

# European Commission: State Aid for the Chaîne Française d'Information Internationale Approved

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*Mara Rossini  
Institute for Information Law (IViR), University of Amsterdam*

The European Commission has recently approved a financing scheme involving state aid for The Chaîne Française d'information internationale (French Channel for International News - FCII). In making the decision, the Commission observed that the EC Treaty rules on state aid (Article 87) were being complied with. These rules prohibit the granting of aid or subsidies which distorts or threatens to distort competition within the EU single market. However, as an exception to these rules, the treaty allows state aid for the operation of services of general economic interest, provided the aid does not have a disproportionate impact on the market. FCII is deemed to be such a service of general economic interest as it aims to bring the French point of view on international news to audiences around the world. France télévisions and TF1 are the main shareholders in this joint venture and the Commission is satisfied with the conditions surrounding the mechanism of FCII's financing: the risk of overcompensation for the public service costs is averted as the profits of one financial year are reinvested in the following year. In addition, the channel will apply market conditions to all commercial operations.

***State Aids: the Commission approves financing for the Chaîne Française d'information internationale, Press release of the European Commission IP/05/689 of 7 June 2005***

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