General Court of the European Union

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Press and Information

Judgment in Joined Cases T-568/08 and T-573/08
M6 and TF1 v Commission

Aid of €150 million granted by the French State to France Télévisions complies with EU law

That aid was intended to cover the costs of the public service broadcasting undertaken by France Télévisions

The EC Treaty provides that undertakings entrusted with the operation of services of general economic interest are subject to the rules on competition, in so far as the application of those rules does not obstruct the performance of the particular tasks assigned to them.

France Télévisions is a French public company which owns the public service channels France 2, France 3, France 4, France 5, France Ô and RFO (French Overseas Network).

Following the announcement by the French President, on 8 January 2008, that televised advertising on public television would in due course be abolished, France notified the Commission of its plan to provide capital funding of €150 million to France Télévisions.

By decision of 16 July 2008, the Commission found that the plan constituted State aid which was compatible with the Treaty.

Métropole television (M6) and Télévision française 1 (TF1), French commercial channels which are competitors of France Télévisions, brought an action before the Court seeking annulment of the Commission's decision.

In today's judgment, the Court recalls first of all that, where a State measure for financing a public service constitutes State aid within the meaning of the Treaty, the measure can nevertheless be declared compatible with the common market if it meets the conditions laid down in the Treaty.

The Court then holds that the Commission was correct to state that the €150 million funding, notified by France, was significantly less than the costs of the public service broadcasting undertaken by France Télévisions.

Those costs – an amount estimated by the Commission at €300 million, a figure which was not disputed – comprised, first, France Télévisions' public service costs in 2008 which the fall in advertising revenue for that year left unfinanced and, second, the costs of additional programmes brought about, in 2008, by the forthcoming abolition of televised advertising on France Télévisions.

The Court also finds that the funding notified by France was in no way intended to finance France Télévisions' commercial activity of selling its advertising slots. On the contrary, that aid was intended, explicitly and exclusively, to cover the costs of the public service broadcasting undertaken by France Télévisions.

The Court states that the situation would have been very different had there been serious doubts as regards the actual use to which the funding notified would be put and, in particular, had it been feared that it would be diverted from its intended purpose in order to subsidise France Télévisions' commercial activity.

However, when adopting the contested decision, the Commission had no reason to fear that that funding – which is, after all, much lower than the estimated amount of additional net costs to be offset – would be used for purposes other than financing public service broadcasting.

Accordingly, the Court **dismisses** the action.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

The full text of the judgment is published on the CURIA website on the day of delivery

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