

TELEVISION IN THE CORRIDORS OF POWER

Malta never gave much thought to the installation of satellite receiver dishes until a certain

Maurice Zarb Adami

decided to apply to Wireless & Telegraphy, and then the Police, for installation of a dish on the roof of his house in Attard.

That dish is now in place, but not before controversy brought the case to public attention.

In 1988, Government issued a legal notice which regulated satellite receiver licence fees for hotels, embassies and the news media. Domestic installations were not included. Zarb Adami's subsequent application was turned down. Last July he sued the Prime Minister - in a much publicised case - alleging that refusal was a violation of his rights of freedom of information, and of no discrimination on grounds of property or status. In October the Civil Court, presided over by Mr Justice Borg Costanzi, ruled that freedom of information included the right to receive all information by every possible technological means, including satellite receivers. Two of defence's preliminary pleas were dismissed, and the case put off for further hearing. Zarb Adami was not available for comment.

November 28 Bill

Less than one month later, Government - which had previously shown all signs of reluctance in opening the domestic market - suddenly found the Parliamentary space to push through a Bill amending the Aesthetic Buildings Ordinance. Regulations proposed aimed to govern the installation of dish antennae for aesthetic reasons, and included domestic installations. The Bill was approved on 28 November. Speaking from the Opposition benches, Mizzi asked about the legal position of those who already had a satellite

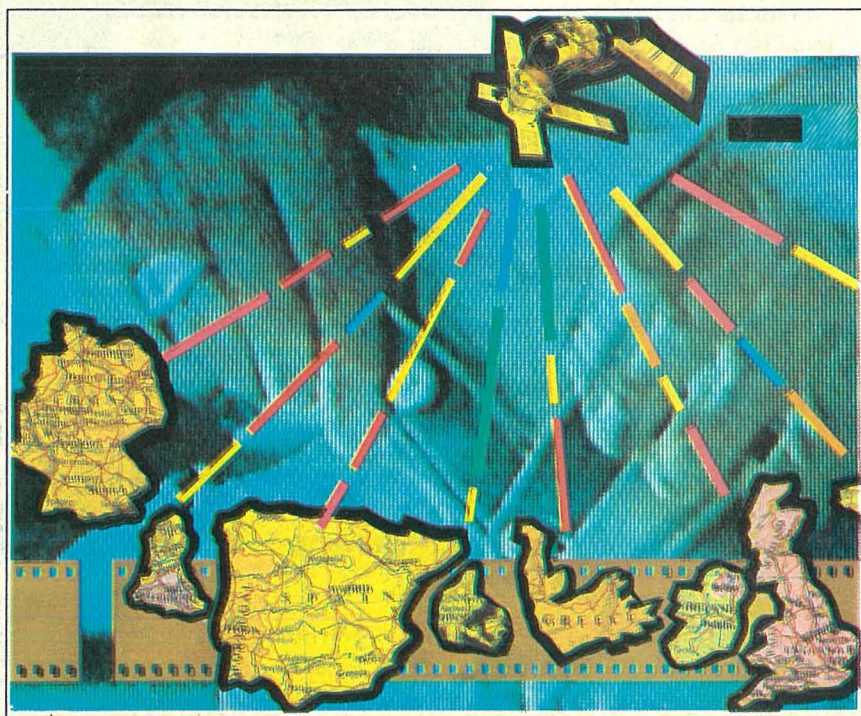
dish on their roof. Michael Falzon, Minister for Development and the Infrastructure, replied that they would have two months in which to conform with the new law. He added that it was not Government's wish to control the spread of the media in Malta to the extent of regulating amateur dishes for radio enthusiasts: "It is enough that satellite receiving terminals are regulated."

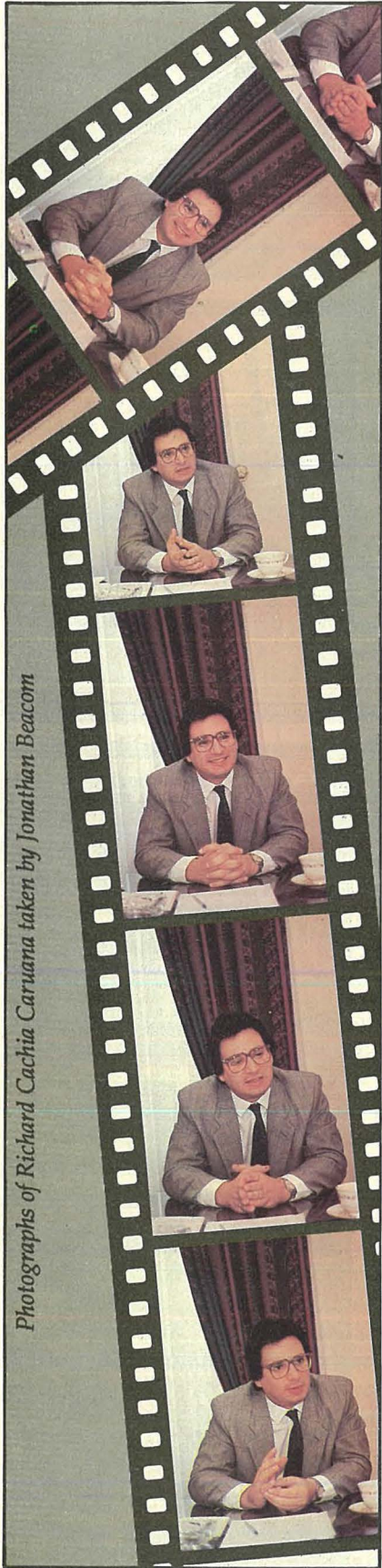
The Bill was hotly debated, even if some of the issues raised bore only a tentative connection to the subject. "The positive way of legislating is not by wording the law so that a

permit is given at the discretion of the Minister," objected Joseph Brincat, from the Opposition: "The Bill prohibits dish antennae visible from any street, but from Saqqajja in Rabat, the rooftops of all the houses in the area can be seen. Charles Buhagiar, also from the Opposition, remarked that since dish antennae would now fall under the Aesthetics Board, PAPB workload would increase considerably. One positive comment came from Michael Bonnici - from the Government benches - who said that the introduction of dish antennae "was a big opportunity that would reap great fruits through reception of an international wealth of educational information." Lorry Sant, from the Opposition, said that delays could result in a person deciding to install the equipment without a permit: "He can be taken to Court and fined, but he can file an application for the fine not to be paid, and ask for time to conform with regulations."

Official Preference?

Why Government was reluctant to open the domestic market remains unclear. Sources have alleged that one reason might be an official preference for cable television. With the cable television system, channels transmitted by satellite may be re-



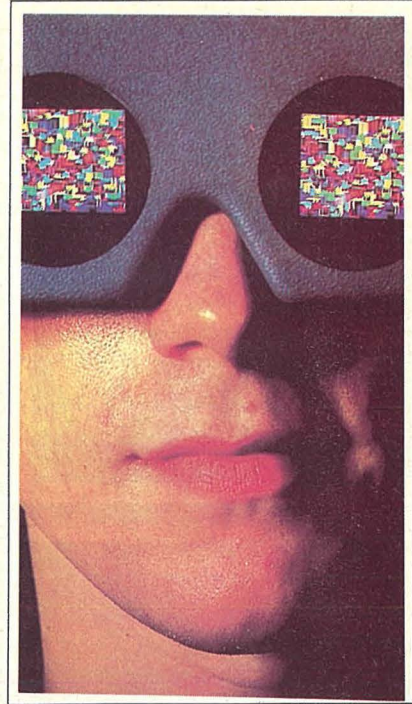


Photographs of Richard Cachia Caruana taken by Jonathan Beacom

ceived through one central receiver dish, doing away with the problem of private receiver dishes. Richard Cachia Caruana, speaking from the Office of the Prime Minister, denies this, but adds that the question of television must be considered "as a whole": "I'm the last person to be against satellite television. I have no official capacity for this sort of thing, but I am personally extremely interested in new technology. The Prime Minister is responsible for Wireless & Telegraphy, and I, so to speak, shadow that department." The Bill, he adds, was only put through Parliament recently because there was the time for it, and as for Zarb Adami: "Good luck to him. It has everything to do with Government's commitment to pluralism. The opening up has been obvious from the beginning." The Aesthetics Board, he says will be issuing "guidelines": "From the human rights point of view you can have any size of dish you want, but where does that leave us? We'd be nuts if we didn't consider the environmental aspect. There are plenty of people with a backyard who would put the dish on their roof just to show off."

Local Manufacture

Immediately before the national elections in 1987, the Malta Development Corporation purchased a 40.2% shareholding, by injecting LM20,000, in a company called Sam-Sat Ltd. Charles Farrugia, who set it up in 1982 to import television boosters, had sought Government support for the production of satellite receiver systems. He alleges that at the time he was "promised" import protection and MDC back-up in securing a banker's guarantee up to LM60,000: "After the change in Government, we were informed that it was not their policy to issue guarantees to parastatal companies. We could not, then, purchase equipment to meet our export commitments. We were



also told that we would not have import protection, mainly because we did not employ a substantial number of workers, and because we did not yet mass produce."

Cachia Caruana counters that Government simply did not agree: "It would have been the whole colour tv story all over again. I can't see John Dalli promising import protection. It's part of the overall policy of Government, and in the consumer's interest." The MDC were not interested in protecting their shareholding, he says: "Because it would have been throwing good money after bad. If the Government had been different it might have made sense. I suppose that at one time or another, MIMCOL must have taken the decision that Sam-Sat was beyond redemption."

The fact was never officially confirmed, and it appears that Sam-Sat was left to kill itself off slowly. A telephone answering machine is on all day at the factory. Cachia Caruana's epitaph is: "Sam-Sat could never take it off the ground. They had the entire hotel market to themselves and they never did anything about it." Charles Farrugia cut his losses and left to open Ant-Sat: "I knew of no other country where domestic satellite receivers were

banned. I have no interest in politics, I only wanted to make the business work. The MDC's lack of interest was complete. My shares are still there, but uselessly. When Charles Rapa resigned - and he was good - the company was left without a chairman for eight months."

Charles Farrugia alleges that there could have been too many forces operating in favour of cable television over satellite: "At one Sam-Sat meeting, Richard Cachia Caruana, who sat on the board as a an MDC representative, said that cable television would have to be established before domestic satellite systems would even be considered. There was obviously a conflict of interests, and he then resigned." Cachia Caruana answers that the two should ideally co-exist: "But the price and size of the satellite systems has to come down. Environmental considerations are important. I think that, overall, priority should be given to cable tv, as a basic alternative to satellite. Sam-Sat is irrelevant to the whole situation. Sam-Sat just complicated things. I am definitely not connected and I don't push cable tv. I push positive changes."

Sam-Sat's exact industrial quotient has been subject to argument. "Sam-Sat just produced a fibre glass dish and added on an imported package," says Cachia Caruana. Counters Farrugia: "It's just not worth manufacturing amplifiers locally. Overseas they use robotics, and we would be right out of competition. The dishes are made here and the receivers assembled from imported components." The cost of a complete basic system? Roughly LM800. There is some 67% duty on parts. Farrugia says that 500 orders were confirmed in December after legislation amendments: "But there has been no permission from Aesthetics. We can't install until then. Nobody knows what anybody else is doing. I think they should pass over this idea

of getting a permit from the Board. The installation company should take responsibility for conforming to regulations. This government says it is open to dialogue. If they want to co-operate, then I'm ready."

Importation

Blitz Ltd is a Sliema-based company that imports electrical and electronic systems. In December, the company advertised its range in a local newspaper. The range included satellite receiver systems: "Since then we can barely go to sleep," says Joseph Galea, their chairman, "We have had so many enquiries that we will not be advertising again because we can't afford to attract more people." But, he says, not much can be done until official sanction is given to installations: "We can't move before they establish a policy. We are sent from Aesthetics to the Police and back again. If there will ever be anything definite is the million dollar question. There is so much confusion and contradictory opinion that we are not even taking deposits on orders. We don't dare in case anything goes wrong." Galea adds that import licences for domestic installations are not given approval either.

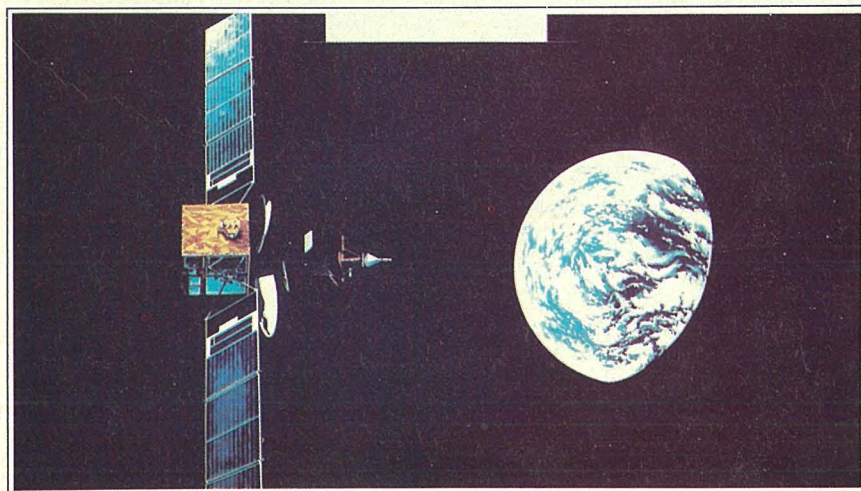
Galea is reluctant to give information that - he says - "might act as a tool to other, less well-equipped, importers." He believes that the way

is now open for cowboy entrepreneurs: "The options available are so large that it is impossible to generalise with prices, which could be anything from LM800 to LM2000. Duty is 72% and transport another 70%. It is impossible to keep prices low." He is working on a communal system for blocks of flats: "Big market? It's an expensive hobby. Good systems are in the region of LM1000."

Most enquiries have come from people wanting to see this year's major sports events direct - even though they are shown on RAI: "They are interested in American channels, Superchannel, Sky TV." Both Galea and Charles Farrugia disagree with information released through the Wireless & Telegraphy office, which deals with Malta's satellite reception capacities, and the size of dish involved. Farrugia says that with such small dishes, reception will be impaired in heavy rainfall and closed areas. Galea says that Malta can actually receive more channels than stated.

Wireless & Telegraphy

Joseph Bartolo, Head of Wireless & Telegraphy, points out: "No satellite covers the island well. If we are not right out of contour, then we are in the worst one possible. The satellite question is complicated. As for consumer interest, Malta is a small market, and we have no statistics on which to build a model." He says that cable television is preferable: "Perfect reception, irrespective of locality or faulty boosters. Response?



It all depends on the fee. Projections are dangerous. I think the Attard/Lija/Balzan area and the southern side of the island - where television reception is bad - would jump at the chance of cable television." Market penetration of 25% to 30% is feasible, he thinks: "Cable tv will take off the ground. People know very little about the size of a satellite receiver dish, and the capital outlay involved."

Maltese Cable Television

The Financial Times estimated sales of 2.5 million satellite systems in the UK in the whole of 1989, with Sky TV's introduction. The systems were sold out in January of that year after heavy sales promotion by Rupert Murdoch, owner of the channel, in newspapers also owned by him: the Times, and the Sun. Cable television exists alongside. In January last year, the Maltese authorities called for proposals to develop a cable television network for the Maltese islands. The company, which must have to be registered in Malta, will be given an exclusive licence for fifteen years. Within three years, not less than half its shares will have to be held by Maltese citizens. The proposals - which were opened in April, are now being examined by financial consultants to the Government. They are expected to analyse possibilities and make recommendations. Says Richard Cachia Caruana: "We are at the short list stage. By the end of February, official confirmation should be released."

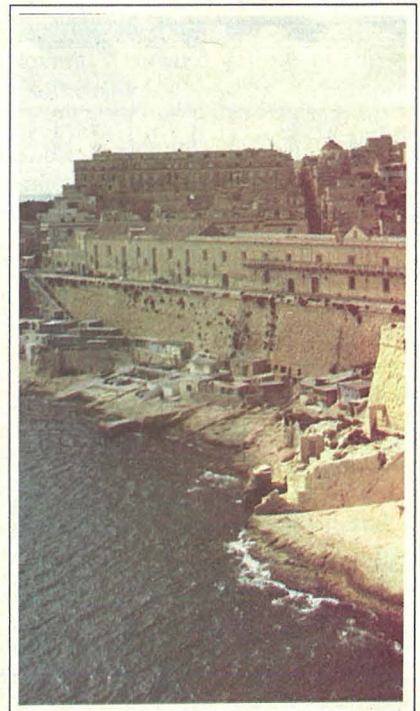
The cable operator will install a network within two-and-a-half years from licence date, and invest not less than LM2.5 million. The network will be capable of taking up to 35 channels, including licensed local channels, and at least fifteen foreign terrestrial stations and five satellite stations. There will be a community channel operated by the Broadcast-

ing Authority, and private channels will be made available for hire by commercial users. Cost to subscribers will be a connection fee, plus an annual fee for each channel grouping.

The company who will eventually be granted the licence for Malta cannot employ less than 80 local s, 60 of whom will come from Xandir Malta and/or Telemalta. After three years, there cannot be more than two expatriate personnel, and each of these must have a Maltese understudy. An annual royalty of 5% of gross takings, less connection fees, will be paid to Government, and in case of bankruptcy or abrupt termination of contract, everything will be turned over to the Government at no cost. The licence fee is LM50,000.

Choice

It has to be pointed out that Cable television offers more choice, but that the choice is limited to that which is fed to the viewer through a cable operator within the country itself. Information - in part but effectively - is controlled. Domestic satellite receivers, with all the inconvenience and expense they present, give their user direct access to information from outside the country, information



which is not filtered through any local network. The only way Maltese authorities can prevent this direct access - should they ever wish to do so - is by preventing the installation of the dish in the first place.

