

# European Commission: Commission Investigates State Aid for France Télévisions

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The European Commission has opened an investigation into the long term State aid mechanisms proposed by the French authorities for the funding of France Télévisions, the largest French broadcasting group. France initially gave notice to the Commission of its intention to pay a subsidy for that year in January 2009, while in May the French authorities signalled their plan to introduce the multi-annual funding mechanism. The mechanism consists of funding from the public service broadcasting contribution and an annual subsidy, and forms part of the far-reaching reforms of the public service broadcasting sector announced by France in 2008, with a view to consolidating the specific nature of PSB and improving its quality. The reform is set to eliminate advertising on public channels and to introduce two taxes, one on advertisements and the other on electronic communications, as well as a new set of specifications unique to France Télévisions emphasising the group's general-interest mission.

The Commission approved the immediate payment of a State subsidy amounting to EUR 450 million, which had already been projected in the French Budget Act of December 2008, as compliant with State aid rules (case no. N 34a/2009). By contrast, however, the Commission decided to open a formal investigation into several aspects of the long-term funding scheme. The Commission is concerned as to the use to which the taxes introduced by the reforms will be put, as well as about the possibility of overcompensation for public service costs. The investigation will give France the opportunity to comment on the projected changes, while stakeholders will also be offered the chance to put forward their views. The final objective is the attainment of increased legal certainty.

The decision was published in the Official Journal of the European Communities and on the website of DG Competition, under case no. C 27/2009 (ex N 34b/2009).

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*“State aid: Commission approves immediate payment of subsidy to France Télévisions and opens in-depth investigation into long-term funding mechanism”, Brussels, 1 September 2009*

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