

## [FR] Financing the Digitisation of Cinema Theatres - new Proposals from the CNC

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The CNC's reaction was not long in coming. On 1 February 2010, the *Autorité de la Concurrence* (national competition authority) had invited it to look into alternative solutions to the mutualisation fund envisaged to ensure the financing of the digitisation of cinema theatres that would be more economical and less restrictive in terms of competition (see IRIS 2010-3: 1/23). On 17 February, taking note of these prescriptions, the cinema regulator presented the outlines of a new arrangement aimed at guaranteeing the speedy digitisation of all cinema theatres (900 screens have already been equipped, out of a total of 5,400) and the observance of diversity.

In order to achieve these two priority objectives, the CNC is now obliged to make use of separate resources. For the digitisation of all cinema theatres, the CNC draws a distinction between two categories, firstly circuits and groupings of more than 50 cinemas, for which financing by distributors or third-party investors is in hand and the existing solutions seem to be meeting the expectations of the stakeholders, and secondly the other cinemas, for which mixed public financing (State/local authorities) is needed to top up the cinemas' own resources and financing from distributors. This financing could come from either a specific arrangement of direct aid to operators using the support fund, similar to the existing aid for modernising cinema theatres, provided with the necessary resources, or a major national loan, or possibly by means of a tax, as advocated by the competition authority in its opinion.

The CNC's second priority objective is to ensure freedom of programming for cinema theatres, disconnected from the financing model for their digitisation. The CNC feels that the distributors' contribution should remain a primary source and the foundation for the financing of the digitisation of cinema theatres. The operator's freedom of programming, and the conditions for programming, must also be guaranteed. Similarly, the freedom of distributors (conditions for access to cinema theatres and the circulation of their films) must be preserved. For all these objectives, deemed to be "of general interest", the CNC is calling on the legislator, announcing the forthcoming submission of a bill for concertation. Ultimately, the CNC feels this solution will probably be quicker to implement than the mutualisation fund envisaged originally, and as a result will be more effective despite its higher cost for public finances.

***Le CNC annonce un dispositif garantissant la numérisation rapide de toutes les salles et le respect de la diversité***

<http://www.cnc.fr/Site/Template/T1.aspx?SELECTID=3790&ID=2722&t=2>

*CNC announces arrangements ensuring speeding digitisation of all cinema theatres and observance of diversity*

