

# European Commission: Green Light for Pay-TV and Free-TV Mergers

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In two decisions reached on 21 March 2000, the European Commission has authorised the acquisition by CLTUFA of shares in German television broadcaster VOX and BSKyB's merger with KirchPayTV.

The Commission had previously approved CLT-UFA's shareholding in VOX, which it considered to be part of the CLT-UFA group. Since, for this reason, CLT-UFA's market share remained unchanged, the Commission decided, on the basis of Article 6.1.b of Regulation 4064/89/EEC, amended by Regulation 1310/97/EC, that its acquisition of further shares in VOX could be considered compatible with the Common Market.

On the same day, the Kommission zur Ermittlung der Konzentration (Commission on Concentration in the Media - KEK) decided that the acquisition by RTL Television GmbH, owned by the CLT-UFA group, of the stake in VOX held by the News German Television Holding GmbH, did not give rise to a dominant position through a change in the market share. Under the terms of Article 36.1 of the Rundfunkstaatsvertrag (Agreement between Federal States on Broadcasting), the KEK is responsible for judging whether plurality of opinion is ensured in broadcasting throughout Germany.

Meanwhile, the European Commission's approval of BSKyB's acquisition of shares in KirchPayTV was granted on condition that undertakings entered into by both companies were observed. The Commission feared that the proposed operation might strengthen KirchPayTV's dominant position in the German pay-TV market or create a dominant position in the emerging market for digital interactive television services. However, by announcing measures to lower barriers to entry, the companies managed to persuade the Commission to approve the proposal. Their undertakings include measures to give competitors access to Kirch's pay-TV services, including through the use of decoders other than the d-box, in combination with other conditional access systems, and to enable the d-box to support the DVB Multimedia Home Platform (MHP) (see IRIS 2000-3: 11).

***European Commission press release, 21 March 2000 IP/00/282 (CLT-UFA/VOX). European Commission press release, 21 March 2000 IP/00/279 (BSkyB/KirchPayTV).***

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