

Final contracts signed

Norwegian DAB roll-out complete by the end of 2014

Minister of Cultural affairs Anniken Huitfeldt last week announced that the contracts to ensure complete coverage of digital radio by the end of 2014, have been signed. 99.5% of Norwegians will then have access to between 15 and 30 radio channels, up from 80% today.

“This is a milestone that we have been working to achieve for a long time. As the last of the major media, radio now takes a definitive step into the digital age. As a consequence of this, Norwegian radio listeners will be able to enjoy an even wider and more exciting selection of radio channels – in the rural areas as well as in the cities. Many listeners use the radio as a source for both entertainment and information every day – they deserve an up-to-date radio medium”, Anniken Huitfeldt said on May 9 during the Nordic Media Days in Bergen.

Digital broadcasting will yield room for many more radio channels than the current FM networks are able to deliver. Digital broadcast will offer all of the most popular FM channels, plus a variety of new ones. The detailed plan will be implemented by the end of 2013, to ensure that more than 90% of the population can receive DAB signals. By the end of 2014, some 99.5% of the population will be able to access NRK’s digital radio channels on DAB. The historical agreement was signed last week by Digitalradio Norge (owned by P4 and NRK) and the network builder, Norkring.

Information is the key

80% of the Norwegian population can listen to DAB radio in their homes today, but a lot still remains in terms of road and indoor coverage. These issues are to be completed within the end of 2014 – more than two years ahead of the final transition from analogue to digital radio in January 2017. Digitalradio Norge plays a central role in informing the listeners about this process, and has recently launched the web site radio.no for this purpose. The site includes a postal code based search service for easily checking current and future coverage. You can also order an e-mail or sms notification when coverage reaches a certain area. The extensive enhancement of coverage has already started and both new and improved transmitters are being installed throughout the year.

“This simple-to-use search service enables everyone to quickly find out whether they can receive DAB signals, or alternatively when they will receive it. In addition, you will find tips on how to get started with digital radio, and much more” says Ole Jørgen Torvmark, CEO of Digitalradio Norge.

Half a million DAB radios have been sold in Norway, corresponding to approximately 22% of the households. Sales are rising sharply, with a 65% increase from 2010 to 2011. DAB radios and adaptors are now available to consumers in most shop carrying electronics.

For more information, please contact Ole Jørgen Torvmark, CEO of Digitalradio Norge, on +47 924 30 600.

Information sheet regarding DAB build-out in Norway

- Digitalradio Norge AS (Digital Radio Norway Ltd) (DRN) is a cooperation between Norsk Rikskringkasting AS (NRK) (i.e. public broadcasting in Norway – the Norwegian BBC) and P4 Radio Hele Norge AS (P4) to implement the digitalization of radio in Norway
- DRN did May 4th enter into an agreement with Norkring on building and rental of a national DAB network for commercial radio covering 90% of the population (Riksblokka – or the national mux)
- Previously NRK had also contracted Norkring to build and rent them their own national DAB network (Regionblokka – or the regional mux). The coverage of Regionblokka will be the same as NRK P1 has in FM today – at least 99.5% of the population. NRK will in addition rent a part of the Riksblokka until 2017.
- Coordinated building of the two networks will give a quick and efficient building process. Both networks will be ready within the end of 2014. Detailed information about the coverage is available on www.radio.no
- Norkring has a long experience in building and running broadcasting networks, and has among other things been responsible for the successful digitalization of the terrestrial TV-networks in Norway through contracts with Norges Televisjon which is owned by NRK, TV2 and Telenor.
- The completion of the two national networks in Norway will be the world's largest DAB build-out so far. In total the two networks will cost some 3 billion NOK allocated in a 20 year rental period. The investments are made by Norkring and financed by rental agreements with NRK and DRN.
- The two networks have a capacity to offer some 30 national stations all together when the digitalization is fully implemented. For the audience this means more radio, greater variety and more stable signal reception than FM offers today. For the broadcasters this offers an opportunity to reach the entire population with a larger amount of channels to a considerably lower cost per channel compared to what FM offers today.
- There are two national commercial FM licenses today – called FM4 and FM5. FM4 is owned by SBS Norge AS (SBS) who is broadcasting Radio Norge on it, while FM5 is owned by P4. Both licenses run out on December 31st 2013, but both SBS and P4 have accepted an offer from the media authorities about a prolongation of the licenses until 2017 (with a possible prolongation to 2019 if the FM close-down should be postponed the maximum of time from the planned close-down in January 2017)
- In accordance with the Parliamentary bill No 8 (2010-2011) "Digitalization of radio" the Ministry of Cultural affairs has required that the FM licensees shall produce a binding build-out contract within January 1st 2013 that ensures DAB distribution to 90% of the population in a commercial network. If no such contract has been entered into by each of the licensees within the due date, the license(s) will be withdrawn and offered to others through an auction.
- On May 4th 2012, P4 entered into an agreement with DRN that ensures that P4 fulfills its build-out obligations. SBS was originally a part of the DRN cooperation, but withdrew a short time before the contract with Norkring was to be signed.
- The contract between DRN and Norkring has been arranged in a way that enables SBS, or another licensee that wins the FM4 license through a possible auction, to accede to the agreement and have the same capacity and the same financial and other conditions as P4. If such an accede has not been carried through within December 31st 2013, P4 is prepared to carry the risk for the entire network alone.
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