms, and socially important events, should be guaranteed.

that scaling down of cooperation with all investigative programs that are broadcast on UA:Pershyi is prevented and non-interference in their editorial policies is ensured.

that the Cabinet of Ministers provide for a temporary procedure for the financing of UA:PBC PJSC in the first quarter of 2017.

that the Cabinet of Ministers and the State Committee on Television and Radio Broadcasting not consider the letter of resignation filed by the general director of the National Television Company of Ukraine, Zurab Alasania, without first listening to Alasania's information about problems with the implementation of the public broadcasting reform.

The coalition is an open public initiative. We call on our colleagues to support the demands and protect the reform.

We would like to remind you that creation of public broadcasting was one of the main requirements of the civil society during the Revolution of Dignity and is a key item on the list of Ukraine's international obligations. We call on all the authorities that are involved in the creation of public broadcasting to carry the reform through."

STATEMENT

of the Supervisory Board of the National Public Broadcasting Company of Ukraine regarding the course of the creation of public broadcasting in Ukraine

The Supervisory Board expresses its concern about the fact that there are still serious obstacles in the way of the creation of public broadcasting in Ukraine, which, in particular became the reason for the resignation of the general director of the National Television Company of Ukraine.

The Supervisory Board emphasizes that the appointment of a new interim head of the National Television Company of Ukraine and a new chair of the commission for the transformation of the National Television Company of Ukraine into the Public Joint Stock Company National Public Broadcasting Company of Ukraine (UA:PBC PJSC) must, first of all, ensure successful continuation of the transformation and its completion within the scheduled time frame.

The Supervisory Board calls on the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine, the Ministry of Information Policy of Ukraine, and the State Committee on Television and Radio Broadcasting of Ukraine to ensure that the following key steps are taken at the final stage of the creation of public broadcasting in Ukraine:

- to allocate UA:PBC PJSC financing at the level stipulated by the legislation of Ukraine in the 2017 budget (without taking into account the expenses related to Eurovision Song Contest 2017);
- to carry out in due time all legal procedures for the transformation of the National Television Company of Ukraine into UA:PBC PJSC in accordance with the schedule developed and promulgated by the State Committee on Television and Radio Broadcasting of Ukraine;
- to make changes to the current legislation, necessary to ensure flexible and financially stable operation of UA:PBC PJSC from the first day of its creation.

November 08, 2016

Kyiv

of the board of UA:PBC PJSC, he never filed a lawsuit against the government for the lack of financing.

During the reform, it became even more obvious that the inefficient system of state broadcasting would not be able to become a public broadcaster that meets the interests of the society any time soon.

Conversation about large-scale cuts also added fuel to the flame. This was one of the most painful issues. The executive directors of branches were offered to suggest the mechanisms and quantitative parameters of these cuts

on their own, based on their knowledge of their people and their duties. All branches submitted proposals, and it became clear that not all heads were ready for changes. At the same time, the National Television Company of Ukraine was constantly emphasizing that all dismissals would be carried out with strict observance of labor legislation. The State Committee on Television and Radio Broadcasting did not want the negativity that surrounded the cuts to be associated with the Committee, so he postponed the optimization until the election of the UA:PBC management.

RADIO FREQUENCIES

According to the results of the tender for vacant frequencies, which had been conducted by the National Council of Ukraine on Television and Radio Broadcasting on March 31, 2016, FM network of the first channel of the Ukrainian Radio (future Public Radio) was expanded to 134 radio frequencies. That is, BM-network of UR-1 covered 134 cities.

In this network, UR-1 was supposed to broadcast in partnership with regional branches of the National Television Company of Ukraine, since in the past some of these frequencies had belonged to regional state television and radio broadcasting companies that became regional branches of the National Television Company of Ukraine. In 2015, broadcasting networks of regional state television and radio broadcasting companies and the National Radio Company of Ukraine were merged in accordance with the 'road map' prepared by the National Council and the State Committee on Television and Radio Broadcasting. Ukrainian Radio had 20 hours of broadcast in the merged networks per day, whereas regional branches had four hours of broadcast per day. But at that time, not all regional offices had the opportunity to deliver signal to transmitters, so the process of establishing joint broadcasting was underway.

Despite the fact that the network already included 134 cities, it could still be expanded. After all, Ukrainian Radio did not have FM frequencies in the following three regional centers: Odesa, Kharkiv, and Ivano-Frankivsk.

At a meeting on **June 9, 2016**, the chair of the National Council on Television and Radio Broadcasting, Yuriy Artemenko, handed over a license for the broadcast at 17 frequencies in 11 regions of Ukraine to the general director of the National Television Company of Ukraine, Zurab Alasania, and the executive director of the branch of the National Television Company of Ukraine Ukrainian Radio Central Directorate, Anatoliy Tabachenko.

On July 20, the National Council summed up the results of the tender for the broadcast at four frequencies in the Ivano-Frankivsk and Khmelnytskyi regions. The National Television Company of Ukraine, namely Karpaty FM radio station of the Ivano-Frankivsk branch of the

National Television Company of Ukraine Karpaty, became the winner of the tender for 101.7 MHz in the urban-type settlement Verkhovyna, Ivano-Frankivsk region (broadcast time –12 hours per day). Ukrainian Radio, part of the National Television Company of Ukraine, had the remaining 12 hours of broadcast at this frequency.

On July 27, 2016, a meeting of representatives of the regulatory body and the branch of the National Television Company of Ukraine Ukrainian Radio Central Directorate was held at the National Council, where participants discussed issues related to the harmonization of broadcaster's licenses. In particular, the regulator's proposal to merge licenses according to the broadcast method (wired, terrestrial, satellite broadcasting), according to the band (FM, VHF, MF), and according to programs — UR-1, UR-2, UR-3 was considered. Participants approved these proposals and agreed to develop ways to implement them. *"This will allow us to minimize the number of broadcast licenses of the National Television Company of Ukraine. And this is also another step towards the transformation of the National Television Company of Ukraine into a public broadcaster,"* Serhiy Kostynskyi, member of the National Council, summed up.

The National Television Company of Ukraine had a total of 83 licenses for terrestrial broadcasting and 5 licenses for satellite broadcasting.

In addition, the National Television Company of Ukraine conducted an analysis of its own radio networks for the purpose of deleting VHF transmitters that were not used for a long time from the licenses and was also working on the development of all terrestrial broadcasting networks of each of the programs broadcast by Ukrainian Radio.

On August 1, Dnipropetrovsk Regional Radio received FM coverage in Dnipro and in the region for the first time and had a real opportunity to broadcast its programs.

On August 31, the National Council on Television and Radio Broadcasting summed up the results of the tender for licenses to broadcast in the MX-5 nationwide digital multiplex (DVB-T2 standard).

The National Television Company of Ukraine with the concept of a cultural "Kultura" TV chan-

nel, which was supposed to become the second public broadcasting channel, won the tender. In fact, "Kultura", which had only owned a satellite license and was not broadcasting at terrestrial frequencies in analog and digital air, was the only candidacy in this tender.

The National Television Company of Ukraine asked to calculate 27 FM frequencies and change the power of 24 transmitters. The National Council ordered such a calculation.

IN 2016, THE NATIONAL TELEVISION COMPANY OF UKRAINE PARTICIPATED IN 11 INTERNATIONAL CONTESTS AND FESTIVALS

In 2016, programs produced by the National Television Company of Ukraine participated in 11 international contests and festivals, including international children's television programs contest JAPAN PRIZE International Contest for Educational Media ("Social University" educational program); international festival of films and programs about art Festival Internazionale del Cinema d'Arte (documentary film "Kasimir Malevich. Zirka u Formi Kvadrata" [*Kasimir Malevich. Square-Shaped Star*]); International Documentary Contest 35th International URTI Grand Prix for Author's Documentary (documentary film "Pereselentsi.Hodynnykar" [*The Displaced. Clocksmith*], "Bez Prava na Slavu" [*Without the Right to Glory*]); ADAMI Media Prize 2016 (documentary film "Pereselentsi.Hodynnykar" [*The Displaced. Clocksmith*] and the documentary film "Prostir Tolerantnosti.Vizmu Tvii Bil Sobi" [*Space of Tolerance. Let Me Take All Your Pain*]), Prox Europa International Festival (documentary film "Ya — Viyna" [*I Am the War*]) etc.



Morten Enberg,
chair of the Office
of the Council
of Europe
in Ukraine

5 baksiv.net, online series produced by the National Television Company of Ukraine, won the Grand Prix for directing at the Spanish International Bilbao Web Fest Festival, *which was founded to support talented creators and encourage the use of new technologies in series.*

SUPERVISORY BOARD — A YEAR WITHOUT POWERS

In 2016, members of the Supervisory Board were actively studying issues they would have to deal with after the registration of the legal entity of UA:PBC PJSC. Representatives of the Supervisory Board started getting acquainted with the branches and were meeting with employees and representatives of local authorities. The meetings showed that employees of regional companies were not ready for the reform, did not understand its essence and importance, were inertial and intimidated, and some of them continued to play up to the local authorities.

In addition, some members of the Supervisory Board, together with media advisers and experts from the Council of Europe, were developing draft documents (charter, regulations, mission, etc.). During 2016, a working group consisting of members of the Supervisory Board was working on the text of the mission of the Public Broadcasting in Ukraine and initiated a number of closed and public discussions. On **January 30, 2017**, the Supervisory Board prepared the mission of UA:PBC PJSC.

In 2016, donors' assistance was as considerable as before. Most of the funds were allocated for new content, study visits, etc.

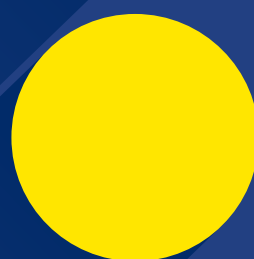
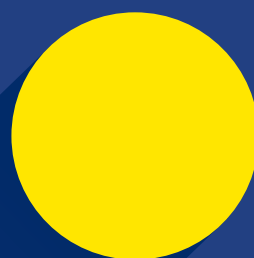
Since the moment of its creation (on May 29, 2014), that is, during two and a half years of operation, the charitable fund "Support for the Creation and Development of Public Broadcasting in Ukraine" received more than one and a half million dollars of charitable help from individuals and legal entities.



Halyna Smirnova,
Office of the Council
of Europe

SECTION

5



2017 -
2018

2017, THE YEAR OF CREATION OF PUBLIC BROADCASTING IN UKRAINE

2017 • Part 1:
2018 • Supervisory Board operation

2017 • Part 2.
2018 • Operation of UA:PBC
management

2018 • Part 3.
Public broadcasting has been
created. The reform continues



Svitlana Ostapa,

deputy chair of the Detector Media NGO,
deputy chair of the Supervisory Board of the National Public Television
and Radio Broadcasting Company of Ukraine PJSC

On January 19, 2017 Public Joint-Stock Company National Public Broadcasting Company of Ukraine was registered as a legal entity and National Television Company of Ukraine legal entity was wound up.

"It is a historic moment in development of our state's media sphere today. Registration of National Public Broadcasting Company of Ukraine legal entity was held. The Supervisory Board of UA:PBC will start operation soon and we will begin creating the future model and leader of the media sphere. We have everything for that: professional and patriotic Supervisory Board, large professional team striving for changes, significantly increased funding. I have no doubt that UA:PBC will be funded in full by the broadcaster and according to the law. We have full political support of the president, parliament, government, media community, and the society seeking reforms, what is most important. The media sphere shows good pace, efficiency and ability to carry the matter through the victory," Oleh Nalyvaiko said.

Head of the Commission for National Television Company Of Ukraine transformation into UA:PBC PJSC, head of the State Committee for Television and Radio Broadcasting Oleh Nalyvaiko signed Regulations on Supervisory Board of UA:PBC PJSC and Regulations on Management Board of National Public Broadcasting Company PJSC.

Since registration of UA:PBC, duties of the chair of the Management Board have been performed by Hanna Bychok appointed by the head of the State Committee for Television and Radio Broadcasting. Prior to that, Hanna Bychok was deputy head of the Commission for National Television Company Of Ukraine transformation into UA:PBC PJSC and deputy director general Of National Television Company Of Ukraine for financial and economic issues, public procurement, and logistics.

On January 30, the government amended Decree of the Cabinet of Ministers No. 1039 "On Approval of Charter of National Public Broadcasting Company of Ukraine Public Joint-Stock Company" dated December 28, 2016,



Hanna Bychok

namely it defined that **Hanna Bychok will exercise powers of executive body of UA:PBC PJSC by sole authority**. She received the right to exclusively determine the company staff composition and acting members of the Management Board, until the Supervisory Board of UA:PBC elects the chair and members of the Management Board of UA:PBC PJSC based on competition results.

An order for issue of shares of National Public Broadcasting Company Public Joint Stock Company was signed on **January 23, 2017**. The order was to be registered with the National Commission on Securities and Stock Market. Let us remind that the authorized capital equals to UAH 2 billion 544 million 273 thousand. Share denomination is UAH 1 thousand.

The State Committee for Television and Radio Broadcasting has been performing functions of the shareholder and budget funds administrator of UA:PBC PJSC since January 19, 2017.

Oleh Nalyvaiko signed an order on **November 30, 2017** approving the Corporate Governance Code of UA:PBC PJSC thereby. The Code was approved for increasing the competitiveness of UA:PBC PJSC in audiovisual services market and it is the document defining the principles and standards of company's corporate governance. In particular, the Code refers to corporate governance principles, control system over financial and economic activities (control bodies), creation of conditions for investment attractiveness of the company, etc.

PART 1

SUPERVISORY BOARD OPERATION

The Supervisory Board started exercising its powers from the date of UA:PBC PJSC registration. On January 19, the National Council on Television and Radio Broadcasting amended its decision dated **December 17, 2015** whereby it approved the composition of the Supervisory Board of UA:PBC PJSC. The changes related to powers acquisition by the Supervisory Board members. Pursuant to the decision of the National Council, the powers of the first composition of the Supervisory Board of UA:PBC started on January 19, 2017 and would expire in four years, according to the law.

On **January 19, 2017**, the Supervisory Board of UA:PBC PJSC held its first meeting, where the Regulations on the SB activities approved by the State Committee was learned and remuneration conditions and rates of Public Broadcasting and radio employees were established based on wage rates (position salaries) effective in National Television Company Of Ukraine as of the date of its

winding up. Moreover, the Supervisory Board members established remuneration conditions and rates of the chair and Management Board members of UA:PBC PJSC (new positions) in accordance with resolution of the Cabinet of Ministers No. 859 "On remuneration conditions and rates of heads of enterprises based on state communal ownership and associations of state-owned enterprises" as of 19.05.1999.

According to the Law "On Public Television and Radio Broadcasting of Ukraine", meetings of the Supervisory Board of UA:PBC PJSC should be held in case of need but not less than once a quarter. The Supervisory Board held 17 meetings during 2017: over 70 issues of the agenda were reviewed and discussed, 12 documents were elaborated and adopted.

On **February 8, 2017**, at the meeting of members of the Supervisory Board of UA:PBC PJSC Tetiana Lebedieva was elected the chair of Public Broadcasting Supervisory Board. On **February**

Tetiana Lebedieva



22 Svitlana Ostapa was elected the deputy chair and Vadym Miskyi the secretary of Public Broadcasting Supervisory Board.

In 2017, based on letter of powers' voluntary termination, the powers of the Supervisory Board member, Taras Shevchenko, elected at the conference of public associations in the human rights sphere were prematurely terminated. Oleksandr Pavlichenko became the Supervisory Board member instead.

On January 11, 2018, the National Council on Television and Radio Broadcasting removed

Vitalii Portnykov from the Supervisory Board of the National Public Broadcasting Company of Ukraine having sustained his letter of resignation and withdrawal from the Supervisory Board. As of December 2018 "People's Front" faction failed to delegate its representative to the Supervisory Board, which composed of 16 persons almost throughout 2017.

All Supervisory Board members are independent in their work. A member of the Supervisory Board of UA:PBC PJSC, who was a member of any political party prior to the assignment to position,



Svitlana Ostapa



Vadym Miskyi

Martin Hagström,
Ambassador of Sweden
to Ukraine



must suspend membership in this party for the period of exercising his/ her powers. He/ she cannot participate in the party activities or fulfill assignments of the party, any of its bodies or officials.

During 2017, an attempt to interfere with the activities of the Supervisory Board was made.

Parliamentary faction of the Radical Party of Oleh Lyashko decided to replace the Supervisory Board member Viacheslav Kozak, whom it had previously delegated instead of Mykola Davydiuk. According to the faction leader Oleh Lyashko, Kozak voted not the way they wished. But according to the law, a political faction has no right to withdraw its representatives without their personal consent. In this regard, the Supervisory Board members made an official statement and participated in the meeting of Committee on Freedom of Expression and Information Policy of Verkhovna Rada of Ukraine. Publicity around these events, and international support stopped the pressure on the Supervisory Board member.

The Supervisory Board consists of two permanent committees formed on October 25, 2017. The committees have been formed and operate based on Regulations on Committees of the Supervisory Board of UA:PBC PJSC.

OFFICIALS APPOINTMENT AND REMUNERATION COMMITTEE.

Composition: Yevhen Hlibovytskyi (head), Volodymyr Brynzak, Vadym Miskyi, Svitlana Ostapa, Nataliia Skrypka.

Scope of the committee's powers:

- elaboration of procedures for election/ appointment of officials of UA:PBC PJSC to be carried out by the Supervisory Board;
- elaboration of the policy of UA:PBC PJSC on remuneration, including policy on bonuses based on the results of the chair and Management Board members work (system of efficiency indicators), establishment of incentives system for management staff;



Ihor Khokhych



Yevhen Hlibovytskyi

- development of terms and conditions of contracts with the chair and Management Board members of UA:PBC PJSC;
- preliminary assessment of the candidates for positions to be appointed by the Supervisory Board matching the selection criteria specified in internal documents of UA:PBC PJSC.

AUDIT COMMITTEE

Composition: Ihor Khokhych (head), Taras Avrakhov, Viacheslav Kozak, Serhii Taran.

Scope of the committee's authority:

- control over the company's financial and economic activities, reporting and risk management;
- proposing offers for election of inspection commission and control over its independence;
- determining the directions of the audit needed;
- developing competitive procedures for selection of an audit company to carry out annual audit.

The Supervisory Board of UA:PBC PJSC approved **mission of UA:PBC PJSC on January 30, 2017: To protect freedoms in Ukraine. To provide reliable and balanced information about Ukraine and the world to the society, to establish public dialogue aimed at strengthening public trust, development of civic responsibility, Ukrainian language and culture, personality and Ukrainian people."**

It set six main directions of the company's activities (Minutes No. 2 dated January 23, 2017, Annex 2) for 2017:

- 1 in scope of broadcasting strategy — promoting strengthening of social capital of the Ukrainian society;

- 2 in scope of social transformation — a special emphasis should be put on broadcasting for children and youth audiences aimed at building the values and competencies of new members of society able to successfully compete in modern open world and, at the same time, guarantee permanent safety of life environment to themselves;
- 3 in scope of broadcasting concept — critical review and update of the broadcasting concept of each national channel, as well as development and implementation of a single concept for regional broadcasting;
- 4 in scope of broadcasting content — strengthening and updating information broadcasting, namely using opportunities for convergent news production for radio and television;;
- 5 in scope of personnel policy — optimization of the staff structure of UA:PBC PJSC, elimination of unnecessary staff units, transfer of a significant part of the software product (except for information and socio-political broadcasting) and auxiliary services for outsourcing on competition basis;
- 6 in scope of fixed assets — critical analysis and development of a plan for optimization of fixed assets owned by UA:PBC PJSC.

Development of a number of broadcasting concepts introduced by the Management Board to the Supervisory Board for consideration in December 2017 was determined among the changes indicators in certain branch of activities.

COMPETITION FOR POSITIONS OF CHAIR AND MANAGEMENT BOARD MEMBERS OF UA:PBC PJSC

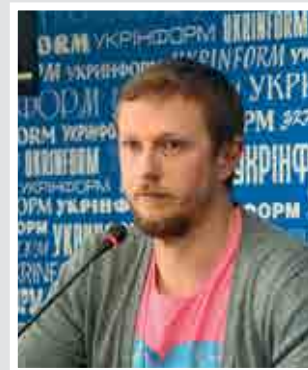
The Supervisory Board has developed and adopted a number of documents to arrange and hold the competition for the positions of the chair and Management Board



Announcement of the results of the competition for the position of the chair of the board of UA:PBC PJSC



Members of the board of UA:PBC PJSC and Zurab Alasania



▲ Roman Vintoniv,
member of the board

members: Regulations on competition for election of the chair and the Management Board members of UA:PBC PJSC, conditions for holding the competition to fill the vacancy of the Management Board chair of UA:PBC PJSC, contract with the chair of the Management Board of UA:PBC PJSC, contract with a Management Board member of UA:PBC PJSC.

Documents from candidates for the position of the Management Board chair were being accepted for 42 days: from **February 3 till March 16, 2017**.

Eight persons filed documents to the Supervisory Board to participate in the competition for the vacant position of the Management Board chair of UA:PBC PJSC: Zurab Alasania, Roman Vybranovskiy, Yurii Darahan, Oleksandr Zyrin, Oleksandr Zorka, Oleksandr Kovalenko, Oleh Nalyvaiko, Marek Sierant.

Elections of the Management Board chair were held in the conference hall of Ukrinform news agency **on April 10, 2017** at 10:00. Applicants for the position of the Management Board chair presented their strategies of UA:PBC PJSC development, answered the questions. After that, the Supervisory Board members elected the chair of UA:PBC PJSC by secret ballot.

According to the first voting results, Zurab Alasania and Oleh Nalyvaiko scored eight votes "for", Roman Vybranovskyy scored one vote "for", and the rest of the applicants got no votes. За результатами голосування у другому турі Аласанія набрав десять голосів «за», Олег Наливайко — сім голосів «за».

According to the second voting results, Alasania scored ten votes "for" and Oleh Nalyvaiko seven.

Thus, the Supervisory Board elected **Zurab Alasania** as the chair of the Management Board of Public Broadcasting Company. The term of office of the Management Board chair, in accordance with the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine", is four years. Zurab Alasania started exercising his powers on **May 13, 2017** (the day of holding the Eurovision Song Contest in Kyiv).

On May 15, 2017, by secret ballot the Supervisory Board elected six members of the Management Board of UA:PBC PJSC suggested by the Management Board chair Zurab Alasania.

They were: **Yurii Makarov** (educational direction), **Oleksandr Koltsov** (entertainment direction), **Roman Vintoniv** (socio-political direction), **Inna Hrebeniuk** (legal direction), **Rodion Nikonenko** (economic and financial direction), **Mykola Chernotytskyi** (optimization of central and regional structure). The Management Board members, like the chair, were elected for four years. The Supervisory Board members voted for each candidate individually, filling in six ballots.

In order to ensure the competition openness and transparency all meetings were live broadcast. Representatives of mass media, public associations and international organizations participated in the Supervisory Board meetings.

REMUNERATION CONDITIONS AND RATES OF UA:PBC PJSC EMPLOYEES

The Supervisory Board step-by-step re-considered remuneration conditions and rates for all categories of the company employees during 2017:

- in early February 2017, the Supervisory Board established new remuneration conditions and rates for the chair and Management Board members of UA:PBC PJSC;
- in July 2017 it was done for senior executives of the company Central Directorate;
- in October 2017 remuneration conditions and rates for all categories of UA:PBC PJSC employees were updated and came into force in April 2018;
- comprehensive re-consideration of the remuneration conditions and rates by the Supervisory Board opened the door for structural and personnel optimization of UA:PBC PJSC started by the Management Board in December 2017.

The Supervisory Board is also responsible for determination of the remuneration rate of the chair and Management Board members. Regulations on bonuses of the chair and Management Board members of UA:PBC PJSC were adopted for objective evaluation of the work of the Management Board members, which stipulates that the decision on bonuses shall be made based on submission of the Management Board chair and reports of each Management Board member reflecting performance indicators actually achieved. Reports of the Management Board members are published on the corporate website suspilne.media. In 2018, the development of an integrated assessment system of UA:PBC PJSC and the Management Board continued.

Public scandals were repeatedly blowing out due to payment of high wages and bonuses to the chair and Management Board members as well as senior executives of the company in 2017. Let us remind that the Supervisory Board set the salary for UA:PBC PJSC CEO in the amount of UAH 76,800 after lengthy discussion and study of government documents prior to the competition for the position of chair. As for the regulation on bonuses, quarterly bonuses in the amount of three months' salary, as well as an annual bonus for the year's performance could be paid to the company management. The Supervisory Board several times supported payment of bonuses to the chair and Management Board members for performance in 2017, though this issue has not been put forward for consideration in 2018 due to significant underfunding.

During 2017, the Supervisory Board also developed and approved the Regulations on Inspection Commission of UA:PBC PJSC. On October 22, 2018 the Supervisory Board elected the Inspection Commission of the Public Broadcasting Company con-



Olha Vakalo,
chair of the editorial board



Natalia Yevchenko,
chair of the inspection commission

sisting of five persons. The members of the Inspection Commission were **Yevhen Dubich**, **Oleksandr Palnikov**, **Nataliia Yevchenko**, who filed their applications to the Supervisory Board, and two representatives from the state bodies: **Nataliia Pokotylo** (State Audit Service of Ukraine) and **Yuliia Mykytyn** (State Committee for Television and Radio Broadcasting). Nataliia Yevchenko was elected the chair of the Inspection Commission.

On July 26, 2018, the Supervisory Board created internal audit service in UA:PBC PJSC by reorganization of the direction for internal audit and financial investigations in accordance with the Law of Ukraine "On Joint Stock Companies". The service will start its operation immediately after approval of the regulation thereon, it will report to the Supervisory Board. The Supervisory Board appointed **Nataliia Stepanova** as the head of the internal audit service.

In scope of its powers, the Supervisory Board also appointed five members of the Editorial Board of UA:PBC PJSC: Anna Strokan from UA: Culture, Tetiana Rykhtun from UA:Krym, Olha Vakalo from Zaporizhzhia branch, Vladyslav Hruzynskyi from UA:Pershyyi and Yuliia Markovska from UA:Sumy. On September 18, 2018, the Supervisory Board elected Culture radio producer, radio presenter Iryna Slavinska as a member of the Editorial Board of the Public Broadcasting Company instead of Yuliia Markovska (who was on maternity leave).

The Editorial Board of UA:PBC PJSC elected Olha Vakalo as the head.

In autumn, the Editorial Board composition was partially updated since part of the 15 members thereof got laid off in spring 2018.

The Supervisory Board approved the Editorial Charter of UA:PBC PJSC developed by the Editorial Board of the Public Broadcaster. In September 2018, the Editorial Board of UA:PBC adopted recommendations on coverage of events in the temporarily occupied territories.

During 2017-18, the Supervisory Board members actively participated in clarification of tasks and the course of the reform, visited a number of regional branches of UA:PBC PJSC, discussed the course of reform directly with journalist groups. In

particular, members of the SB visited Chernivtsi, Donetsk, Luhansk, Lviv, Zakarpattia, Kharkiv, Dnipro branches in 2017 and Zhytomyr, Volyn, Rivne, Cherkasy, Kirovohrad, Odesa branches and channel "UA: Donbas" in 2018.

OFFICIAL STATEMENTS OF THE SUPERVISORY BOARD MEMBERS

- 1** Statement of the Supervisory Board dated **March 13, 2017** concerning attempts to interfere in its activities, pressure on the Supervisory Board member Viacheslav Kozak by the parliamentary faction of the Radical Party of Oleh Lyashko.

- 2** Statement dated **April 3, 2017** in response to a letter from the Director General of the European Broadcasting Union (EBU) Ingrid Deltenre. The Supervisory Board members called the EBU Director General to respect Ukraine's sovereignty, not to turn the European Broadcasting Union into an instrument for strengthening foreign political manipulations (Russian) and not to interfere by such statements with normal and full-fledged conduct of the Eurovision Song Contest and to avoid threats of excluding Ukraine from the number of the Eurovision participants.

- 3** Appeal to the National Council on Television and Radio Broadcasting dated **May 5, 2017** about the necessity to gradually provide UA:PBC PJSC with FM radio frequencies for the second and third national broadcasting channels, take into account the interests of the Public Broadcasting Company during the announcement of competitions for free radio frequencies and prevent setting barriers to participation of UA:PBC PJSC in these competitions by "special competitive conditions."

- 4** Statement dated **July 6, 2017**, by which the Supervisory Board called the Budget Committee of the Verkhovna Rada of Ukraine to ensure increase in expenditures for the budget program and to prevent the adoption of changes to the State Budget of Ukraine for 2017 with lower funding level of Public Broadcasting.

- 5** Statement as of **September 22, 2017** concerning underfunding of the Public Broadcasting. The Supervisory Board of UA:PBC PJSC urged the authorities to ensure the operation of the Public Broadcaster by funding UA:PBC PJSC in 2018 in accordance with the law.

- 6** On **June 21, 2018**, the Management Board and the Supervisory Board of the Public Broadcaster appealed to Prime Minister of Ukraine Volodymyr Hroisman, Head of the Parliamentary Committee on Freedom of Speech Viktoria Siumar, and President of Ukraine Petro Poroshenko with a request to provide full funding of the broadcaster in accordance with the Law "On Public Television and Radio Broadcasting of Ukraine".



FIRST ANNUAL AUDIT OF UA:PBC

In January 2018, as a result of the competition held, the Supervisory Board of the Public Broadcasting Company chose the Audit Company Ernst & Young to conduct an statutory annual financial and organizational audit of UA:PBC PJSC. In accordance with cooperation contract dated December 27, 2017 signed between SIDA and UA:PBC PJSC, the audit funding on behalf of UA:PBC was carried out by SIDA (Swedish International Development Cooperation Agency, a government agency of the Ministry of Foreign Affairs of Sweden taking care of cooperation development all over the world).

In March 2018, Ernst & Young started annual financial and organizational audit of UA:PBC PJSC, which lasted ten weeks. Chair of the Supervisory Board of UA:PBC Tetiana Lebedieva noted that the recommendations of Ernst & Young audit would help to create optimal management structure UA:PBC.

Ernst & Young audited Public Broadcaster for the period from the date UA:PB-Cwas established— from January 19, 2017 to December 31, 2017 — and stated it failed to obtain sufficient amount of acceptable audit evidence to make conclusions on the financial statements.

At the same time, the company developed recommendations after the organizational audit. The Supervisory Board approved an action plan to implement initiatives based on the results of the organization audit of UA:PBC PJSC and created a managing committee to monitor its implementation, which included representatives of the SB, the Management Board, international organizations. Since autumn 2018, the working group has been working on changing the structure of UA:PBC PJSC and it is to be implemented in 2019.

DOCUMENTS ADOPTED BY THE SUPERVISORY BOARD IN 2018

On October 22, 2018, the Supervisory Board members of UA:PBC PJSC approved "Main directions of UA:PBC PJSC activities for 2018-2020." This document is one of mandatory documents to be adopted by the Supervisory Board based on cl. 1 part 2 Art. 7 of the Law of Ukraine "On Public Television and Radio Broadcasting of Ukraine."

"Main directions of UA:PBC PJSC activities for 2018-2020" have five sections:

- 1 **Organizational restructuring of the company;**
- 2 **Broadcasting strategy:** promotion of social capital of the Ukrainian society;
- 3 **Social transformation:** special attention to children's and youth audiences;
- 4 **Marketing strategy:** channels positioning

and program products promotion;

- 5 **Broadcasting content:** accomplishment of information broadcasting reform.

The success of the UA:PBC in all areas of activities will be assessed by the Supervisory Board by analysis of reports on implementation of the international audit recommendations; reports submitted by the Management Board on concepts implementation (some of the concepts still need to be prepared, such as the concept of broadcasting for children's and youth audiences, the concept of promoting a single brand of Ukrainian public broadcasting in the radio and television media space and on the internet), analysis of data from internal and external monitoring, sociological data, content analysis of information and socio-political programs, etc.

In addition, the Supervisory Board members of UA:PBC PJSC approved the Concept of Broadcasting on the topics of National Minorities and the Concept of Regional Broadcasting of the Public Broadcaster in 2018. The Management Board has to prepare and submit to the SB for approval the concept of children's and youth broadcasting; the concept of promoting a single brand of Ukrainian public broadcasting in the radio and television media space and on the internet.

PART 2

OPERATION OF UA:PBC MANAGEMENT BOARD

On May 15, 2018, the Management Board issued a report on its operation during the year. According to the Management Board members, the separation of creative and administrative part contributed to management balance, collective nature of decision-making, unification of structures and decision-making, content quality improvement, increase of credibility. Also, the first open competitions for positions of branch directors (managers and producers) were held. Selected were 19 managers and 22 producers (22 women and 19 men, average age: managers — 36 years, producers — 34 years).

In addition, the official website *suspilne.media*, which publishes the decisions of the Supervisory Board and the Management Board was launched with the donors' support.

All procurements and leases are made through ProZorro system.

As of May 2018, 56 lease contracts were signed with third parties for the total area of 5,651.2 sq.m, and total amount of UAH 743,869.25 per month.

In particular, 1,933.5 sq. m (19 lease contracts) are leased out by branches in regions for the total of UAH 111,757.6 per month.

Two social projects are being implemented among other leases: Urban Space (lease of the ground floor at 9 Hrinchenka St., 471 sq. m) and "Veterans' Hub" charitable project 42 Melnykova St., leased area is 786 sq. m).

The Management Board decided to open entrance to "Olivets"[Pencil] TV center, where diverse events are being held both for employees and for visitors on a regular basis. They include festival movie screenings, corporate events for employees, excursions to the Television Museum and production facilities, thematic lectures, Book-Crossing reading room, exhibitions, fan-zones of the Olympiad, Paralympic Games, Eurovision Song Contest, etc. Opportunity of internship with the Public Broadcaster was opened (more than 200 applications were filed as the first wave, 43 students were selected).

The Management board automated a number of processes in order to increase efficiency: it in-



Screenshot of the main page of the website





roduced electronic document flow and launched access control system; in addition, a unified accounting automation system is being developed.

One of the most difficult tasks of the Management Board to accomplish in 2018 was staff optimization. Dynamics of the total number of UA:PBC PJSC employees:

- **October 2017** — 7,318 staff units;
- **December 2017** — 6,575 staff units;
- **April 2018** — 4,510 staff units.

As of April 2018, the 4510 staff units of UA:PBC PJSC include:

- 2,613 (57.9 %) creative employees;
- 1,212 (26.9 %) technical support staff;
- 685 (15.2 %) administrative support staff;

2,361 (52.3%) employees work in the central directorate and 2,149 (47.7 %) in regional branches.

1,918 (42.5%) employees work on news in Public Broadcasting Company, this number includes:

- 878 (45.8 %, or 19.5 % of the total number) journalists and editors;
- 1,040 (54.2 %, or 23.1 % of the total number) technical support staff;

The Management Board unified staff structures in regions. Branches were completely different in number, staffing, production methods, and content engagement. For instance, some branches with the staff over 200 full-time employees produced at times less than branches having about 100 full-time employees. In the system of the public broadcaster, each of the branches has the same goals and objectives, and unified quality standards apply to the content.

The total number of employees in 24 regional branches is 1,698.

The Management Board reported it introduced new staffing pattern: unified positions (range shortened from 250 to 140), increased salaries by at least twice, simplified accrual system, position titles brought in line with market requirements.

According to the annual report of the Management Board dated **April 25, 2018**, the average salary of employees not being senior executives of UA:PBC PJSC according to staffing equals to: as of **January 1, 2018** - UAH 4,517.28 (incl.: central directorate — UAH 4,678.51; regional branches — 4,446.03 UAH); from **April 23, 2018** - UAH 8,296.77 (incl.: central directorate — UAH 8,482.47; regional branches — UAH 8,098.74).

The Management Board unified program grids in regions. Full-time journalists on regional channels produce 3 hours 5 minutes of unified content (minimum quantity of own content): local TV and radio news during the day, morning entertainment TV show, evening analytical TV program, radio programs. Full-time editorial offices in the languages of national minorities are preserved in Chernivtsi, Uzhhorod and Odesa. The rest of the content must be ordered at open competitions (pitchings) from internal and external productions or creative groups. Based on competition result, contracts will be concluded with program producers. Such pitchings have

OPTIMIZATION OF PBCU

28 December 2017 – 02 April 2018



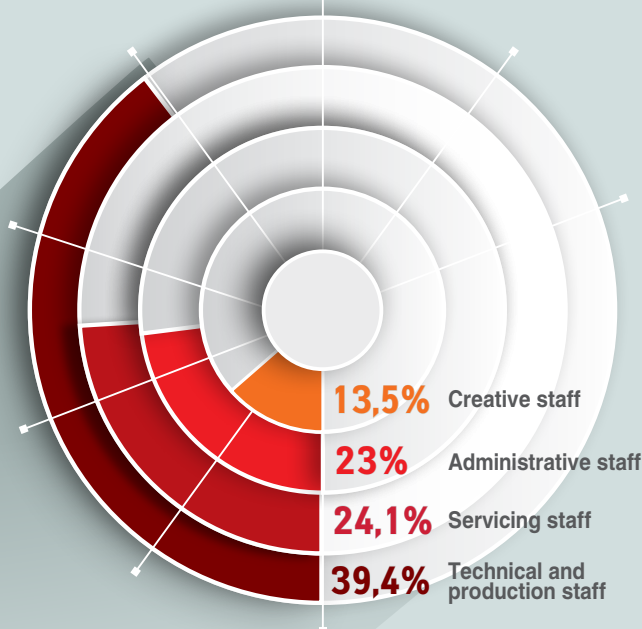
PBCU Staff



Budget 2018

01 January 2017	7056 employees	Scheduled	UAH 1.535 bln
02 April 2018	4087 employees	Allocated	UAH 776.6 mln

STAFF REDUCED, pct



COMPLEX OF EVENTS MITIGATING THE TERMS OF STAFF REDUCTION

- 1 During February – March 2018, employees who have received notification of staff reduction will be given one more paid day-off for a job search
- 2 Employees being dismissed within the period from 1 to 28 February 2018 will be paid two salaries when dismissed
- 3 During February-March 2018, there will be at least three job fairs with the assistance of the Council of Europe in the regions where the most of employees are dismissed
- 4 A representative of the Trade Union Committee of PBCU will consult employees daily by 01 April 2018. For this purpose, such representative will be freed from his main work with the salary remaining
- 5 There will be a 'hot line' for legal consultations to employees
- 6 Employees who have been notified of the staff reduction in written will be offered all available positions at PBCU (central office and branches)
- 7 Representatives of trade unions will be involved in commissions on the determination of the prevailing right to be left on the position for employees who are subject to transfer to another position / dismissal / notification of the future dismissal

NEW STRUCTURE OF BRANCHES

76-96 employees

25

News Service



15

Technical Service



27

Content Service



9

Administrative Service





already been carried out but due to lack of funds for content, projects are still riding the bench and waiting for better times.

In addition, system optimization of premises was being made during the year.

Due to staff reduction and optimization of premises use in regions, it was possible to additionally free up 9,398.7 sq. m, namely:

- **Zhytomyr** (1,124.5 sq. m);
- **Zakarpattia** (877.5 sq. m);
- **Zaporizhzhia** (945.1 sq. m);
- **Kryvyi Rih** (125 sq. m);
- **Mykolayiv** (1,654.7 sq. m);
- **Odesa** (1,979 sq. m);
- **Rivne** (144.9 sq. m);
- **Sumy** (224 sq. m);
- **Ternopil** (1,375 sq. m);
- **Kherson** (949 sq. m).

Most of them require repair, including major repair, and therefore may be leased out.

In those regions where UA:PBC PJSC has to rent administrative premises, it managed to reduce the rental area by 858.5 sq. m. It is planned to refuse from renting another 6,424.5 sq. m in the nearest future, namely in Kharkiv (-777 sq. m); Khmelnytskyi (-2,453 sq. m); Poltava (-2,963 sq. m); and Chernihiv (-231 sq. m). This should result in further significant savings both in rent and utility bills payment.

In order to receive income from existing production facilities, the Management Board prepared a catalog for leasing out equipment and teleproduction services of the central directorate of UA:PBC PJSC. It is planned to develop and implement the same catalog in all branches of UA:PBC PJSC during the year (technical audit of the branches' technological resource is being currently completed).

In spite of significant underfunding, UA:PBC management has also worked on innovative processes: TV channels "UA:Pershyi", "UA:Kulture", "UA:Krym" and a number of regional ones changed format from 4:3 to 16:9. Control system of access to the central directorate premises has been launched to be subsequently implemented in all administrative buildings of UA:PBC. A new format of outside broadcasting unit operation has been introduced: now each of them will work for several regions. This will help to better use the OBUs, minimize their idle time and increase the amount of live broadcasting content that will be consumed by all branches, rather than a separate one as it was earlier.

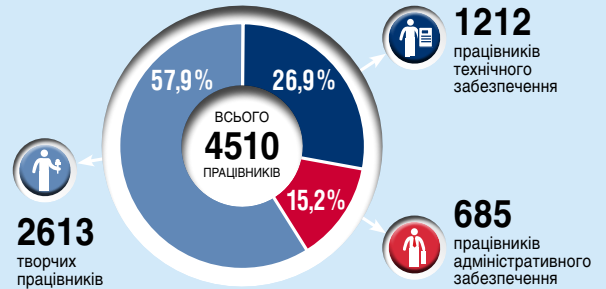
The Management Board also reported on changes in content, in particular rejection of "toxic" programs and native advertisement, rejection of political advertising outside the election period, convergent news, domestic movies in the national television channel network in a regular weekly slot, broadcasting and recording of concerts from around the world, updating the program grid of Ukrainian Radio's First Channel, synergy of TV and radio platform in production of convergent socio-political and educational content, primarily "Radioden" [Radioday] program being broadcast on radio and television, as well as adaptation of TV programs "Tema Dnia" [Topic of the day], "Skladna Rozмова" [Difficult conversation], "Viyna I Myr" [War and Peace], "Lifehack Ukrayinskoyu" [Life hack in Ukrainian] made by the radio production for the Ukrainian Radio broadcast, off-site studios and so on.

UA:

КАДРОВА СТРУКТУРА НСТУ

Кількість працівників після оптимізації станом на квітень 2018 року

ЗАГАЛЬНА КІЛЬКІСТЬ ПРАЦІВНИКІВ У ШТАТНОМУ РОЗПИСІ ПАТ «НСТУ»



КІЛЬКІСТЬ ПРАЦІВНИКІВ У ЦЕНТРАЛЬНІЙ ДИРЕКЦІЇ І РЕГІОНАЛЬНИХ ФІЛІЯХ

ЦЕНТРАЛЬНА ДИРЕКЦІЯ

2361
працівників

«UA:Культура», «UA:Крим»,
Центральний канал (ТО «Київ»),
«UA:Українське радіо», ТО «Музика»
входять до Центральної дирекції
(відповідно в 52,3%).

СПІВРОБІТНИКИ ЦЕНТРАЛЬНОЇ ДИРЕКЦІЇ:



398 працівників
Цей блок тепер обслуговує всю компанію (з філіями).

РЕГІОНАЛЬНІ ФІЛІЇ

2149
працівників



ШТАТНА ЧИСЕЛЬНІСТЬ ФІЛІЙ НА КВИТЕНЬ:



УА:

**ЗАГАЛЬНА ПЛОЩА ВЛАСНИХ ТА
ОРЕНДОВАНИХ ПРИМІЩЕНЬ НСТУ**
станом на травень 2018 року

ЗАГАЛЬНА ПЛОЩА ВЛАСНИХ ПРИМІЩЕНЬ НСТУ В КИЄВІ

73 683,4 м²

Мельникова, 42
(«Олівець»):
1600 м² звільнено і
здається в оренду

3165 м²

Грінченка, 9
709 м² здається
в оренду

4 205,2 м²

Грінченка, 11

8 922,3 м²
Хрещатик, 26

6 485 м²

Первомайського, 5в

ЗАГАЛЬНА ПЛОЩА ВЛАСНИХ АДМІНІСТРАТИВНИХ ПРИМІЩЕНЬ НСТУ (в т.ч. зданих в оренду)

РЕГІОНИ

(власні адміністративні
приміщення)

67 610,4 м²

з них здається в оренду
2 307,4 м²

здається в оренду



здається в оренду

КИЇВ

(власні адміністративні
приміщення)

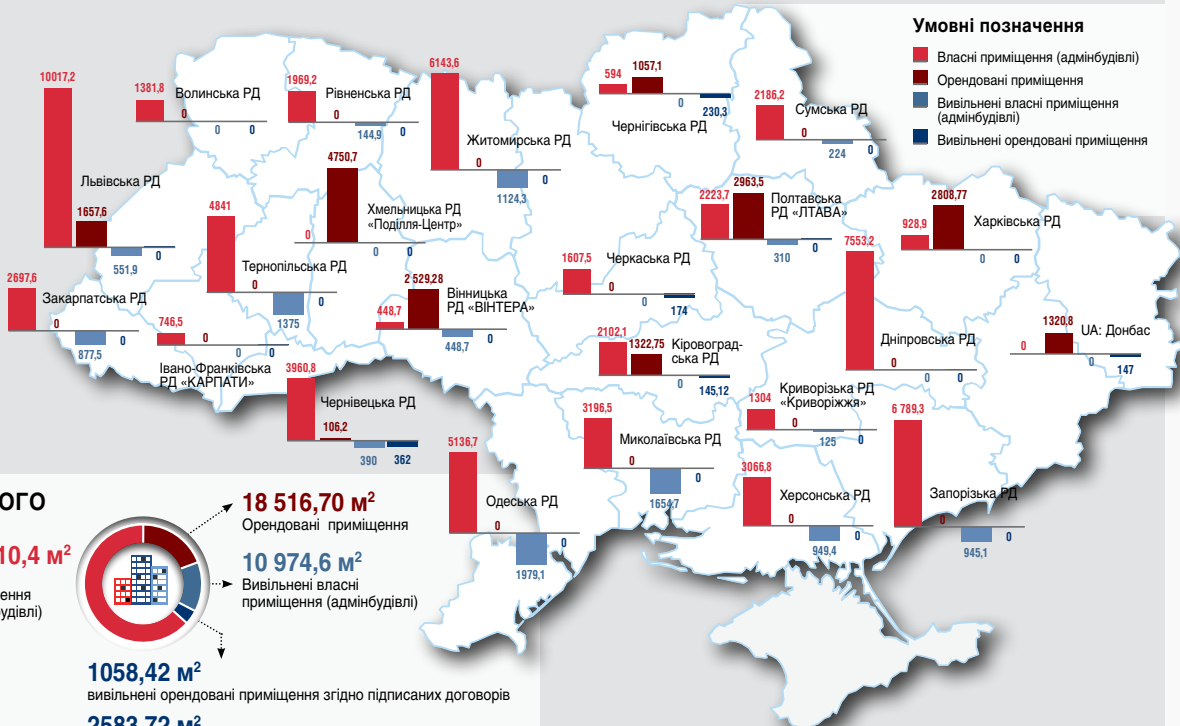
96 187,8 м²

з них здається в оренду
3 543,8 м²



Станом на 29.05.2018 р. укладено 60 договорів оренди на загальну площу **5 851,2 м²**, з них **2 307,4 м²** (22 договори) в регіонах, включаючи: • Держкомтелерадіо **692,2 м²** згідно з договором оренди з ФДМУ, але фактична площа, що займається – **840,6 м²**; • Телеканал ZіK – **1 391,9 м²**; • Радіобенд О. Фокіна – **306 м²**; • Громадське радіо – **143,7 м²**.

ЗАГАЛЬНА ПЛОЩА ПРИМІЩЕНЬ (ОРЕНДОВАНИХ, ВЛАСНИХ) ФІЛІЙ НСТУ, м²



45 new and updated projects and 25 special projects were launched during the year under the Management Board guidance and mostly with donors support: "Skladna Rozмова" [Difficult Conversation], "Do Spravy", [Get to the Point] "#@)0?\$O with Michael Schur", "Chere-Schur", "Tema Dnia" [Topic of the day], "Svitlo" [Light], "Viyina I Myr" [War and Peace], "Shakhtarska Zmina" [Miner's Shift], "Plich-oplich" [Side by Side], "Radioden" [Radioday], "Poobidi Show" [Afternoon show], "Persha Shpalta" [First column] (outsourcing), "Pershyi na seli" [The Best in the Village] (outsourcing), "Skhemy" [Schemes] (outsourcing, joint project of "Radio Svoboda" and "UA:Pershyi"), "Nashi Hroshi" [Our money] (outsourcing), "Sylna Dolia" [Profound destiny], "Folk-music" (from November 25, 2018 "UA:Folk"), "Zhyvyi Promin" [Live Beam], "Rozdiahalka" [Dressing Room], "Razom" [Together], "News.Sports", "Lifehack Ukrayinskoyu" [Life hack in Ukrainian], "Bookoholics", "Khto v domi khaziayin" [Who runs the house], "Takshotam Suspilne" [What About Public], "Aeneid", "Rozsekrechen Istoryia" [Declassified History], "Pokolinnia Z" [Z Generation], "Dodolyky", "Yak Dyvytysia Kino" [How to Watch Movies], "Kulturna Afisha Zdorovoyi Liudyny" [Cultural Poster of a Healthy Person], "Knuha UA" [Book UA], "Krayina Na Smak" [Country's Taste], etc.

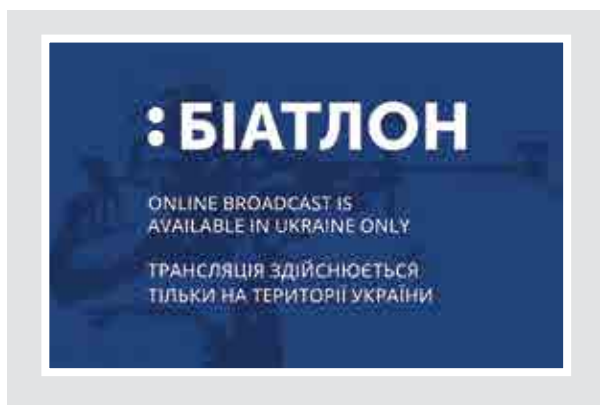
About forty concert films, children's and adult Eurovision song contests, pre and post shows of the contests; 23rd Olympic Winter Games — nearly 200 hours of broadcasts (mostly live) during two Olympics weeks, live transmissions of UA:Pershyi correspondents from PyeongChang; 12th Paralympic Winter Games — about 120 hours of broadcasts (mostly live) of international competitions for people with disabilities in winter sports; paralympic studio; about 80 hours of broadcasting of the Biathlon World Cup series; 2018 World Junior Hockey Championship, live broadcasts of hockey matches with the participation of Ukraine national youth team; Ukraine International Cup 2018 — 16th artistic gymnastics international tournament; handball, motocross, football competitions, etc. were broadcast.

Since UA:PBC set up, work on a number of digital platforms has intensified. There are broadcasts on the internet and social networks in HD

quality with the opportunity to simultaneously watch several channels, current news, stories and videos:

- **"UA:Sport"** — coverage of current events of the Ukrainian and world sports;
- **"UA:Biathlon"** — informing about biathlon competitions, first of all, Ukrainian athletes participation;
- **"UA:Eurovision"** — distribution of information about the song contest in order to attract attention to Ukraine participation therein;
- **"UA:Kazky"** — audio tales in Ukrainian voiced by well-known Ukrainians;
- **"UA:Muzyka"** — audio recordings of classical works by well-known composers out of the public broadcaster's fund.

Owing to the Council of Europe Office in Ukraine on the Day of Radio, Television and Communication of Ukraine, in November 2018, UA:PBC launched a mobile application for Public Radio enabling listening to Ukrainian Radio's First Channel, Radio Promin and "Culture". It is possible to download suspilne.radio application from GooglePlay on devices with iOS and Android operating systems, which allows listening to all three radio stations of the Public Broadcasting Company. For a mobile listener, especially for youth, it is now more convenient to listen to Ukrainian Radio.



FIRST STRUCTURAL CHANGES

In June 2017, 18 positions of senior executives were introduced into the National Public Broadcasting Company staffing. Their salary amounted to UAH 43,200 (gross). These are mostly positions of general producers who were responsible for certain directions (socio-political, entertaining, etc.).

In particular, Dmytro Khorkin has become general producer of "Ukrainian Radio" since June 1, 2017. He is responsible for the content on three radio channels — Ukrainian Radio (First Channel, "Promin" and "Culture"). Actually, he became radio director.

In addition, the position of executive director of UA:PBC PJSC was created and held by **Oleksandr Liyev** starting from July 5, 2017. Actually, he became the second person at UA:PBC after Zurab Alasania. After the introduction of the updated temporary structure on September 1, 2017, according to which the Central Directorate of the whole UA:PBC PJSC was created, a lot of executive functions were fulfilled by Oleksandr Liyev.

Two types of divisions remained in the Central Directorate: creative associations and departments. The Council of General Producers which has a horizontal model and no manager but only a moderator has also been created. A provision on Board of General Producers, which makes decisions on projects launching has been developed. In particular, all old and new projects pass through the Board of General Producers now. It also conducts project pitchings.

In accordance with the temporary structure a Directorate (an advisory body reporting to the Executive Director and having vertical structure unlike the Board of General Producers) was created. The Directorate's head is the Executive Director (that is, Mr. Liyev), who brings in management issues.

Central Channel's Kyiv branch and some divisions of Ukrainian Radio (for example, personnel department, newsroom, etc.) moved from 26 Khreshchatyk St. to "Pencil" TV center at 42 Melnykova St. (renamed to Illyenka Street in 2018). Thus, the Management Board of UA:PBC tried to optimize management apparatus expenditures. Channels "Culture", "Krym", "Central Channel" became creative associations, without separate managers, who would be responsible for content production and business issues, but with producers, who would be responsible for creative issues. In fact, in September 2017, there was a merger in the Central Directorate of UA:Pershyi, "Culture", "Krym" channels and Central Channel's Kyiv branch. All of them are located in the "Pencil" at 42 Melnykova St.

Kyiv regional radio "Voice of Kyiv" currently broadcasts on Ukrainian Radio's First Channel.

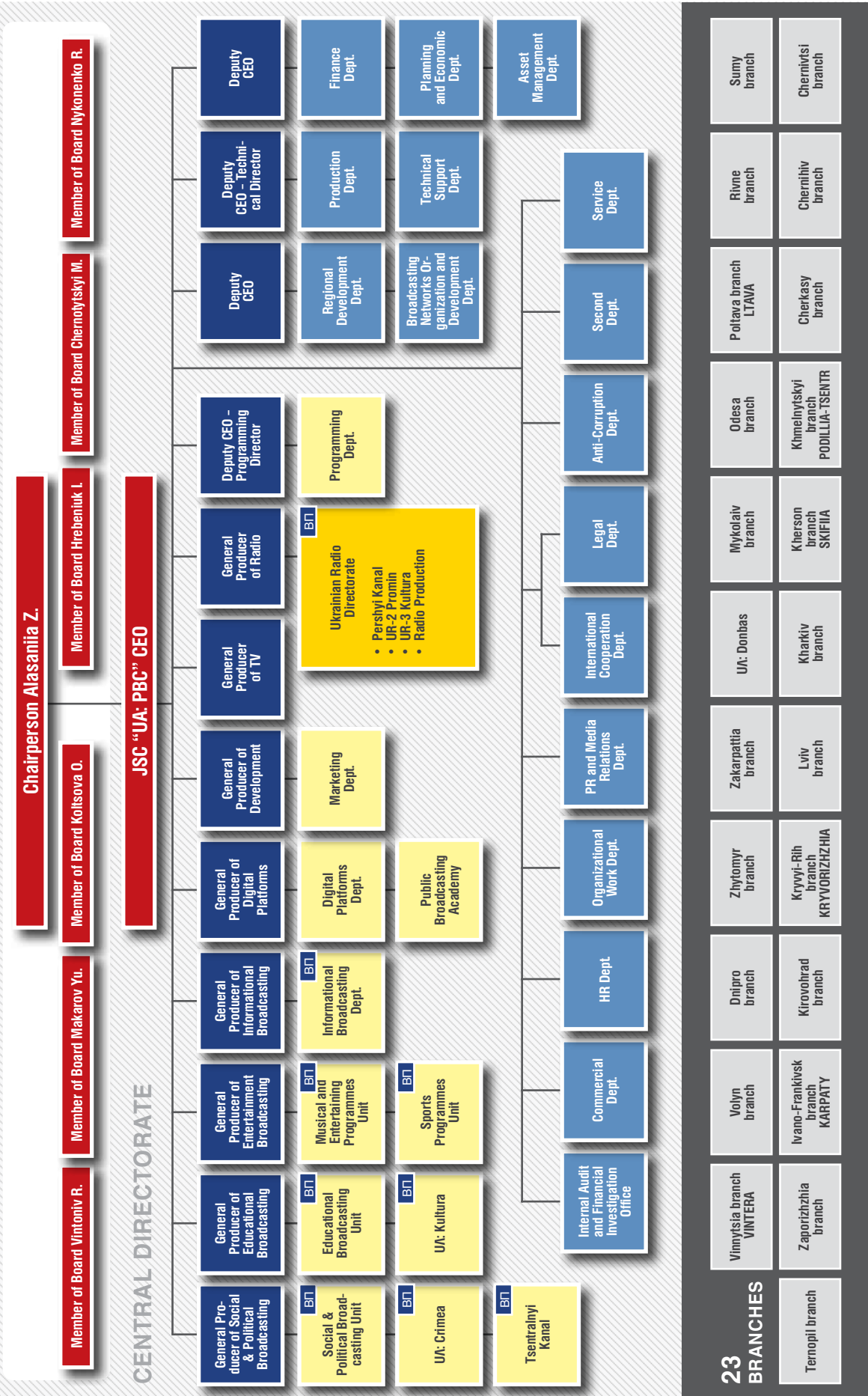
There was also administrative merger of branches "Kryvyi Rih Regional Directorate "Kryvorizhzhia" (includes "Kryvorizhzhia" TV channel and radio station) and branches of UA:PBC PJSC "Dnipro Regional Directorate" (includes Channel 51 and "Dnipro Speaks" radio); Chernihiv Regional and Novhorod-Siverskyi, which broadcast only within one city with 13 thousand population. As a result of these structural changes, more than 300 employees of UA:PBC were laid off and about UAH 10 million saved.

On July 31, 2018, Collective Labor Agreement was approved at PBC for a period of five years.

The National Commission on Securities and Stock Market **registered the issue of shares of UA:PBC PJSC only on October 1, 2018.**

Validity 01.09.2017-01.12.2017

Temporary structure of "UA:PBC"



РЕГІОНАЛЬНИЙ ВНУТРІШНІЙ ВІДБІР ТВОРЧИХ ПРОЕКТІВ НСТУ

ПАТ «НСТУ» на конкурсній основі визначає найкращі проекти для реалізації місії, завдань, стратегії розвитку ПАТ «НСТУ».

- Відбір проводиться для проектів всіх платформ Суспільного мовника (ТБ, радіо, цифрових).
- Відбір відбудеться за напрямками: суспільно-політичні програми, просвітницькі та інші (спортивні, культурні, розважальні тощо).
- Подавати проекти для участі у відборі можуть працівники НСТУ.
- Проекти, які не рекомендують до захисту, можуть бути подані на наступний Відбір, але не більше двох разів.



ЯК ВЗЯТИ УЧАСТЬ У ПІТЧИНГАХ?

крок 1



Звернутися до продюсера на філії

крок 2



Заповнити 4 документи (шаблон надається)

Картка проекту
(автор, які потрібні технічні засоби тощо)

Бюджет проекту

Презентація проекту
(PowerPoint)

Сценарій виступу на пітчінгу (відповіді на 9 пунктів про теми 6-ти випусків, фішка проекту, бюджет)



Продюсери не оцінюють, а допомагають заповнити документи, приймають їх і заливають на гул-диск, який створив Департамент програм ПАТ НСТУ. Ці документи обов'язкові як для нових програм, так і для тих, які вже були в ефірі філії. До них вони можна додати пілот проекту, або стару програму.

12 - 21 лютого документи приймаються на гул-диск.

Департамент програм НСТУ перевіряє і готує теки для генпродюсерів.

З 22 лютого протягом 7 днів генпродюсери за напрямками знайомляться і рекомендують проекти.

Рада генпродюсерів відбирає проекти і надсилає повідомлення продюсеру філії і керівнику проекту.

ЕТАПИ ВІДБОРУ

1 етап

12–17 березня – перший етап відбору (пітчінг ідей) у форматі телеконференції по скайпу.

Беруть участь продюсер філії і автор проекту. 10 хв. презентація і ще 10 хв. на запитання і відповіді.

Рада генпродюсерів на засіданні вирішує, кого допускати до другого етапу – захисту.

2 етап

Строки проведення другого етапу залежать від кількості проектів (вони проходять експертизу департаменту програм, планово-економічного та юридичного департаментів, департаменту технічного забезпечення та департаменту з виробництва з метою визначення відповідності проектів до можливостей та ресурсів НСТУ).

Захист

Захист проекту відбуватиметься у форматі телеконференції. Під час другого етапу обговорюється остаточна версія проекту. Рада генпродюсерів затверджує проект, який вноситься до Каталогу програм.

Виробництво проекту розпочнеться за наявності фінансування з коштів НСТУ або донорських грантів.

У квітні на філіях розпочнуть виробляти перші відібрані на пітчінгах програми.

Re-registration of title to buildings and rights to permanent use of land plots is ongoing. This process is very difficult due to a number of legal constraints and controversies. UA:PBC PJSC was registered on **January 19, 2017**; it became a successor of the former regional state television and radio companies (RSTRC), as well as state National Television Company of Ukraine. All land plots belonged to them, and they have to be re-registered now. As of **December 2018**, neither property nor land plot was registered under the "Pencil".

As of August 31, 2018, 35 lawsuits were filed against UA:PBC for laying off staff.

In the opinion of the Management Board member **Inna Hrebeniuk**, this number is rather small, if to take into account thousands being laid off. UA:PBC has already won some of these cases.

At a regular meeting of the Management Board of UA:PBC on **September 24, 2018** a plan for anti-crisis measures was adopted, which the company started implementing from October 1. The Management Board of UA:PBC was forced to resort to anti-crisis measures since the company drastically lacked UAH 220 million at the end of 2018.

Anti-crisis measures plan at UA:PBC provided for leave without pay for 8 to 15 days, restrictions on recruitment for vacant positions, suspension of bonuses payment to senior executives, negotiation with contractors on installment and deferred payment for services and materials, as well as the involvement of relevant advertisers.

On September 25, 2018, at 06:27 a.m., RRT Concern stopped analogue broadcasting of UA:Pershyi throughout Ukraine, except for the front zone, due to debts. Chair of the Management Board of UA:PBC Zurab Alasania noted that debt of UA:PBC to RRT Concern is almost UAH 69 million, and it will grow by the end of the year and may reach UAH 140 million.

It should be noted that due to transfer to digital broadcasting throughout Ukraine, the analogue broadcasting of all channels except for UA:Pershyi and regional branches of the Public broadcaster as well as local TV channels not having digital licenses, was disabled on **September 1, 2018**. Their analogue broadcast was preserved till the end of April 2019. Analogue broadcasting of all TV channels also temporarily continued in the joint forces operation zone (Donetsk and Luhansk regions), on the border with Russia (Chernihiv, Sumy, Kharkiv regions) and Crimea (Kherson region).

Taking into account the data of specialized organizations that the number of analogue broadcasting viewers is rapidly reducing and only 1% of them may remain till the New Year, the Management Board of UA:PBC is considering the possibility of switching the analogue off earlier in 2019.



PART 3

PUBLIC BROADCASTING HAS BEEN CREATED. THE REFORM CONTINUES

The National Council on Television and Radio Broadcasting re-issued 86 licenses of UA:PBC for radio broadcasting by uniting them into three licenses and extending their validity for seven years.

86 radio broadcasting licenses previously owned by the National Radio Company of Ukraine (NRCU) and oblast-level and regional state TV and radio companies were united, transformed into branches in 2016 and merged with the National

Television Company of Ukraine (NTCU). Previously these 86 licenses were owned by NTCU, and now the licenses were re-issued to the new legal entity of the Public Broadcaster — (UA:PBC).

On April 3, 2017, the Donetsk branch of UA:PBC ("Do TeBe" TV channel) started satellite broadcasting. "Do TeBe" could be viewed throughout Donetsk region. After the merger of Luhansk and Donetsk branches, this satellite license was transferred to the channel "UA:Donbas".

WHAT HAS HAPPENED TO 20 MINUTES FOR DEPUTIES?

From the moment of setting up UA:PBC PJSC there were disputes, sometimes too fierce, concerning the so-called deputy's twenty minutes. Earlier, people's deputies had 20 minutes of live broadcast on the Regional State Television and Radio Companies every month in accordance with the Law on people's deputy status. After UA:PBC was set up such an opportunity disappeared, actually, like the Regional State Television and Radio Companies. The Law on Public Broadcaster clearly specifies the cases when and to what public officers the company should grant the right to broadcast on air. But the deputies wanted to hear nothing constantly insisting they must be allowed on air. Some of them even registered a draft law to enshrine this provision into the Law on Public Broadcasting. At the session dated April 13, 2017, the Committee on Freedom of Speech had to adopt an explanation regarding the application of certain provisions of the Ukrainian legislation on the right of people's deputies of Ukraine to free speech on air at National Public Broadcasting Company of Ukraine PJSC and its regional affiliates.

A meeting of the Committee on Freedom of Speech



There was also an attempt to legally oblige UA:PBC to create a respective program (according to the format developed by UA:PBC) so that the people's deputies could report to the voters. But this draft law was withdrawn. And management of UA:PBC assured it would create such a program without any coercion. Indeed, a 20-minute project "Electoral District" was launched at UA:PBC branches with majoritarian people's deputies as the guests from **November 2, 2018**.

On April 18, 2018, members of the Committee on Freedom of Speech and Information Policy, in scope of monitoring the implementation of the Law on Public Broadcasting, considered the issue of UA:PBC activities, raised claims regarding a number of issues and declared they are allies in Public Broadcasting reform. At the same time, they pointed out that *"there is balance of authorities and opposition at the channel: there are neither the first nor the latter."*

SUCH A DESIRED LOGO "UA:"

In 2017-2018 branches received the "UA:" logo. We would like to remind that Sumy branch of Public Broadcasting was the first branch of UA:PBC PJSC, even before it was set up as a legal entity, to start broadcasting as "UA:Sumy", from January 2016. The logo of Public Broadcasting was subsequently received by "UA:Karpaty", "UA:Rivne", "UA:Donbas", "UA:Lviv", "UA:Vinnytsia", "UA:Chernihiv", "UA:Zhytomyr", "UA:Kharkiv", "UA:Volyn", "UA:Odesa", "UA:Bukovyna", "UA:Cherkasy", "UA:Zakarpattia". "UA:Pershyi", "UA:Culture" and "UA:Krym" also have the same prefixes to their logos. Another part of branches will receive the logo when they produce content, first of all, informational, in maximal compliance to the Public Broadcasting standards.

Branches were gradually getting rid of native advertisement. Detector Media monitoring has shown that the news of a number of branches were progressively meeting professional standards. An unprecedented incident occurred in August 2017. Vasyl Holovetskyi, CEO of "Zhytomyr Regional Directorate" branch of National Public Broadcasting Company of Ukraine resigned by the parties' mutual consent. The reason was the materials having signs of advertorials on the channel detected during the monitoring.



Mykola Chernotytskyi,
member of the board of UA:PBC



THE EPIC OF "ERA"

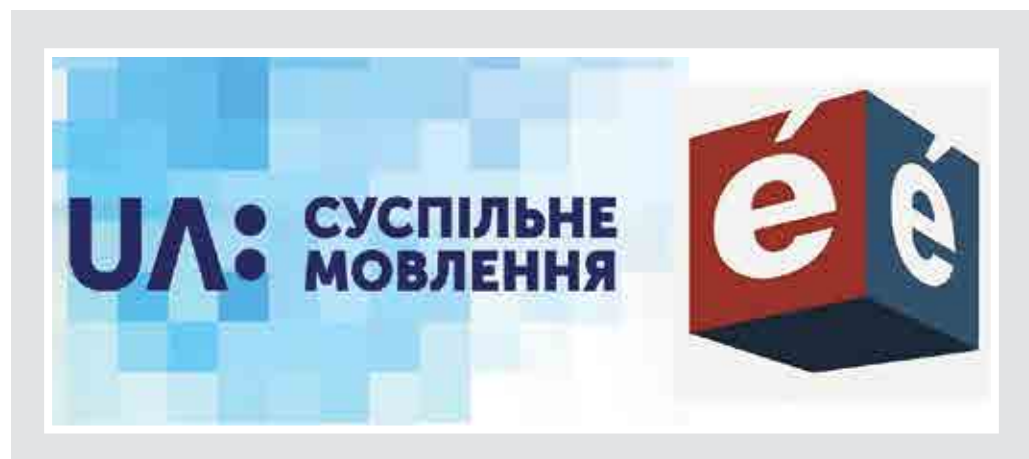
Era Television Company stopped broadcasting on "UA:Persnyi" in April 2017. It is worth reminding that Era (Era TRC LLC) received a license for analogue broadcasting at UT-1 frequencies in 2001 (NTCU, and from January 19, 2017 – UA:PBC) having undertaken obligations to give up the license in case Public Broadcasting is created. Era TRC filed a lawsuit against the Broadcasting, Radio-communication and Television Concern (BRT Concern) and UA:PBC PJSC demanding to recover UAH 27 million 437 thousand 630. At the same time, Era's license expired in April. Era and its investor (people's deputy Andriy Derkach) were very eager to continue broadcasting on "UA:Persnyi", so they concluded an agreement with Zurab Alasania that Era will produce a live morning show and will broadcast for several hours in the morning on "UA:Persnyi" with interruptions for the news of the PBC. Andriy Derkach surrendered the license in return.

On July 20, 2017, the National Council for Television and Radio Broadcasting introduced new broadcasting segments on UT-1 network to the license of "UA:Persnyi" due to refusal of Era channel from the extension of the broadcasting license on this network. Also, the National Council canceled the satellite license of Era TV channel upon the company's application.

A few months later, on **November 20, 2017**, the entertaining information program "Dobroho Ranku, Krayino!" [Good Morning, Country!] was launched on "UA:Persnyi"; it is broadcast from 6:30 to 9:30.

But the peace was short. In **July 2018** there was another scandal related to Era: they stated that the management of UA:PBC closes their program allegedly because Yulia Tymoshenko -the leader of Batkivshchyna Party - participated therein on July 5. Instead, PBC replied that they warned Era's management in early June of the intention to terminate their cooperation therewith. According to the agreement, they had to give a month's notice thereof.

In summer 2018, Era-Media LLC initiated five litigations (two in local district courts of Kyiv — Sviatoshynskiy and Desnianskiy, and three in the Economic Court) to force UA:PBC to continue broadcasting "Dobroho Ranku, Krayino!" [Good Morning, Country!] TV-program. UA:PBC won in the majority of the courts but since there were several lawsuits, the program is still broadcast (as of December), despite the terminated agreement between UA:PBC and Era.



FUNDS: UA:PBC NET POSITIVE AND NEGATIVE



On September 5, 2017, the Supreme Economic Court of Ukraine considered a cassation appeal of UA:PBC PJSC against the resolution of the Court of Appeal dated **April 5, 2017** according to which the amount of EUR 10 million 591 thousand 224 was recovered from UA:PBC in favor of Euronews. The court found that UA:PBC must pay EUR 10 million to Euronews.

We would like to remind that EUR 15 million of insurance funds allocated by the Ukrainian government before Eurovision international song contest in case of possible remarks from the European Broadcasting Union as to Eurovision-2017 were frozen in Geneva Bank. The reasons for the arrest and its initiator were unknown. One of the possible reasons for the funds arrest may be the lawsuit filed by Euronews against UA:PBC on **May 12, 2015**.

On December 1, 2017, at a regular session, the Cabinet of Ministers unanimously sustained allocation of funds saved during Eurovision-2017 Song Contest. The money will be returned at the disposal of National Public Broadcasting Company of Ukraine. *"The Cabinet of Ministers unanimously supported the changes on redistribution of funds not used during the Eurovision. The case is about UAH 128 million 400 thousand. The Public Broadcaster submitted its proposals what exactly these funds will be spent for. The government approved them without comments,"* Oleh Nalyvaiko said.

He stated that UAH 128 million 400 thousand will be allocated for the required payment for Tokyo 2020 Summer Olympics and 2018 Winter Olympics, and Winter Paralympics in South Korea (PyeongChang), as well as other activities and needs of UA:PBC.

The struggle for full funding for the current and the following years lasted during almost the entire 2017. On December 4, 2017, the Cabinet of Ministers submitted a draft law on the state budget for 2018 to the Verkhovna Rada being updated for the second reading. The Government proposed allocating UAH 990 million to the Public Broadcaster, which was UAH 213.5 million more than stated in the draft for the first reading. On December 6, ambassadors of 20 European countries and the USA that were on a diplomatic mission in Ukraine, addressed a letter to the Government of Ukraine, the Verkhovna Rada, heads of parliamentary factions and groups on adequate funding of UA:PBC.

On December 7, 2017, the Verkhovna Rada adopted the Law "On the State Budget of Ukraine for 2018." The law provided for financial support of UA:PBC for UAH 776 million, which is twice less than the Law "On Public Television and Radio Broadcasting of Ukraine". Financial support of UA:PBC had to be UAH 1.534 billion in 2018. Such amount of funding became a surprise even to the members of the Committee on Freedom of Speech.

The National Public Television and Radio Company of Ukraine have the lowest funding level per population unit all over the area of European Broadcasting Union. This is stated in the report of media research service of the EBU "Public Media Funding" for 2017.

Vadym Miskyi, the Secretary of the Supervisory Board of UA:PBC, program director of Detector Media NGO, offered a new model for funding the Public Broadcasting Company, which could ensure stability and independence from the will of the people's deputies and the Cabinet of Ministers, namely by means of rent (fee) for using radio frequency resource. Work on changing the funding model continues.



UKRTELEFILM IS STILL NOT A PART OF UA:PBC PJSC

On August 18, 2017, the Cabinet of Ministers passed the resolution "Issue of Transformation of Ukrainian Studio of Television Films Ukrtelevision State Company into Ukrtelevision Public Joint-Stock Company."

Head of the State Committee for Television and Radio Broadcasting Oleh Nalyvaiko appointed Taras Avrakhov, the Supervisory Board member, head of the commission for transformation of this state-owned company into Ukrtelevision PJSC. Taras Avrakhov performs his duties on a voluntary basis.

According to the order, Ukrtelevision reorganization had to be accomplished till March 31, 2018. Taras Avrakhov announced in February that he plans to lay off 40% of staff. At that time only 42 people worked for the studio.

On June 20, 2018, staff changes took place at the studio: due to contract expiration Viktor Pidlisnyi was dismissed from the position of Director General of Ukrainian Studio of Television Films Ukrtelevision State Company. Administration and seal of the company were handed over to Taras Avrakhov, head of the transformation commission.

Litigation continues, new lawsuits joined the old ones. State Committee for Television and Radio Broadcasting pointed out the lack of complete accounting documentation to have audit at Ukrtelevision be carried out. No funds are available at the studio's account to undertake any transformation-related activities. Therefore, there is no chance of the studio joining UA:PBC PJSC in 2018.

AUDIENCE: GROWTH IN RADIO, STAGNATION IN TELEVISION, CLOSE TO ONE

50% of Ukraine's population knows what channels and radio stations are parts of Public Broadcasting Company. And 35% of Ukraine's population has been in contact with the channels and radio stations of PBC during the last month. These are the results of sociological survey conducted by Kantar TNS for UA:PBC PJSC at the end of 2017 with the support of the Council of Europe Project "Strengthening Freedom of the Media and Establishing a Public Broadcasting System in Ukraine."

According to the survey conducted by Kantar TNS in Ukraine commissioned by Radio Committee Cross-Industry Association, the weekly coverage of Ukrainian Radio increased by 67% over the nine months (third quarter of 2017 — second quarter of 2018).

Ratings of Public Broadcasting TV channels are still too low. However, there are positive examples. The audience is sharply growing in case of emergencies. For example, on November 26, 2018, due to special programs on UA:Pershyi, the slot audience increased by eight times. The public broadcaster covered events related to Russia's attack and capture of the Ukrainian warships in the Kerch Strait on that day. And during this broadcast the rating was 1.12% and "18+ all Ukraine" audience share was 3.81%. As to "18+, 50 thousand +" audience (adult audience in cities with more than 50 thousand population), the slot share was 3.48%.

As to commercial audience, "18-54, 50 thousand +", for which the channel indicators are usually lower, special broadcasting of UA:Pershyi had the share of 3.63%. This is by eleven times more than the average figures for * 9:25-22:33 slot. All commercials were canceled during the broadcast. The channel broadcast the parliamen-



Dmytro Khorkin,
general producer
of the Ukrainian Radio

tary session, special episodes of "Tema Dnia" [Topic of the Day], live transmissions, etc. Chair of the Management Board of UA:PBC, Zurab Alasania, believes that these figures indicate audience's trust. According to him, "UA:Persnyi" was ahead of such information channels as "112 Ukraine", Direct Channel, NewsOne, "Espresso", Channel 24, Channel 5 as to "18+" audience, and only lost to "112 Ukraine" as to "18-54" audience on that day.

SCANDALS AND EMERGENCIES

In addition to the scandal with the pressure of the parliamentary faction on the Supervisory Board member and "betrayal" waves related to laying off staff and bonuses payment to the management, a lot of unpleasant surprises awaited Public Broadcasting after its creation. It turned out that some regional companies are not the owners of studios, equipment, and decorations. Preceding executives registered the property for other owners, obviously, for their further use. Due to the loss of control over branches, new TV channels emerged in some regions being funded from regional budgets.

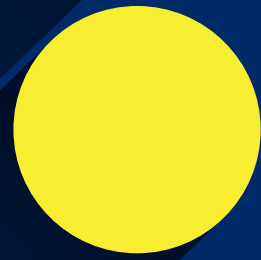
All those dissatisfied with the Broadcasting content send letters to the Supervisory Board, the State Committee for Television and Radio Broadcasting, the Verkhovna Rada, the President of Ukraine, write on social media thereon. For example, signatures for Zurab Alasania dismissal were collected on Facebook since procession for the Day of Christianization of Rus was not broadcast on UA:Persnyi in April 2017. Sometimes these protest waves are paid by the opponents of the Public Broadcaster.

The reform continues. Donors and international organizations, a number of national non-government organizations believe in it and provide assistance. PBC needs broader support of the society at the moment for people to be able to protect their broadcaster should the authorities exert pressure thereon.



4

SECTION



CHALLENGES FOR EXISTENCE AND ACTIVITIES OF PUBLIC BROADCASTING IN UKRAINE

Editorial policy: rights of citizens
and rights of deputies

Efficient social supervision –
Supervisory Board of UA:PBC

Model of Public Broadcasting
funding

Ability to be heard: a unique
chance to build up FM networks
of Ukrainian Radio



Vadym Miskyi,

Program Director of Detector Media NGO,
Secretary of the Supervisory Board of UA:PBC,
chief expert of Media Reform Group "Reanimation Package of Reforms"

In 2017 and 2018 Ukrainian Public Broadcasting, which encompasses 30 national and regional TV channels and radio stations, made its first steps and achieved its first successes. The most important are growth of news quality on central and regional channels and significant expansion of Ukrainian Radio's audience. At the same time a number of challenges arose before the broadcasters during this period. Some of them have hindered full-fledged functioning of the broadcaster, while others jeopardize the foundations of its independence, and hence the existence of truly 'public' broadcasting in Ukraine.

The bases for independent Public Broadcasting are:

- independent editorial policy focused on the needs of different audiences;
- efficient public control expressed primarily in various social groups' participation in management of the broadcaster through representation in the Supervisory Board;
- proper means for the mission, in particular, a reliable mechanism for broadcasters' funding and infrastructure providing the opportunity to reach the listener and viewer.

Each of these foundations of independence was threatened in the first two years of the work of Public Broadcaster.

EDITORIAL POLICY: RIGHTS OF CITIZENS AND RIGHTS OF DEPUTIES

The editorial policy of the National Public Broadcasting Company (television first of all) has become the subject of dissatisfaction of both ordinary citizens and political circles (primarily in terms of parliamentary activities coverage) in the first two years of operation.

As it was already mentioned in the previous section, the right of a deputy to monthly 20 minutes of broadcast by the state broadcaster remained set in the Law "On People's Deputy Status" but the mechanism for the implementation of this right has disappeared with the advent of public broadcasting since there is no state broadcasters left and PBC, in accordance with profile law, is not obliged to cover the activities of government bodies or officials. Deputies registered two bills to return 20 broadcasting minutes at Public Broadcasting for People's Deputies. The attempt of such legislative turnaround was noted by the Ukrainian civic society¹ and international community^{2,3} that pointed out that the suggested approach will violate European standards of public broadcasters operation.

People's Deputies from the coalition factions recalled the times of Yanukovych



regime, when "20 minutes for People's Deputies" on state-owned broadcasters were perhaps the only way to bring the opposition's point of view to the mass audience of TV viewers and radio listeners. This is a reasonable argument for state broadcasting aimed at broadcasting the current authorities' point of view. However, after transformation of state-owned TV channels and radio stations into public ones the current authorities' view is no longer a determining base for editorial policy. Journalists must adhere to basic journalistic standards in UA:PBC information programs: ensure balanced points of view, separate facts from comments, adhere to the principles of objectivity, accuracy, efficiency and completeness of information provided to listeners and viewers. This is done primarily in the interests of the audience having the opportunity to make its own conclusions upon watching the journalistic material. Thus, the problem - to resolve which the People's Deputies address their bills - has been already fundamentally resolved at the legislative level: since Public Broadcasting has an independent editorial policy and can afford true impartiality.

Given this fact, Public Broadcasting Company should not disengage from the society interests in the course of implementation of editorial independence. And this is why it is very important to closely involve public broadcasting management (its Supervisory Board as a representative body and the Editorial Board) in monitoring of program policy quality and its relevance to the broadcasters' mission.

The company learns to solve these issues on its own, and the first two years show positive dynamics. It became clear after the meeting of UA:PBC management bodies with the Parliamentary Committee on Freedom of Speech and Information Policy that the company pays not enough attention to coverage of People's Deputies work, which ultimately affects the quality of ensuring the citizens' right to information. Therefore, it is logical that the above mentioned "Electoral district" format - the program in which People's Deputies elected at certain territory or assigned to it by a faction can report to voters about their work - appeared on the regional TV channels of the PBC at the end of 2018. Unlike the notorious 20 minutes for People's Deputies, this format involves critical questions and active role of the anchor.

Also, after the public reaction to lack of broadcast of the procession dedicated to the 1030th anniversary of Christianization of Kyivan Rus on UA:Persnyi, the Supervisory Board of UA:PBC considered the citizens' request and this helped to increase the broadcaster's attention to resonant social and political events. For example, proper informing of citizens on the day of martial law introduction attracted audience to UA:Persnyi by eight times more than usual⁴. Among other things, this case suggests that the potential of information broadcasting on the main TV channel of UA:PBC is not used at full capacity, although information broadcasting is highly demanded among the audience at the time of dynamic changes in all spheres of public life. It should also be noted that the format of informational radio broadcasting was chosen as the basis at the main radio station of UA:PBC Ukrainian Radio from the very first season within the Public Broadcasting system. It was immediately converted into rapid expansion of audience: the audience grew by 67% for the first nine months and the radio station itself headed the rating of spoken radio stations in the country⁵.

Thus, although attempts of legislative intrusion into the editorial policy were unsuccessful, the question of the broadcasters' program policy quality is relevant and the answer thereto depends not only on the journalists' work but also on the ability of all management bodies to control this quality. If the company fails to independently percept content quality issues and resolve them, the threat of legislative intrusion will repeatedly come up, until it overwhelms the whole reform.



EFFICIENT SOCIAL SUPERVISION — SUPERVISORY BOARD OF UA:PBC

The Supervisory Board of Public Broadcasting Company is the guarantor of the reform and the broadcaster's independence; it embodies participation of the public in the broadcaster's management and controls compliance of its work with international standards, law, and mission. The Supervisory Board has played a decisive role in reforming the company in the first two years of UA:PBC operation.

As the strategic management body of the company, the Supervisory Board of UA:PBC PJSC has the following powers:

- appoint and dismiss the Head and members of the Management Board;
- establish remuneration conditions and rates of the company employees;
- approve the Major directions of activities and Company Strategy, establish key performance indicators and evaluate their performance;
- approve company structure;
- approve the editorial charter, assign one third of the editorial board composition;
- approve annual plans and reports of the company;
- elect the audit committee composition and coordinate internal audit function;
- order external independent financial audit services on an annual basis and approve the list of measures following the audit results and other;
- ensure that the broadcaster takes into account the interests of different audiences through approval of relevant rules and procedures.

The Supervisory Board composition is a rare case when Ukrainian legislation turned out to be successful at the first attempt. Eight members of the body represent parliamentary factions and groups, and nine are elected by civil groups from education and science, guaranteeing national minorities' rights, physical education and sports, journalism, human rights protection, protection of interests of children and youth, creativity, local self-government, protection of rights of persons with disabilities.

According to the law, civil groups and associations that have been active for at least three years in the relevant sphere with vigorous activities and reputable persons in the relevant sphere as their members, may delegate representatives to the Supervisory Board of UA:PBC.

Holding conferences on election of the Supervisory Board members of UA:PBC from NGOs proved that this method ensured the quality of interests representation in each of the spheres and allowed electing reputable persons.

The attempts to interfere with the activities of the Supervisory Board, which followed the first steps of the Public Broadcasting operation, were briefly mentioned above. It is the attempt of the parliamentary faction of the Radical Party of Oleh Lyashko to pressurize the Supervisory Board member Viacheslav Kozak aimed at replacing him as the body member prior to expiration of the four-year term. The National Council on Television and Radio Broadcasting received a motion from the fraction of the Radical Party of Oleh Lyashko on appointing Valentyna Rudenko to the Supervisory Board of UA:PBC PJSC instead of Viacheslav Kozak.

In this regard, the Supervisory Board members made an official declaration⁶, in which the appeal of the parliamentary faction of the Radical Party of Oleh Lyashko to the National Council on the grounds not stipulated by law was evaluated as an

attempt of political pressure on the activities of the Supervisory Board of UA:PBC PJSC. Having supported the declaration of the Supervisory Board members of UA:PBC on March 13, 2017, Media Reform Reanimation Package Group (RRP-Media) called to cease political games around the Public Broadcasting, not to threaten the reputation of Ukraine as a state able to implement European standards and international commitments, in particular in the field of public broadcasting⁷.

In addition, at the initiative of the Supervisory Board of UA:PBC, this issue was considered at a meeting of the Verkhovna Rada Committee on Freedom of Speech and Information Policy⁸. Independence of UA:PBC Supervisory Board was supported by the National Union of Journalists of Ukraine (NUJU) and Special Representative of the Secretary General of the Council of Europe for Ukraine Régis Brilat. Publicity around these events and international attention stopped the pressure on the Supervisory Board member; nevertheless, the Committee welcomed the idea to enshrine in the legislation the right of a faction to recall its representative. So this story can still be continued in future.

A key challenge for operation of the Supervisory Board of UA:PBC is the "volunteer" nature of its work, which is incomparable to the role and responsibility of this body. In accordance with the law, the Supervisory Board members of UA:PBC exercise their powers on a voluntary basis, which is an atypical practice for other member countries of the European Union of Broadcasters. Both Ukrainian and international experts pay attention to this problem, so it will require a legislative solution. An important internal task for the company is still institutionalization of the mechanisms for ensuring the Supervisory Board operation, which will allow maintaining the operation practice after the completion of the first cadence of the body functioning.

MODEL OF PUBLIC BROADCASTING FUNDING

The newly created Public Broadcasting Company faced systemic underfunding by the state in the first years of existence. Despite the financial guarantees set by the Law "On Public Television and Radio Broadcasting of Ukraine", insufficient funding by the state budget approved by the Verkhovna Rada was 25% in 2017, 50% in 2018, and it will be 45% in 2019. This prematurely restricted the ability of technical updating and production of new programs, led to systemic failures in signal distribution of UA:PBC channels — partial, and subsequently complete cessation of analog signal broadcast of UA:Pershyi and regional TV channels, accumulation of debts to RRT Concern as well as the company's forced austerity measures, which included appeal of the company Management Board to employees with a request to go on unpaid leave from 8 to 15 days⁹ (the details were discussed in the previous section).

Stable funding of Public Broadcasting is one of the fundamental prerequisites for its program independence. The issue of ensuring sustainable

funding of public broadcasters is gaining increasing resonance in Europe. In particular, in May 2017, a report by the Commissioner for Human Rights of the Council of Europe "Public Service Broadcasting in Europe Is under Threat"¹⁰, which emphasizes that funding of public broadcasters is of paramount importance, since they may potentially remain politically dependent due to this. Recommendation of the Parliamentary Assembly of the Council of Europe No. 1878 (2009)¹¹ urges parliaments of the European countries to guarantee **adequate means** to public broadcasters for them to fulfill their missions, as well as **adequate long-term funding**.

Public broadcasting is the public good: it represents the interests of citizens being outside the target audience of private advertisers or interested in accessing information that is not commercially viable for these or other reasons. Thus, public broadcasting is usually funded from the state budget (entirely or to a large extent)¹². State fund-

ing share in public broadcasters' budgets in the countries of the European Union of Broadcasters was on average 78.4%¹³ in 2016.

At the same time, according to the European Union of Broadcasters, Ukrainian Public Broadcasting is the least funded, much less than the broadcasters of such neighboring and post-communist countries as Moldova, Georgia, and the Baltic States. In addition, the figures of the Ukrainian Public Broadcasting budgets are smaller than the budgets of broadcasters of microstates — Monaco, San Marino, Luxembourg.

It is known that certain guarantees for the Public Broadcasting funding are stipulated in the profile law. The normative root of the problem lies in the legislative conflict between the norm of the Law on Public Broadcasting and Budget Code norm (cl. 26 of Final and Transitional Provisions): *"Provisions of [...] Article 14 of the Law of Ukraine "On Public Television and Radio Broadcasting in Ukraine" [...] shall be applied in the order and in the amounts established by the Cabinet of Ministers of Ukraine based on the available financial resources of the state budget."* The same norm of the Budget Code suspends the effect of the norms on financial guarantees for expenditures from the general fund of the state budget in 40 laws that include - in addition to the Law "On Public Television and Radio Broadcasting of Ukraine" - the following: "On Culture", "On Enhancing Mining Prestige", "On Theaters and Theatrical Affairs", "On Museums and Museum Affairs", "On Science and Scientific and Technology Activities", "On Higher Education", "On General Secondary Education", "On Preschool Education", "On National Police", "On National Guard of Ukraine", "On Civil Service", etc.

The widespread practice of revision of expenditures funded from the general fund of the State Budget resulted in funding reduction for Public Broadcasting in 2017-2019. This raises the risk of Public Broadcasting dependence on the attitude of current and future governments to its program policy. Even in case the current executive and legislative power suddenly has the respective political will, the leverage to reduce funding from the general fund of the State Budget can be easily applied by any of their successors.

Thus, the current system of Public Broadcasting funding from the general fund of the State

Budget has proven its incapability already in the first years of its existence. It is very risky in the medium and long term for the editorial independence and stability of the broadcaster, so it needs to be improved.

The amount of money the Cabinet of Ministers considers excessive for Public Broadcasting will increase over the years (according to the budget resolution for 2018-2020), therefore, a new model for Public Broadcasting funding has to be sought and advocacy campaign for its adoption should be implemented.

The Law on Public Broadcasting determines the following income sources for UA:PBC:

- funding from the state budget (it is unstable as indicated above);
- advertising revenues (decrease every year due to reduction of advertising time limits) and commercial activities. In total, this type of revenues now amounts to 10% of the broadcaster's annual budget;
- subscription fee from households. According to TNS survey commissioned by the Council of Europe Office in Ukraine at the end of 2017¹⁴, only 9% of Ukraine's population is ready to pay monthly fee for Public Broadcasting in the amount of UAH 25-65 per month. According to the survey conducted by Ilko Kucheriv Democratic Initiatives Foundation during the same period, 29% of citizens are willing to pay up to UAH 10 per month for the opportunity to watch/ listen/ read objective and impartial news and analytics on the Public Broadcasting channels¹⁵.

Thus, in the short and medium-term prospects, funding from the state budget remains the only realistic revenues source, which can ensure basic needs of the broadcaster. In order to solve this issue, it is necessary to find a mechanism within funding from the State Budget that would meet the following criteria:

- reduction of discrepancy between the government and parliament in calculation of the annual funding for UA:PBC;
- ensuring funding sustainability for Public Broadcasting as well as correlation between expenditures on UA:PBC and growth of the economy.

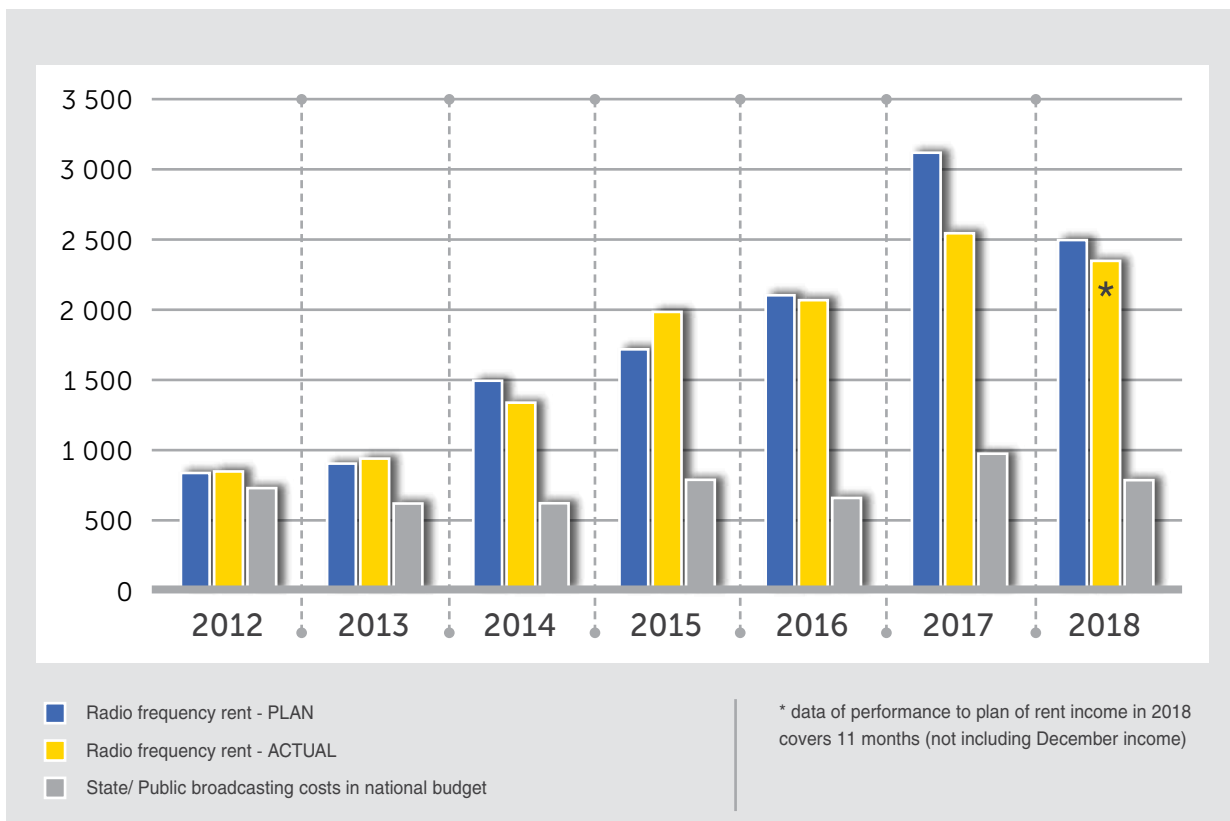
The decision that will help meeting all the criteria is the transfer of Public Broadcasting expenditures from the general fund of the State Budget to a special purpose fund. This decision implies existence of a target tax (or a percentage of a specific tax), from which Public Broadcasting will be funded. Since introduction of a new tax (subscription fee) is unacceptable in the early years of the Public Broadcasting existence, it is better to choose an already existing tax and transfer it from the general fund of the State Budget to a special purpose one.

The model of public broadcasters funding by percentage from the actual collection of a specific tax is applied in European countries, in particular in Lithuania¹⁶. The amount of taxpayers' funds spent on the needs of the Lithuanian public broadcaster LRT amounts to 1.5% of the actual income from personal income tax and 1.3% of excise tax revenue.

The practice of funding certain sectoral expenditures at the expense of a specialized tax is applied in Ukraine, for example, to fund the judicial branch. The Budget Code defines the target

direction of the court fees being collected in fact and proceeds from bail forfeiture for provision of justice enforcement and the judiciary bodies' functioning (cl. 5 part 4 of Art. 30 of the Budget Code). The described model for judicial system funding is based on the idea of ensuring the independence of the judicial authority. In accordance with the Law "On the Judicial System and Status of Judges"¹⁷, the independence of a judge is ensured by a separate funding procedure and organizational support of the courts activities. The Constitutional Court in its judgment No. 6-rp/99¹⁸ dated 24.06.99 noted that reduction of proper provision of judges is a form of financial influence on them, which calls into question the judicial authority independence guaranteed by the Constitution. As a result law "On Court Fees" was adopted in 2011 in order to ensure the independence of the judicial authority. It states¹⁹ that the court fees are credited to the special fund of the State Budget of Ukraine and allocated to ensure judicial proceedings implementation and the judicial authority functioning.

● Revenues from radio frequency rents vs. Expenditure-son state / public broadcasting (UAH million)



An example of partial allocation of certain tax for specified needs is expenditures for functioning of state registers kept by the Ministry of Justice, at the expense of 15% of fee for providing information from the Unified State Register of Legal Entities and Individual Entrepreneurs of Ukraine and other registers kept by the Ministry of Justice (cl. 6-1 part 4 of Art. 30 of the BC).

The analysis of the State Budget revenues showed there is tax revenue that can be logically linked to expenditures in support of UA:PBC — rental charges (fees) for using radio frequency resource of Ukraine. Users of radio frequency resource are broadcasters and telecommunication services providers²⁰, they are payers of the monthly²¹ rent. At present, all proceeds from this rental charges go to the general fund of the State Budget, and therefore there is no specific target recipient of these funds. Analysis of the planned²² and the actual²³ figures of the State Budget revenues from the rent (fees) for using radio frequency resource in 2012-2017 shows this amount of funds and dynamics of their accumulation fully cover the needs of Public Broadcasting.

Rental proceeds have been gradually growing since 2012, mainly due to rental rate increase and diversification of telecommunication services involving the use of radio frequencies. In 2017, the planned gross revenue from the rent amounted to UAH 3.12 billion, while the statutory expenditures for Public Broadcasting were expected to amount to UAH 1.26 billion (40% of the planned receipts from the rent). State broadcasting expenditures amounted to 32% of the rental receipts in 2016, and 39.4% in 2015. In 2018 State Budget revenues from rent are planned to amount to UAH 2.54 billion. According to the Ministry of Finance²⁴, the anticipated state budget revenues from radio frequency resource rent will amount to UAH 3.245 billion in 2019 and UAH 3.421 billion in 2020.

Thus, allocation of 50% of receipts from radio frequency resource rent to the special fund of the State Budget and their targeted assignation for financial support of UA:PBC will allow for more stable funding of Public Broadcasting in medium and long term prospects, reducing discrepancy between the government and parliament in calculation of the annual amount of UA:PBC funding.

At the same time, a safeguard from funding reduction due to reduction in tax collection should be foreseen. To achieve this, it should be de jure recorded that the amount of financial support for UA:PBC by the state budget can not be less than the amount of corresponding expenditures for the previous year.

It is important to emphasize that introduction of a new funding model for UA:PBC will not lead to tangible increase in the State Budget expenditures, instead, it will help ensuring their predictability and sustainability, in accordance with the recommendations of the Council of Europe.

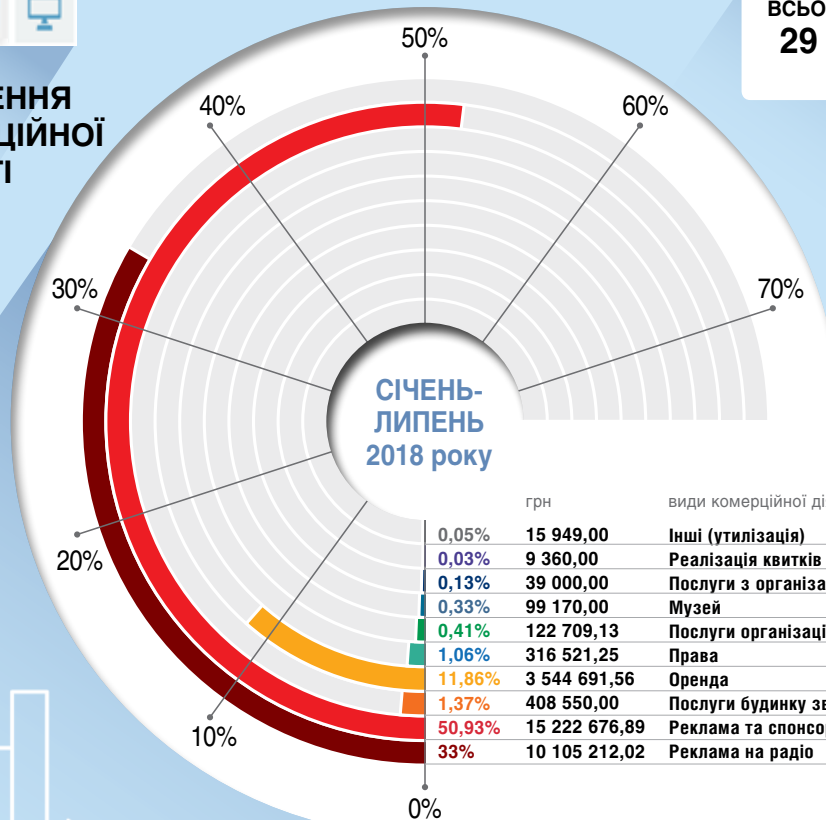
The corresponding proposals to change the funding model for Public Broadcasting were unanimously supported by the Supervisory Board of Public Broadcasting in April 2018²⁵. At the same time, the Head of the Council of Europe Office in Ukraine, Mårten Ehnberg, stated that the Council of Europe Office supported the development of a new funding model for Public Broadcasting by expert examination and advice, and called the Ukrainian authorities on consideration of changing the funding model²⁶. In addition, the EU-Ukraine Civil Society Platform, one of the four official bodies of the EU-Ukraine Association, called in its declaration adopted at the 6th Joint Meeting in Brussels on April 12, 2018 on the Ukrainian government and parliament to introduce more secure and transparent system for Public Broadcasting funding, in accordance with the recommendations of the Council of Europe²⁷.

УА: ФІНАНСОВА СИТУАЦІЯ ПАТ «НСТУ» на серпень 2018

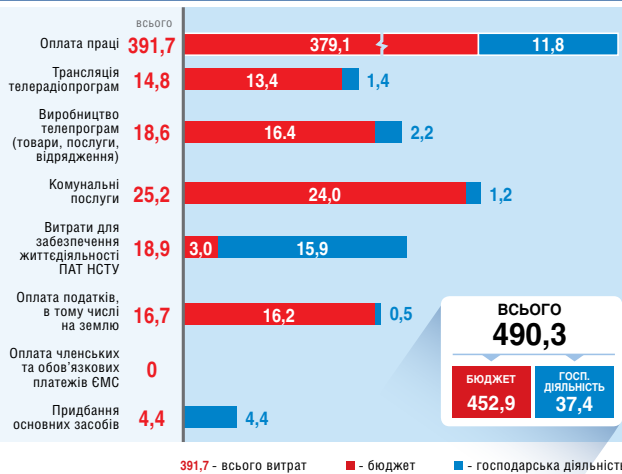


НАДХОДЖЕННЯ ВІД КОМЕРЦІЙНОЇ ДІЯЛЬНОСТІ грн

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ВИТРАТИ ЗА ПЕРІОД СІЧЕНЬ-ЛИПЕНЬ 2018 РОКУ, млн грн



ФІНАНСОВИЙ СТАН НА СЕРПЕНЬ 2018 РОКУ, млн грн





ABILITY TO BE HEARD: A UNIQUE CHANCE TO BUILD UP FM NETWORKS OF UKRAINIAN RADIO

Infrastructure - in addition to financial resources for Public Broadcasting - is as well extremely important for reaching the viewer and listener. Both national TV channels today have national licenses for digital television broadcasting, though the situation with the radio is fundamentally different.

The first season of Ukrainian Radio's operation in Public Broadcasting format featured rapid growth of its audience. UR-1 rushed into the top five nationwide stations according to the news hearing rating in 2018. This is dwelt upon in "Attitude of Population to Media and Use of Different Types of Media in Ukraine (2018)" research conducted by InMind sociological company commissioned by Internews International Public Organization. And these are only cities with the population of 50+ thousand aged 18-65. UR-1 failed to reach even the top ten in this rating in three preceding years.

In addition, as it was mentioned earlier, the audience of Ukrainian Radio increased by 67% (according to Kantar TNS in Ukraine) over nine months of functioning in Public Broadcasting format.

As we can see, the frequencies the National Council for Television and Radio Broadcasting has been providing to UR-1 from 2016 proved to be the most successful investment of the frequency resource of the current National Council, since Ukrainians noticed the Ukrainian Radio and started listening to it (unlike some other built-out radio networks, which, unfortunately, failed to find their listener). But, as practice has shown, frequencies are only half the battle. Audience started growing only after the arrival of a new team of Dmytro Khorkin on Public Radio, which managed to transform UR-1 into a powerful European radio similar to BBC Radio 4.



Certainly, this is the confirmation that the reform has begun with good reason. Over the years of state broadcasting in independent Ukraine, state media have lost almost all of their audience, and hope for success of Public Broadcasting therewith. Nevertheless, the fact of Public Radio audience growth indicates the possibility of effective management to restore the trust of listeners and viewers and make the media influential even in difficult financial conditions.

In Soviet times, the main method of Ukrainian Radio signal delivery was a network covering about 19 million households which was almost all the adult population of the country at the time of gaining independence. Ukrtelecom, which obtained wired radio network after the privatization, regularly reports on unprofitability of signal delivery, users' refusal of this service, obsolescence of equipment and the very technology. According to Ukrtelecom, the network covers now about 600 thousand subscribers; more than 100 thousand users annually refuse from wired broadcasting all over the country. For instance, 80% of wired radio subscribers in Odesa have waived this service over four years. Taking this tendency into account, Ukrtelecom decided to stop providing wired broadcasting services in the city from January 1, 2019.

Public radio today is by all means trying to expand the listeners' audience through the advent of new technologies. So, in June 2018, three channels of Ukrainian Radio received space in digital radio multicast of RRT Concern, and now they can be heard in Kyiv on DAB (DAB+) receivers.

Moreover, Ukrainian Radio has launched Suspilne.Radio mobile applications developed with the support of the Council of Europe Office in Ukraine to the 95th anniversary of broadcasting for iOS and Android mobile platforms with the opportunity to listen to Ukrainian Radio, Promin and Culture radio. The application has the timetable for broadcast of three radio stations, it is possible to choose individual programs or special projects for listening, to see favorite radio presenters or download a track to the mobile device.

However, the most important challenge for UA:PBC in this area is to provide listeners with the most popular way of delivering the signal which is FM broadcasting. As of the end of 2018, the First Channel of Ukrainian Radio has a network of over 150 FM transmitters providing terrestrial coverage in most cities. Nevertheless, there is still no FM broadcasting of Ukrainian Radio in Odesa and Ivano-Frankivsk, and frequencies in Kharkiv and eight smaller settlements were received only in October 2018 and need to be worked up.

Much worse is the situation with FM-coverage of Promin and Culture. Both radio stations broadcast on FM waves in a single regional center — Lutsk by the end of 2018. At the same time, in October 2018, Promin received four frequencies, including in Dnipro and Kryviy Rih, and Culture received three frequencies in district towns.

Public broadcasting constantly takes part in competitions of the National Council on Television and Radio Broadcasting in order to expand FM broadcasting networks. But Promin and Culture networks could not expand substantially in recent years due to lack of frequency resource.

In connection with cessation of using the technology of terrestrial analogue television broadcasting from September 2018, free frequencies range can be used to deploy new radio broadcasting networks.

This is a unique chance to build up FM networks of three channels of Ukrainian Radio making it accessible to the listener. No such chances are expected in the nearest future in Ukraine: owing to disabling analogue TV the last part of the range suitable for deploying the technology of FM radio broadcasting opened. That is why

UA:

ПЕРШИЙ МЕДІАСЕЗОН СУСПІЛЬНОГО UA: УКРАЇНСЬКЕ РАДІО (вересень 2017 - червень 2018)



**Дмитро
Хоркін**

генеральний
продюсер
UA:Українське радіо

ФОРМАТУВАННЯ КАНАЛІВ УКРАЇНСЬКОГО РАДІО

	КОНТЕНТ	МЕНЕДЖМЕНТ	ПРОЕКТИ
1 ПЕРШИЙ КАНАЛ УКРАЇНСЬКОГО РАДІО 	суспільно-політичне новинне розмовне радіо	 Юрій Табаченко працював на евакуйованому радіо «Голос Донбасу» і телеканалі «Тоніс»	37 нових проектів українська і міжнародна політика, економіка, бізнес, історія, екологія, туризм, права людини та антикорупційний тижневик
2 ДРУГИЙ КАНАЛ «ПРОМІНЬ» 	музично-розмовне молодіжне радіо	 Максим Яковенко працював на музичному радіо JAM-FM і «Промені»	16 нових проектів музичні новинки, спорт, мода, соціальні мережі, психологія стосунків, навчання
3 ТРЕТІЙ КАНАЛ «КУЛЬТУРА» 	культурно-просвітницька радіостанція	 Ірина Славінська радіо- і тележурналістка, кураторка мистецьких подій	21 новий проект театр, література, класична музика, освіта, наука, релігія, історія, візуальне мистецтво, архітектура, народні традиції, сучасні тренди та івенти
РАДІОПРОДАКШН 	технічні служби радіомовлення	 Андрій Ходос	об'єднує розділені раніше технічні служби радіомовлення: звукоінженерів, зберігачів фонотеки, IT-спеціалістів по роботі з радіосфотом, звукооператорів та інженерів Центральної апаратури Українського радіо

ТВОРЧО-ВИРОБНИЧЕ ОБ'ЄДНАННЯ «МУЗИКА»

Творчі колективи Українського радіо та концертно-студійний комплекс Будинку звукозапису



**Костянтин
Спілка**

виконавчий
продюсер



**Володимир
Шейко**

художній
керівник

ОБ'ЄДНАННЯ МАЄ ДВА ПІДРОЗДІЛИ:

ТВОРЧІ КОЛЕКТИВИ

- **Хорова капела Українського радіо** (головний диригент і художній керівник Юлія Ткач)
- **Симфонічний оркестр Українського радіо** (головний диригент і художній керівник Володимир Шейко)
- **Оркестр народної і популярної музики УР** (головний диригент і художній керівник Михайло Пікульський)
- **Великий дитячий хор радіо**
- **Тріо бандуристок Українського радіо**, які дали 28 концертних програм для радіофіру та за цей рік побували на гастролях у Китаї, Італії, Румунії, Тунісі

УПРАВЛІННЯ ПОЗАСТУДІЙНИХ ЗАПИСІВ ТА РАДІОТРАНСЛЯЦІЙ

звукорежисери та інженери, які забезпечують роботу і самого комплексу Будинку звукозапису, і виїзних студій та трансляцій.

СИНЕРГІЯ

Разом із колегами з телебачення і DIGITAL створено великі спецпроекти:

- Зимова Олімпіада і Паралімпіада
- Євробачення
- Книжковий арсенал

DIGITAL

Створено у співпраці з Департаментом цифрових платформ 2 онлайн-канали Українського радіо:

- UA: Казки
- UA: Класична музика

synergy and cooperation between UA:PBC, National Council on Television and Radio Broadcasting, Ukrainian State Centre of Radio Frequencies are so important for achieving this goal.



PUBLIC THOUGHT

The complex of challenges faced by the Public Broadcasting in the early years of its existence is also aggravated by low awareness of the political elites of the need for Public Broadcaster existence, principles of its functioning, and elites' uncertainty in the broadcaster's capacity to ensure politically unbiased editorial policy.

The need for Public Broadcasting is not obvious for citizens pampered with plenty of free TV and radio content. At critical moments, listeners and spectators are ready to turn on Public Broadcasting, as shown by the experience of coverage on the day when the martial law was introduced in 2018. However, they feel no need to pay for it: We have already pointed out the data of surveys on the population willingness to pay subscription fee (9%²⁸ are ready to pay monthly fee of UAH 25 to 65 per month, and 29% up to UAH 10 per month for the opportunity to watch/ listen/ read objective and impartial news and analytics on public broadcasting channels²⁹).

Under the conditions of oligarchs possessing Ukrainian TV and radio space, rapid growth of the number of niche information TV channels, at detecting numerous violations of journalism standards in news delivered by private broadcasters that reflect the position of owner of the media and act as tools for lobbying political interests, Public Broadcasting Company may become (and it is already becoming) an important element to ensure democracy in Ukraine.

This emphasizes the need for a broad information campaign among various strata of society as well as among political parties representatives, people's deputies, employees of executive bodies in order to clarify the mission and the role of Public Broadcasting in a democratic society and create more favorable conditions for its development, since existence of a powerful Public Broadcaster will be beneficial for everyone.





ANNEXES

Section 1. STATE BROADCASTING: FROM PROPAGANDA TO AN ADMIN-RESOURCE

1. Exclusively television and radio are understood by the Ukrainian legislation as electronic media.
2. <http://pravo.gov.ru/proxy/ips/?docbody=&nd=102010233&rdk=&backlink=1>
3. *Deklaratsiia pro derzhavnyi suverenitet Ukrainy* - Declaration on state sovereignty of Ukraine - <http://zakon4.rada.gov.ua/laws/show/55-12>
4. *Postanova No. 243 Rady ministriv Ukrainiskoi RSR* - Resolution of the Council of Ministers of the Ukrainian SSR No. 243 - http://search.ligazakon.ua/l_doc2.nsf/link1/KP900243.html
5. *Ukaz prezidenta SRSR pro stvorennia derzhavnoi teleradiokompanii* - Decree of the President of the USSR on creation of the state television and radio broadcasting company - <http://economics.kiev.ua/download/ZakonySSSR/data01/tex10446.htm>
6. A complex with an antenna with the corresponding transmitting equipment and a TV studio jointly located.
7. Not to be confused with "Ukraine" TV channel owned by oligarch Rinat Akhmetov.
8. The TV center building was erected in 1951-52. <http://wikimapia.org/No.lang=en&lat=50.448951&lon=30.521650&z=18&m=b>
9. <http://wikimapia.org/No.lang=en&lat=50.472365&lon=30.457996&z=17&m=b>
10. Leonid Kuchma - https://en.wikipedia.org/wiki/Leonid_Kuchma
11. Leonid Kuchma was holding the position of Prime Minister from October 1992 till September 1993.
12. *Pro vdoskonalennia systemy upravlinnia derzhavnym telebachenniam i radiomovlenniam Ukrainy* - On improvement of management system of the state television and radio broadcasting of Ukraine - <http://zakon2.rada.gov.ua/laws/show/en/12/95>
13. Based on the order of the president of the RF: *Ukaz prezidenta RF Pro vdoskonalennia ekspluatatsii pershogo pryvatnogo (m. Moskva) kanalu telebachennia i merezhi yoho poshyrennia* - Decree of the President of the RF on improvement of operation of the first private (Moscow) TV channel and its distribution network - http://www.innovbusiness.ru/pravo/DocumShow_DocumID_43783.html
14. Ivan Chyzh will become the head of the State Committee for Television and Radio Broadcasting in 2003-2006
15. RRT Concern regularly changed the body it was subordinated to. As of 2018, the Concern is subordinated to the State Service for Special Communication Administration.
16. This deputy will make an amendment to Article 85 of the draft Constitution on appointment of the State Television and Radio Broadcasting in a year, thus making this body constitutionally acceptable. See more details at: *Piata richnytsia Reanimatsiynoho paketu reform: dosiahnennia ta vyklyky* - Fifth anniversary of Reform Reanimation Package: achievements and challenges - <http://cedem.org.ua/analytics/konstytutsijna-nichderzhkomteleradio/>
17. A program, where fraction representatives voiced their positions on certain relevant issues.
18. *Pro utvorennia Tymchasovoi komisii Verkhovnoi Rady Ukrainy po vyvchenni u situatsii, shcho sklalasia v teleradioinformatsiinomu prostori Ukrainy* - On formation of the Interim Commission of the Verkhovna Rada of Ukraine for studying the situation in television and radio information space of Ukraine - <http://zakon5.rada.gov.ua/laws/show/322/95-%D0%B2%D1%80/ed19950914>

19. *Pro nadannia statusu slidchoi Tymchasovii komisii Verkhovnoi Rady Ukrainy po vyvchenni situatsii, shcho sklalasia v teleradioinformatsiinomu prostori Ukrainy* - On granting the status of the investigator to the Interim Commission of the Verkhovna Rada of Ukraine for studying the situation in television and radio information space of Ukraine - <http://zakon5.rada.gov.ua/laws/show/422/95-%D0%B2%D1%80>
20. Constitutional Treaty appeared as a transitional document from the Constitution of the Ukrainian SSR, which retained validity with some changes until June 28, 1996 — the day of adoption of the Constitution of Ukraine.
21. <http://www.nrada.gov.ua/ua/derzhavniyreestr/TKINTERPrAT.html>
22. Prior to the Constitution adoption the laws were enacted by adoption of a separate resolution. This practice was later replaced by using transitional provisions.
23. The current equivalent of the commission is the Verkhovna Rada Committee on Freedom of Speech and Information Policy.
24. The Concern will be transferred between departments in the following years. As of 2016, it is subordinated to the State Service of Special Communications and Information Protection.
25. Read more about how the State Committee for Television and Radio Broadcasting appeared in the Constitution at: *Konstytutsiina nich Derzhkomteleradio* - Constitution night of the State Committee for Television and Radio Broadcasting - <http://cedem.org.ua/analytics/konstytutsiina-nich-derzhkomteleradio/>
26. Decree of the President No. 596/96 dated 26/07/1997
27. A similar situation repeated in 2014-2015, when the newly created Ministry of Information brought UkrinformIA under its umbrella.
28. Valeriy Mezhytskyi <http://static.rada.gov.ua/intranet/ukrzmi/human/0045660.htm>
29. The mechanism of parliamentary hearings allows increasing advocacy of bills in parliament.
30. Resolution of the Verkhovna Rada No. 431/97-BP.
31. The final name of the adopted law was the following: Law of Ukraine "On National Television Company of Ukraine and National Radio Company of Ukraine".
32. *Pro systemu Suspilnoho telebachennia i radiomovlennia Ukrainy* - About the System of Public Television and Radio Broadcasting of Ukraine - <http://zakon3.rada.gov.ua/laws/card/485/97-%D0%B2%D1%80/ed19970718>
33. *Pro stvorennia teleradioorhanizatsii Suspilnoho movlennia Ukrainy* - On set up of Public Broadcasting Television and Radio Company of Ukraine - <http://zakon3.rada.gov.ua/laws/show/667/97-%D0%B2%D1%80/print1479372482164405>
34. It is worth noting that participants of those events we managed to communicate with were extremely negative about the group of people who lobbied the idea of "NGURT" since the beginning of 1990s. This is also reflected in the book by Ivan Mashchenko "Television of Ukraine" (K: Tetra, 1998).
35. Elections were held on 29.03.1998.
36. Chair of the National Council on Television and Radio Broadcasting after the Orange Revolution.
37. Decree of the President No. 400/2000 dated 9.03.2000: *Pro vyznannia takymy, shcho vtratyly chynnist, statei 2 i 3 Ukazu Prezydenta Ukrainy vid 16 veresnia 1998 roku No. 1033* - On declaration of Articles 2 and 3 of the Decree of the President of Ukraine No. 1033 dated 16 September 1998 to be invalid - <http://zakon3.rada.gov.ua/laws/show/400/2000>
38. Zynovii Kulyk died in 2004 under mysterious circumstances.
39. A State Committee is not a government member, unlike the ministry.
40. The agreement was dissolved in 2016: *Kabmin rozirvav uhody z Rosiieiu pro spivpratsiu u sferi telebachennia i informatsii* - The Cabinet of Ministers dissolved agreements with Russia on cooperation in television and information area - <https://www.radiosvoboda.org/a/news/28147994.html>
41. *Postanova Verkhovnoi Rady Ukrainy Pro pidsumky parlamentskykh slukhan "Problemy informatsiinoi diialnosti, svobody slova, dotrymannia zakonnosti ta stanu informatsiinoi bezpeky*

- Ukraiiny*" - Resolution of the Verkhovna Rada of Ukraine On results of parliamentary hearings "Problems of Information Activities, Freedom of Speech, Observance of Law and Condition of Information Security of Ukraine" - <http://zakon5.rada.gov.ua/laws/show/2498-14>
42. *Proekt Zakonu pro stvorennia systemy Suspilnoho telebachennia i radiomovlennia Ukraiiny* - Draft Law on set up of Public Television and Radio Broadcasting system of Ukraine - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=10852
 43. *Proekt Zakonu pro pryznachennia kerivnykiv (prezydentiv) Natsionalnoi telekompanii Ukraiiny i Natsionalnoi radiokompanii Ukraiiny ta prypynennia yikh povnovazhen* - Draft Law on appointment of heads (presidents) of National Television Company of Ukraine and National Radio Company of Ukraine and termination of their powers - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=10908
 44. *Proekt Zakonu pro stvorennia systemy Suspilnoho telebachennia i radiomovlennia Ukraiiny* - Draft Law on set up of Public Television and Radio Broadcasting system of Ukraine - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=12457
 45. *Proekt Zakonu pro pryznachennia kerivnykiv (prezydentiv) Natsionalnoi telekompanii Ukraiiny i Natsionalnoi radiokompanii Ukraiiny ta prypynennia yikh povnovazhen* - Draft Law on appointment of heads (presidents) of National Television Company of Ukraine and National Radio Company of Ukraine and termination of their powers - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=12421
 46. *Postanova Kabinetu Ministriv Ukraiiny vid 4 chervnia 2002 r. N 764 Deiaki pytannia Natsionalnoi telekompanii Ukraiiny* - Resolution of the Cabinet of Ministers of Ukraine No. 764 dated June 4, 2002 :Some issues about National Television Company of Ukraine" - <http://zakon4.rada.gov.ua/laws/show/764-2002-%D0%BF/ed20020604>
 47. *Rozporiadzhennia Kabinetu Ministriv Ukraiiny vid 29 Iyupnia 2002 r. No. 424-r Pro zatverdzhennia nahliadovoi rady Natsionalnoi telekompanii Ukraiiny* - Order of the Cabinet of Ministers of Ukraine No. 424-r dated July 29, 2002 "On Approval of the Supervisory Board of the National Television Company of Ukraine" - <http://zakon4.rada.gov.ua/laws/show/ru/424-2002-%D1%80>
 48. *Rozporiadzhennia Kabinetu Ministriv Ukraiiny vid 29 Iyupnia 2002 r. No. 424-r Pro zatverdzhennia nahliadovoi rady Natsionalnoi telekompanii Ukraiiny* - Order of the Cabinet of Ministers of Ukraine No. 424-r dated July 29, 2002 "On Approval of the Supervisory Board of the National Television Company of Ukraine" <http://zakon4.rada.gov.ua/laws/show/ru/424-2002-%D1%80>
 49. Parliamentary Assembly: Honouring of obligations and commitments by Ukraine - <https://assembly.coe.int/nw/xml/XRef/Xref-XML2HTML-en.asp?fileid=17147&lang=en>
 50. *Ukaz Prezydenta Ukraiiny Pro pryznachennia O. Savenka prezidentom Natsionalnoi telekompanii Ukraiiny* - Decree of the President of Ukraine "On appointment of O. Savenko as the President of the National Television Company of Ukraine - <http://zakon3.rada.gov.ua/laws/show/ru/281/2003>
 51. <http://old.telekritika.ua/suspilne-movlennya/2005-02-16/5565>
 52. *Ukaz Prezydenta Ukraiiny Pro zvilnennia O. Savenka z posady prezidenta Natsionalnoi telekompanii Ukraiiny* - Decree of the President of Ukraine "On dismissal of O. Savenko from the position of the President of the National Television Company of Ukraine" - <http://zakon2.rada.gov.ua/laws/show/284/2005>
 53. "Temnyk" is an instruction given to the media by the authorities of how to highlight some important socio-political events, as well as political figures.
 54. Zhurnalistska revoliutsiia — 2004 podii, liudy, dyskusii - Journalists' Revolution-2004. Events, People, Discussions - http://dl.telekritika.ua/revolution_kniga.pdf
 55. <http://old.telekritika.ua/news/2005-02-04/22933>
 56. *Lider "Okeanu Elzy", Ruslana, Andrukhovych (i shche 15 pidpysiv) za suspilne telebachennia* - Okean Elzy frontman, Ruslana, Andrukhovych (and 15 signatures more) for the public television - <http://obkom.net.ua/news/2005-01-11/1607.shtml>

57. <http://old.telekritika.ua/suspilne-movlennya/2005-01-17/5542>
58. <http://old.telekritika.ua/suspilne-movlennya/2005-03-16/5577>
59. The resolution on holding hearings appeared on January 13, 2005: *Postanova Verkhovnoi Rady Ukrainy Pro parlamentski slukhannia "Perspektyvy stvorennia hromadskoho teleradiomovlennia v Ukraini"* - Resolution of the Verkhovna Rada of Ukraine On Parliamentary Hearings "Prospects for Setting up Public Broadcasting in Ukraine" - <http://zakon3.rada.gov.ua/laws/show/2337-iv>
60. *Postanova Verkhovnoi Rady Ukrainy Pro rekomendatsii parlamentskykh slukhan "Perspektyvy stvorennia hromadskoho teleradiomovlennia v Ukraini"* - Resolution of the Verkhovna Rada of Ukraine on Recommendations of Parliamentary Hearings "Prospects for Setting up Public Broadcasting in Ukraine" - <http://zakon3.rada.gov.ua/laws/show/2684-15>
61. *Proekt Zakonu pro vnesennia zmin ta dopovnen do Zakonu Ukrainy "Pro systemu Suspilnoho telebachennia i radiomovlennia Ukrainy"* - Draft Law on Amendments and Additions to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=24580
62. It was planned to use the NTCU network and the network of regional state broadcasters. Later, deputies decided to break the process into stages and creation of "Respublika" RSTRC channel should have become the second part of the reform.
63. Mykola Tomenko headed the Verkhovna Rada Committee on Freedom of Speech and Information up to 2005.
64. <http://old.telekritika.ua/news/2005-09-19/25564>
65. UTR was created by President Kuchma as a channel for international broadcasting. The channel was reformed in 2015 and converted into a news channel of international broadcasting subordinated to the Ministry of Information Policy.
66. *Sekretariat Prezydenta otry mav 7 kontseptsii reformuvannia NTKU* - The President's Secretariat received 7 concepts of reforming NTCU - <http://korrespondent.net/ukraine/events/131591-sekretariat-prezidenta-poluchil-7-koncepcij-reformirovaniya-ntku> (rus).
67. *Rezoliutsiia 1466 (2005) Parlamenskoj Asamblei Rady Yevropy "Pro vykonannia oboviazkiv ta zoboviazan Ukrainoiu" 5 zhovtnia 2005 roku* - Resolution 1466 (2005) of the Parliamentary Assembly of the Council of Europe "On the Execution of Obligations and Obligations by Ukraine" dated October 5, 2005 http://zakon2.rada.gov.ua/laws/show/en/994_611
68. *Rezoliutsiia Parlamenskoj Asamblei "Dotrymannia Ukrainoiu zoboviazan"* - Parliamentary Assembly, Honouring of obligations and commitments by Ukraine, <http://assembly.coe.int/nw/xml/XRef/Xref-XML2HTML-EN.asp?fileid=17377&lang=en>
69. On May 13, in response to a journalist's question, President Viktor Yushchenko clearly stated for the first time he supported the creation of public television. He said, in particular: "We believe that the state will finally benefit from invaluable work of independent media (something Ukraine has lacked for years)." Viktor Yushchenko stated: "The public television project of is still subject to discussions. In 2005 we failed to allocate funds, and they were huge. I will take an active stand on the side of public broadcasting supporters, and although public TV will actually work in 2006, we will be able to hold a representative meeting in order to make a conceptual decision already in June-July this year."
70. <http://old.telekritika.ua/lyudi/2005-10-28/5659>
71. *Ukaz Prezydenta Ukrainy Pro pryznachennia V. Dokalenka prezidentom Natsionalnoi telekompanii Ukrainy* - Decree of the President of Ukraine "On appointment of V. Dokalenko as the President of the National Television Company of Ukraine - <http://zakon4.rada.gov.ua/laws/show/1511/2005>
72. *Postanova Verkhovnoi Rady Ukrainy Pro napravlennia na povtorne druhe chytannia proektu Zakonu Ukrainy pro vnesennia zmin ta dopovnen do Zakonu Ukrainy "Pro systemu Suspilnoho telebachennia i radiomovlennia Ukrainy"* - Resolution of the Verkhovna Rada of Ukraine

- On Sending for Repeated Second Reading of the Draft Law of Ukraine on Amendments and Additions to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" - <http://zakon.rada.gov.ua/go/2954-IV%20target=>
73. *Postanova Verkhovnoi Rady Ukrainy Pro napravlennia na povtorne druhe chytannia proektu Zakonu Ukrainy pro vnesennia zmin ta dopovnen do Zakonu Ukrainy "Pro systemu Suspilnoho telebachennia i radiomovlennia Ukrainy"* - Resolution of the Verkhovna Rada of Ukraine On Sending for Repeated Second Reading of the Draft Law of Ukraine on Amendments and Additions to the Law of Ukraine "On the System of Public Television and Radio Broadcasting of Ukraine" - <http://zakon.rada.gov.ua/go/3056-IV%20target=>
74. The same argument was put forward in 2015, which led to a moratorium on the sale of property of the Public.
75. *Proekt Zakonu pro pryznachennia kerivnykiv (prezydentiv) Natsionalnoi telekompanii Ukrainy i Natsionalnoi radiokompanii Ukrainy ta prypynennia yikh povnovazhen* - Draft Law on appointment of heads (presidents) of National Television Company of Ukraine and National Radio Company of Ukraine and termination of their powers - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=17970
76. This norm was not in line with the Constitution and was canceled in three years.
77. *Proekt Zakonu pro vnesennia zmin do Zakonu Ukrainy "Pro telebachennia i radiomovlennia" (shchodo vstanovlennia obmezhen chastky inozemnoho kapitalu u statutnykh fondakh teleradioorhanizatsii, vyznachennia statusu derzhavnykh teleradiorhanizatsii, udoskonalennia systemy derzhavnoho upravlinnia v informatsiinomu prostori Ukrainy)* - Draft Law on Amendments to the Law of Ukraine "On Television and Radio Broadcasting" (regarding restrictions on foreign capital share in the authorized funds of TV and radio broadcasting organizations, definition of the status of state television and radio organizations, improvement of public administration system in information space of Ukraine) - http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=27011
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Section 4. CHALLENGES FOR EXISTENCE AND ACTIVITIES OF PUBLIC BROADCASTING IN UKRAINE

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TABLE OF CONTENTS

4	• INTRODUCTION
6	• SECTION 1. STATE BROADCASTING: FROM PROPAGANDA TO AN ADMIN-RESOURCE
9	• Part 1: A Possibility without Understanding (1985-1995)
14	• Part 2: The First Attempts (1995-2000)
21	• Part 3: A Dream that has not been Fulfilled (2005)
25	• Part 4: Banging One's Head against a Wall (2006-2013)
30	• SECTION 2. FROM THE APPROVAL OF THE LAW — TO THE REGISTRATION OF THE LEGAL ENTITY UA:PBC PJSC
32	• Part 1: The law was adopted, but Public Broadcasting was not created
33	• Who was pushing forward the process in 2014
37	• Things the State Committee for Television and Radio Broadcasting managed to do
37	• State institution or PJSC?
40	• Monitoring by the public and international organizations
40	• Amendments to the framework law on Public Broadcasting — prospects for the creation of UA:PBC
42	• Areas in which implementation of the law on Public Broadcasting made headway after 2014
42	• Who (and what) was slowing down the process of the creation of Public Broadcasting in 2014
43	• Part 2: Analysis of the transformation of the state broadcasting of Ukraine into public broadcasting
43	• 2015
44	• What the new wording of the Law on National Public Broadcasting Company provided for (briefly)
45	• Who was made responsible for the creation of UA:PBC PJSC
51	• The hot fall of reforms in 2015
53	• What information the handover certificate had to contain. And whether anything was lost during the transfer
59	• 2015: The National Television Company of Ukraine on the radar of critics
61	• Unsteady technical state of the reformed system
61	• Creation of a mega-archive of television and radio programs
62	• Financial yoke of the National Television Company of Ukraine — old debts
63	• What could delay the process of creating UA:PBC PJSC
63	• Program concept of UA:PBC
67	• International cooperation and donor assistance to the National Television Company of Ukraine
69	• Part 3: Transformation of state television and radio companies into public broadcasting is under way
69	• 2016 Financing
71	• The epic of "Ukrtefilm"
76	• Reformation — active phase
84	• Things the State Committee on Television and Radio Broadcasting did in 2016 to implement the Law on Public Broadcasting
87	• September 30 — a momentous order
89	• Problems which could slow down the creation of a legal entity of UA:PBC PJSC in January 2017

- 91 • The State Committee on Television and Radio Broadcasting approved the valuation report on the property of the National Television Company of Ukraine
- 92 • Internal resistance to the reform
- 94 • Alasania's resignation
- 98 • What heads of branches of the National Television Company of Ukraine were saying about problems during the transformation into the National Public Broadcasting Company of Ukraine and about their place in the structure of UA:PBC PJSC
- 100 • New projects — life was going on
- 102 • 2016 — the year of Ukraine's victory in the "Eurovision" annual international contest
- 103 • Audience analysis
- 104 • Scandals in 2016
- 111 • Radio frequencies
- 112 • In 2016, the National Television Company of Ukraine participated in 11 international contests and festivals
- 113 • Supervisory Board — a year without powers
- 114 • SECTION 3: 2017, THE YEAR OF CREATION OF PUBLIC BROADCASTING IN UKRAINE**
- 117 • Part 1: Supervisory Board operation**
- 121 • Competition for positions of Chair and Management Board members of UA:PBC PJSC
- 123 • Remuneration conditions and rates of UA:PBC PJSC employees
- 126 • First annual audit of UA:PBC
- 126 • Binding documents adopted by the Supervisory Board in 2018
- 127 • Part 2: Operation of NPTU management**
- 134 • First structural changes
- 138 • Part 3: Public broadcasting has been created. The reform continues**
- 138 • What has happened to 20 minutes for deputies?
- 139 • Such a desired logo "UA:"
- 140 • Epic "Era"
- 141 • Funds: UA:PBC net positive and negative
- 142 • Ukrtefilm is still not a part of UA:PBC PJSC
- 142 • Audience: Growth in radio, stagnation in television, close to one
- 143 • Scandals and emergencies
- 144 • SECTION 4: CHALLENGES FOR EXISTENCE AND ACTIVITIES OF PUBLIC BROADCASTING IN UKRAINE**
- 146 • Editorial policy: rights of citizens and rights of deputies
- 148 • Efficient social supervision — Supervisory Board of UA:PBC
- 149 • Model of Public Broadcasting funding
- 154 • Ability to be heard: a unique chance to build up FM networks of "Ukrainian Radio"
- 157 • Public thought
- 158 • ANNEXES**

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