

European Commission: Unfair Competition Complaints because of the Use of Licence Fees to Acquire Sports Rights and Fund Digital Television

IRIS 2004-6:1/7

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Because of a complaint from the Private Broadcasting and Telecommunications Union (VPRT), dated April 2003, on 5 April 2004 the EC Commission (Competition DG) made a request for information from the Federal Republic of Germany. The complaint was directed against the financing of the public broadcasters, ARD and ZDF, in particular, for what were possibly anti-competitive practices in relation to the acquisition of football transmission rights. The complaint reproached ARD and ZDF for allegedly acquiring sports transmission rights without actually broadcasting the relevant sporting events later on. Moreover, the VPRT said the public broadcasters had taken over the sports-rights market, because, armed with public money, they had been able to bid far higher than the private broadcasters. As an example, the VPRT cited the acquisition of the transmission rights for the German Premier Football League matches, which, at EUR 70 million, had exceeded the financial capabilities of the private broadcasters by a long way. In the light of this scenario, both overcompensation and anti-competitive practices could have obtained. In a list of questions posed to the German authorities, the Commission has asked for a more detailed explanation of the facts.

In the context of a further complaint lodged early in May 2004, several cable network operators have had recourse to the Commission on account of the financing of the digitally-transmitted terrestrial television channel (DVB-T) in the Berlin-Potsdam region (see IRIS 20024: 6). The indictment has been brought that the Berlin-Brandenburg Media Authority (mabb) gave assistance for the use of the DVB-T network, thus distorting the competition situation. The applicants felt they had been put at a disadvantage as a result. A Commission decision on the setting up of a formal investigation has yet to be made.

