

European Commission: Decision on State Financing of Television in France

IRIS 2004-2:1/5

*Sabina Gorini
Institute for Information Law (IViR), University of Amsterdam*

On 10 December 2003, the European Commission reached a decision in its investigation regarding the ad hoc public financial assistance (consisting of investment grants and capital contributions) granted by the French government to the public broadcasters France 2 and France 3, between 1988 and 1994 (see IRIS 1999-8: 5). The Commission has concluded that the aid is compatible with the common market, given that it was limited to compensation of the costs incurred by the broadcasters in the fulfilment of their public service mission and that no distortion of competition on the commercial market for advertising could be established.

The case was initiated in 1993, when the private broadcaster TF1 lodged a complaint with the Commission against the financing scheme of France 2 and France 3, alleging, inter alia, that the licence fee and other ad hoc public financing measures granted to the two broadcasters constituted illegal State aid. In June 1999, the Commission was condemned by the Court of First Instance for failing to reach a decision in this case within a reasonable period of time. Having already enjoined France to provide all the information necessary to assess the nature of the aid in question (see IRIS 1999-3: 4), in July 1999 the Commission opened a formal investigation procedure under Article 88(2) EC Treaty in respect of the ad hoc financing measures, which it considered to be "new" aid (i.e. introduced after the entry into force of the Treaty).

As the licence fee, on the other hand, predates the entry into force of the Treaty, the Commission is examining this under Article 88(1) EC Treaty, which sets out the procedure to be followed for "existing" aids. In accordance with this procedure, the Commission has now sent a letter to France setting out its preliminary view on how financing of public broadcasters can be made more transparent and suggesting safeguards to ensure that State financing does not exceed the cost of the broadcasters' public service obligations.

The present decision is in line with the decisions adopted by the Commission in October 2003 concerning the financing of public broadcasters in Italy and Portugal (see IRIS 2003-10: 4).

"Public financing of television in France between 1988 and 1994 proportional to the cost of its public service obligations", Press Release of the European Commission IP/03/1686, 10 December 2003

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/03/1686&format=HTML&aged=1&language=EN&guiLanguage=en>

