

Mostar Special Envoy Issues HRT Arbitration Decision

The High Representative's Special Envoy for Mostar, Norbert Winterstein, today issued an arbitration [Decision on Hercegovacka radio-televizija Mostar \(HRT\)](#).

Mr Winterstein has ruled that the City of Mostar should continue to subsidise HRT at the same monthly amount as in the 2006 budget until 31 March 2007.

In the meantime, the City and the management board and management of HRT must take whatever steps are necessary to transfer ownership of HRT – either to other levels of authorities, public institutions or through privatisation.

If the transfer of ownership has not been resolved by 31 March 2007, bankruptcy or liquidation proceedings will be processed in accordance with applicable laws.

The City of Mostar may decide to divide HRT into two separate legal entities (a radio and a television station). If it follows this course, the City must ensure proper registration of the two legal entities with the competent court before 31 March.

In an explanation attached to the Decision, Mr Winterstein made clear that any postponement of the deadline is unacceptable, pointing out that since the Mostar City Statute became effective in January 2004, the HRT question has been thoroughly discussed, but without any decision being reached.

Mr Winterstein added that he had thoroughly reviewed the economic and legal implications of maintaining the station under City ownership. He had concluded that the City would only be able to continue operating the station if it provided

new capital and reinvestment, guaranteed annual subsidies and serviced its debt.

This is beyond the City's means.

The City of Mostar already has to finance severance packages for surplus employees, reorganise utility companies in order to restore communal services, and invest in basic infrastructure and reconstruction. In addition to all this it simply cannot afford to rehabilitate HRT. To attempt to do so would call into question the financial sustainability of the City.

Mr Winterstein, however, ruled that it would be unfair to close the station and liquidate the company immediately, even though this is legally feasible. HRT has a legitimate role in serving Croat culture and language in Herzegovina . This is why the Special Envoy's Decision leaves open the possibility for the station to restructure its administration and ownership. Those who wish to maintain the service being offered by HRT can come forward before 31 March 2007 and offer solutions based on private investment or on an expanded role for other public authorities.

The High Representative, Christian Schwarz-Schilling, appointed Mr Winterstein as his Special Envoy to Mostar on 14 September in accordance with the *Decision on the Implementation of the Reorganisation of the City Mostar*, with a mandate until the end of 2006.

Mr Winterstein was tasked with finding a solution to the issue of HRT, as well as working towards the unification of the public-utility companies, and facilitating whatever steps are necessary to finalise civil-service appointments.