

[FR] Abolition of Advertising on Public-sector Channels Suspended

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By imposing a total ban on advertising on public-sector channels, the Act of 5 March 2009 constituted nothing short of a revolution on the French audiovisual scene. Originally, the ban was supposed to be implemented in two stages - applying to the period between 8 p.m. and 6 a.m. starting on 5 January 2009, then a total ban starting on 30 November 2011, the date of the total switch from analog to digital television. As compensation, a new tax was introduced on advertising broadcast by the private-sector channels, and another new tax on electronic communication operators. Nevertheless, sponsored broadcasts remained possible on public-sector channels.

An interim report is scheduled for May 2011 on the possibility of abolishing advertising during the day, between 6 a.m. and 8 p.m. The Government seems not to want to wait that long, however, or to wait for the conclusions of the report being prepared on the subject by the National Assembly's cultural affairs committee. After considering a number of hypotheses, the committee finally reached a decision and announced on 17 September 2010, through Frédéric Mitterrand, Minister for Culture, the introduction of a two-year moratorium, until January 2014, for the abolition of day-time advertising on public-service television. Total abolition will therefore not take place at the end of 2011 as provided for in the Act, for purely budgetary reasons - it will take between 300 and EUR 400 million to compensate for the total abolition of advertising.

The private-sector channels, headed by TF1 and M6, were quick to react to the news; they are up in arms about what they consider to be an overturning of their economic balance. Calling for fair competition, the heads of these channels have therefore called for compensation, more particularly in the form of a reduction in their tax burden since the abolition of advertising on the public-sector group's channels. TF1 and M6 are also calling for a stop to sponsoring, which provides France Télévisions with EUR 72 million per year, after 8 p.m., and for the duration of advertising spots immediately before 8 p.m. to be limited to 6 minutes per hour, compared with 8 minutes at present.

At the same time, on 21 September, the National Assembly's cultural affairs committee presented the conclusions of the working party "on advertising and the commercial activities of public-sector television". The report draws up an

initial assessment of the application of the reform and draws conclusions for the future. In this respect, the parliamentarians recommend maintaining advertising before 8 p.m. The abolition of day-time advertising does not raise the same editorial issues as advertising during peak-time viewing. The cost to the State's budget would also appear to be higher than previously forecast. Lastly, there was the risk that the total abolition of advertising on France Télévisions would result in an overall loss of advertising income for the audiovisual industries as a whole.

Abolishing advertising during evening viewing had in fact shown that the majority of the advertising offer cannot be substituted because of the specific nature of the audience for the public-service channels. The working party therefore recommends abolishing the legislative provision corresponding to the second stage provided for in the Act of 5 March 2009. At the very least, if the moratorium solution were to be adopted, it should logically correspond to the term of office of the new chairman of France Télévisions and to the duration of the contract of ways and means he wishes to conclude with the State, i.e., five years. The committee's recommendations include maintaining the exemptions to abolishing advertising after 8 p.m., although the parliamentarians will take care that amendments do not distort the spirit of the reform. The level of the tax imposed on the private-sector channels is 0.5%.

