

Termination of Public Broadcasting: 'What's the Point of It If We Don't Control It?'

Zulat's Response to Bill on Privatization of Israel Public Broadcasting Corporation

This document refers to the bill to privatize the Israeli Public Broadcasting Corporation (IPBC),¹ which was originally submitted by MK Tali Gottlieb (Likud) upon the inauguration of the 25th Knesset in 2022 and is now being promoted by Communications Minister Shlomo Karhi.²

Upon the formation of the current Netanyahu government and his appointment as communications minister, Karhi said on several occasions that "a news channel should not be funded by public money" and therefore "there should be no public broadcasting." He also made a series of claims regarding the IPBC and said that it should be shut down. The 37th government's intent regarding public broadcasting did not only transpire from the minister's pronouncements, but also from the draft of the Broadcast Media Law published by the Communications Ministry in July 2023, which has since been advanced in bits and pieces through private bills. Given the importance of public broadcasting in democratic countries and its long-standing presence in Israel's life, Zulat published a comprehensive document on the subject in August 2023 that analyzed the Communications Ministry's overall perception of its role and warned about what the future might hold.

The current bill, similar to other legislative proposals concerning the media submitted by Likud MKs, fulfills Minister Karhi's plan for a revolution in the media field and seeks to eliminate public broadcasting in Israel and end the IPBC's activities. Despite its title and wording, the bill is not intended to privatize the IPBC but rather to bring about its closure. By its very nature and purpose, public broadcasting cannot be privatized. Handing it over to private entities will in and of itself end its public character and transform it into a purely

¹ <u>Bill on IPBC Privatization-2022</u>, Knesset's National Legislation Repository, 12 December 2022.

[#] All references are in Hebrew.

² Similar bills were presented in the previous Knesset (2021) by Shlomo Karhi (149/24) and Nir Orbach (270/24).

³ Refaella Goichman, <u>Karhi Submits Bill on IPBC Privatization: 'There Should Be No Public Broadcasting'</u>, Haaretz, 6 December 2022.

⁴ Editorial Desk, Karhi Declares War on IPBC: 'No Diversity, A Failure', ICE, 9 January 2023.

⁵ Broadcast Media Draft Bill-2023, Government Legislation Website, 24 July 2023.

⁶ Dr. Aya Yadlin and Dr. Oranit Klein-Shagrir, <u>Harming the Public Broadcasting Corporation: Erroneous Claims and Spurious Motivations</u>, *Zulat*, 29 August 2023.

commercial operation, subject to the whims of a politically-affiliated regulator.

In addition, contrary to Minister Karhi's statements and the explanation attached to the bill, its real purpose is not at all "to increase competition" in the broadcasting sector or "to encourage a free market," but to bolster the control exercised by the political echelon over the media in Israel. Due to the government's current inability to have power over the IPBC's broadcasts and content, the bill seeks to terminate public broadcasting and bring its replacement closer under its wings, as suggested by then-Culture Minister Miri Regev in 2016: "What's the point of the IPBC if we don't control it?"

According to Supreme Court rulings, public broadcasting detached from political and economic influences is essential to ensure a true climate of freedom of expression and to be a "watchdog" of democracy. Hence, given that the bill will inflict real harm on freedom of expression, freedom of the press, and Israeli original production, it is an illegal disposition that violates the fundamental rights to freedom of expression and freedom of the press, lacks a worthy purpose, and is disproportionate, as will be explained below.

Main Objectives Sought by the Bill

1. Cessation of IPBC's television broadcasts: According to the bill, within 15 months from the implementation of the proposed amendment, the Second Authority for Television and Radio (SATR) will publish a tender to select a new operator to broadcast television content on the channels currently operated by the IPBC. The tender may include all of them (Channel 11, the Educational Channel, and the Arabic-language channel) or, alternatively, address each channel separately.

The new operator will be subject to the provisions of the SATR Law-1990, while the Israeli Public Broadcasting Law-2014 will no longer apply. The IPBC's assets will be made available to the new operator, as will be its archive and all intellectual property rights, which will be transferred to the state, free of charge.

Two years after the commencement of the proposed amendment, the IPBC will cease all television broadcasting activities, regardless of whether the SATR tender succeeds or not. In any case, as of the aforementioned date, there will be no more public television broadcasting in Israel.

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⁷ Eliran Malki, Miri Regev: 'What's the Point of the IPCB If We Don't Control It?', Calcalist, 31 July 2016.

2. Cessation of IPBC's radio broadcasts: According to the bill, the SATR Council will issue a public tender to select a new operator to broadcast Reshet Bet's radio programs nationwide. The rest of the IPBC's radio broadcasts will end within two years from the date of the amendment. Reshet Bet's broadcasts will be subject to the SATR Law and will be supervised by the SATR Council under the provisions of this law. The new operator will be entitled to use the "Reshet Bet" brand.

If no winner is selected within six months of the tender, Reshet Bet's broadcasts will be discontinued. This means that in any case, regardless of whether the tender succeeds or fails, public radio broadcasts will cease to exist in Israel.

In conclusion, to the extent that the dispositions proposed in the bill are implemented, the IPBC's television and Reshet Bet broadcasts will become a commercial operation for all intents and purposes run by a new entity selected in a tender, under the supervision of the SATR Council and the provisions of the SATR Law. The IPBC's activities will be liquidated, and there will be no more public broadcasting in the State of Israel.

Purpose of Bill: Terminate Public Broadcasting and Bolster Political Echelon's Control Over Broadcast Media

The word "privatization" is used in the title and text of the bill in order to portray it as intended to streamline a service provided to the public. The attached explanation claims that its purpose is "to enhance competition and encourage a free media market." These are baseless statements that fail to reveal the true objective underlying the proposed legislation.

Contrary to the text of the bill, we are not talking about a privatization process at all, given that public broadcasting cannot be privatized. Privatization means handing over the operation of a specific service previously provided by the public or government sector to a private entity, which is clearly not the case here. If the proposed measures are implemented, the very handover of control to a private entity will completely eliminate public broadcasting and turn it into something entirely different: a purely commercial enterprise using the emasculated channels and brands previously operated by the IPBC.

Neither is the move intended to increase competition. There is presently no obstacle to

operating an additional television channel under the provisions of the SATR Law, nor does such a move necessitate a tender: anyone wishing to operate a new channel can do so within the existing legal framework. As for radio broadcasting, the field is already highly competitive, and it is unclear how operating Reshet Bet under private ownership would enhance competition. This is compounded by the fact that the bill seeks to terminate additional IPBC radio broadcasts, such as Reshet Gimmel, 88 FM, Radio Rekka, and others. It is thus evident that not only does the proposal not seek to increase competition in radio broadcasting, but is actually out to significantly reduce competition and diversity in this field.

Zulat's position is that the real purpose of the bill is to bring about the elimination of public broadcasting in order to bolster the political echelon's control over the media. Since the government presently has no power over the IPBC's broadcasts and content, the bill seeks to bring its replacement closer under the control and supervision of the political echelon. As such, this bill is bound to deal a lethal blow to the basic tenets of Israeli democracy and the fundamental rights to freedom of expression and freedom of the press.

Severe Blow to Independent TV/Radio Broadcasting and to Local Israeli Production

The importance of public broadcasting and its goals and purposes, which constitute the basis for the existence of a democratic society, cannot be overstated. The roles of the IPBC and public broadcasting were primarily defined in Article 7 of the Public Broadcasting Law⁸: "The content provided by the IPBC shall be independent, shall be directed to all citizens and residents of the country, shall reflect and support the fact that Israel is a Jewish and democratic state, as well as its values and heritage, and shall give fair, equal, and balanced expression to the variety of views and opinions prevalent in the Israeli public" [Article 7(b)]. Furthermore, "the IPBC shall provide news and current affairs content, including in the Arabic language and on Israel's heritage, in a professional, fair, responsible, independent, critical, impartial and reliable manner, with transparency and while exercising journalistic judgment and loyalty to the factual truth and the obligation to inform the public" [Article 7(c)].

To fulfill these functions, the IPBC is required to promote culture, original Israeli quality

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⁸ Israeli Public Broadcasting Law-2014, Nevo, 11 August 2014.

productions, and Israeli music. The IPCB Law contains a number of mechanisms to attain these goals: it establishes that the bulk of the IPBC's annual budget shall be fixed, guaranteed in advance, and transferred to it as part of the state budget, and it limits the communications minister's authority on the subject to post-facto oversight of the IPBC's operations.

The IPBC is also obligated to invest a minimum of NIS 200 million in content for its main television channel, in addition to tens of millions in children's and Arabic-language content. These funds, which are the main resource for original television production, are used to generate hundreds of programs yearly that make a huge and unprecedented contribution to Israeli culture. While investment in original Israeli production is decreasing in other media outlets, the IPBC has established itself as the main source of funding for original production in Israel.

The termination of the IPBC is intended to undermine the key objectives that public broadcasting is meant to achieve and could potentially undo the dispositions in the Public Broadcasting Law aimed at sustaining it.

Moreover, subjecting programming to oversight by the SATR will severely impair the independence and autonomy that the IPBC's broadcasts enjoy today and will expose the new operator to political influence and interference. This process will be further exacerbated by the communications minister's plan to bolster the political character of the SATR Council and to eliminate the requirement to establish a dedicated news company, which serves as a barrier between news broadcasts and the owners' interests and safeguards the independence and impartiality of news reporting.

Additionally, abolishing the IPBC's separate budget will force the broadcaster to rely solely on the sale of advertisements and sponsorships in an already competitive and saturated market. In this scenario, broadcasts will grow dependent on regulatory benefits from the supervisory body and the political echelon. Moreover, the annual investment in Israeli content is expected to decline significantly, likely causing severe harm to Israel's local production industry and to the tens of thousands of households that rely on it for their livelihood.

In conclusion, all the dispositions set forth in the proposed bill are expected to cause immense damage to independent broadcasting in Israel, as well as to original Israeli content creation.

Proposed Dispositions Violate Fundamental Legal Rights and Contravene Law

The importance of free and independent media in a democratic country, as an essential tool for maintaining freedom of expression and freedom of the press, cannot be overstated. In this context, it is worth citing the words of the Honorable Judge Hanan Melcer in Supreme Court Case HCJ 2996/17 Union of Journalists in Israel-Histadrut Labor Federation v. The Prime Minister: "The media serves as a counterbalance to the power of government, and guarantees that the latter does not harm democratic principles. Besides the ability to monitor the government, the media ensures a free flow of information and regular expression of different and diverse opinions. It enables more citizens to participate in the democratic process by providing them with the information they need to that end.... Finally, the media is a platform that plays a key role in safeguarding the public and political discourse. Even these days, when a significant portion of that discourse takes place on the Internet, the strength of 'traditional journalism', radio, and television, and their role as platforms for much of the public discourse, remains essential and must be respected. Therefore, a free media is the stage upon which the public discourse takes place, and as such, it is a factor that preserves, promotes, and enhances that discourse."

The above holds even truer for public broadcasting, whose ability to air news and current affairs programs is its most important feature. This is what the Supreme Court had to say on the subject in the aforementioned case: "Public broadcasting, including news and current affairs programs, must be independent and free from political interference and interests. This principle reflects, among other things, the public's right.... A well-established and independent public broadcasting system is an essential tool for the existence of a diverse, vibrant, and critical media market that does not cater to those in power, wealth, or vested interests. As such, it safeguards democracy and ensures the participation of the country's citizens in shaping its character.... Obviously, government interference in the media, even if 'formally' aimed at 'aligning' the structure of the media market to fit the interests of one side or another on the political spectrum, constitutes an impermissible subjugation of the media, which is meant to remain independent, to the wishes of the government. Such conduct violates freedom of the press in its broadest sense."

As for the link between free media and the preservation of the fundamental right to freedom of expression, the Honorable Justice Meni Mazuz stated: "Public broadcasting is essential for ensuring a true climate of freedom of expression. Many constitutions enshrine

the public's right to receive information, and not only the right to share information, as part of the right to freedom of expression. An autonomous public broadcasting system also serves as a democracy's 'watchdog' exposing government corruption in government authorities, which is why its independence is vital. To repeat, fulfillment of all these functions requires non-dependence on political and economic influences."

It thus transpires from the Supreme Court's ruling that public broadcasting is essential for preserving freedom of expression, freedom of the press, and the democratic character of the State of Israel. As stated, the bill seeks to eliminate public broadcasting in Israel and terminate the IPBC, and therefore constitutes a dramatic violation of the fundamental constitutional rights to freedom of expression and freedom of the press, and a real violation of Israel's democratic fabric. These violations are made for the improper purpose of controlling the broadcaster and interfering in the content of its programs, and do not meet the proportionality tests established in case law.

In conclusion, Zulat strongly opposes the bill and warns against turning public broadcasting into a political tool. The IPBC is a central pillar for sustaining a live and active democracy, and upholding its independence is a moral and social obligation. Accordingly, Zulat calls on the government and legislators to preserve freedom of the press and freedom of expression.

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