

Brussels, 28 January 2010

Telecommunications: Commission takes action against France over 'telecoms tax'

The Commission today opened an infringement procedure against France relating to the 'telecoms tax' on telecommunications operators. To offset the ending of advertising on public TV channels, France has introduced a specific tax on the turnover of telecommunications operators in connection with their licence to provide telecoms services (including Internet and mobile phone services). However, the Commission takes the view that in reality this tax constitutes an administrative charge that is incompatible with European law.

"I have expressed doubts about the 'telecoms tax' on a number of occasions", said Viviane Reding, the Member of the European Commission responsible for the information society and media. 'Not only does this new tax on operators seem incompatible with the European rules, it also concerns a sector that is now one of the major drivers of economic growth. Moreover, there is a serious risk that it will be passed on to customers at a time when we are in fact trying to reduce their bills by cutting termination rates and the costs of mobile phone calls, data transfer and text message roaming.'

The French tax on telecommunications operators was introduced by means of [Law No 2009-258](#) of 5 March 2009 on audiovisual communication and the new public television service. It concerns the ending of advertising on public TV channels and introduces a tax on the turnover of telecommunications operators to make up for the loss of revenue from advertising on public TV channels (as well as a tax on the advertising revenue of private channels). The annual revenue from the new tax for the Treasury is estimated at 400 million euros.

This tax is payable by telecommunications operators which, in accordance with the French Telecoms Law, provide a service in France and have been the subject of a prior declaration to the French telecoms regulatory authority. According to the European rules, an administrative charge levied in this connection can only cover certain costs specified in them (relating mainly to licensing and regulation).

The European Commission takes the view that the 'telecoms tax' does not comply with the conditions laid down in the Community telecoms rules.

The French Government has two months to reply to the letter of formal notice which the Commission has decided to send today. If the Commission receives no reply, or if the observations presented by the French Government are not satisfactory, the Commission can issue a reasoned opinion (the second stage in an infringement procedure). If, after that, France still fails to fulfil its obligations under EU law, the Commission can refer the case to the European Court of Justice.

Background

The EU telecoms legislation, and in particular Article 12 of the Licensing Directive ([2002/20/CE](#)), lay down precise rules relating to the administrative charges that Member States can levy on businesses providing a telecommunications service or network.

A detailed overview of telecoms infringement procedures is available at:

http://ec.europa.eu/information_society/policy/ecomm/implementation_enforcement/infringement/

The procedure initiated today is without prejudice to the State aid investigation that has been under way since September 2009. The European Commission is conducting a detailed examination of the financing of France Télévisions for the years 2010 and beyond.