

[FR] CSA Refuses Authorisation For Three Digital TV Channels To Move From Pay-TV to Freeview

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On 29 July 2014, at the end of a thorough investigation, the audiovisual regulatory authority (*Conseil Supérieur de l'Audiovisuel* - CSA) found that the conditions for authorising the move from digital pay-TV to freeview requested by three channels (LCI - Groupe TF1, Paris Première - Groupe M6) and Planète Plus (Groupe Canal Plus) were not met. The channels are suffering a serious drop in income, which is generated mainly by the fees received from distributors offering the channels to their subscribers (CanalSat, Numericable, etc).

The Act of 15 November 2013 amended Article 42-3 of the Act of 30 September 1986, and instituted the possibility for the CSA to authorise a move from pay-TV to freeview (or vice versa). Any change in a channel's method of financing requires the CSA's approval, and this is conditional on respect for diversity, observation of the equilibria of the advertising market, and promotion of the quality and diversity of programmes. The CSA therefore considered the consequences of the applications, taken individually and as a whole, with regard to their effect in terms of both competition and editorial content, carrying out an impact study, covering the economic aspects in particular, holding a public hearing of the applicants, and hearing all the third parties who wished to be heard. It also obtained the opinion of the Competition Authority. The CSA referred firstly to the prevailing situation of the advertising market, which features a substantial drop in the television services' income from advertising. It considered that the arrival of one or more additional freeview channels could not currently be borne by market growth. The CSA also took account of the financial situation of the existing digital freeview channels, which it found to be fragile. Lastly, in terms of the offer and demand for television consumption, it found that the arrival of one or more additional freeview channels, with 25 channels already present, would result in audience transfer phenomena likely to be detrimental to the existing freeview channels. What is more, it also found that allowing the applications might have an adverse effect on the editorial diversity of the channels currently broadcasting on freeview digital TV. Thus, regarding the application for LCI, the CSA noted that the arrival of a third freeview continuous news channel financed exclusively by advertising might destabilise the two news channels already in existence (I>Télé and BFM TV), one of which had recently reached a point of equilibrium, while the other was currently operating at a loss. Regarding the application for Paris Première, the CSA felt that this might affect

the economic and financial viability of freeview digital channels in similar formats which were directed at similar audiences. Regarding Planète +, the CSA felt it was too soon to authorise a second documentary channel, since RMC Découverte, which began broadcasting in 2012, had not yet reached a financial equilibrium. While the CSA felt that the conditions for authorising the move of the three channels to freeview broadcasting were not met at present, it indicated that favourable developments in market conditions might justify re-examination of the applications at some time in the future.

TF1, which presented the LCI's move to freeview as a matter of survival in its application to the CSA, has reacted to the CSA's decision by announcing that the channel will shut down at the end of the year.

Conseil supérieur de l'audiovisuel, Décision n° 2014 - 357 du 29 juillet 2014 relative à la demande d'agrément de la modification des modalités de financement du service de télévision hertzienne terrestre La Chaîne Info (LCI)

<http://www.csa.fr/Espace-juridique/Decisions-du-CSA/Decision-n-2014-357-du-29-juillet-2014-relative-a-la-demande-d-agrement-de-la-modification-des-modalites-de-financement-du-service-de-television-hertzienne-terrestre-La-Chaine-Info-LCI>

Conseil supérieur de l'audiovisuel, Décision n° 2014 - 358 du 29 juillet 2014 relative à la demande d'agrément de la modification des modalités de financement du service de télévision hertzienne terrestre Paris Première

<http://www.csa.fr/Espace-juridique/Decisions-du-CSA/Decision-n-2014-358-du-29-juillet-2014-relative-a-la-demande-d-agrement-de-la-modification-des-modalites-de-financement-du-service-de-television-hertzienne-terrestre-Paris-Premiere>

Conseil supérieur de l'audiovisuel, Décision n° 2014-359 du 29 juillet 2014 relative à la demande d'agrément de la modification des modalités de financement du service de télévision hertzienne terrestre Planète +

<http://www.csa.fr/Espace-juridique/Decisions-du-CSA/Decision-n-2014-359-du-29-juillet-2014-relative-a-la-demande-d-agrement-de-la-modification-des-modalites-de-financement-du-service-de-television-hertzienne-terrestre-Planete>

