

[FR] Green Light for Merger of TPS and CanalSat Satellite Packages

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On 31 August the Minister for the Economy and Finance gave the go-ahead for the merger of the two satellite television platforms CanalSat and TPS. 65% of the new group, to be called “Canal + France” initially, will be held by the Canal + Group, 20% by the Lagardère Group, 9.9% by the TF1 Group, and 5.1% by M6. It will have almost ten million subscribers. The Minister based his go-ahead on the opinions of the audiovisual regulatory body (*Conseil Supérieur de l'Audiovisuel - CSA*) and the fair competition board (*Conseil de la Concurrence*); the latter felt that the merger responded to “a certain industrial and commercial logic”. Issues taken into account above all were the assurances given by TPS and CanalSat in respect of “the risks of damage to competition that the merger raises in respect of a number of markets”. 59 undertakings, to remain valid for a period of five to six years, have therefore been subscribed, covering access to rights, access for distributors to the channels operated by the new entity, and the place to be given to independent editors. Regarding access to rights, Canal + has undertaken more particularly to limit to three years the duration of its contracts with film producers, has renounced the operation of exclusive VOD rights, and has given assurances that its competitors will have access to its catalogue without discrimination. The group has also undertaken to make over “the audiovisual rights for the unencrypted broadcasting of TV series and sport that the new entity may hold but does not use”, under arrangements concerning competition. The group also undertakes to provide distributors with offers of pay TV covering seven channels, namely TPS Star, CinéStar, CinéCulte and Cinétoile, Sport+ and the children’s channels Piwi and Télétoon. This will enable distributors to create new packages of attractive channels. The new group undertakes to enable the independent French-language channels operating under an agreement that are not controlled by one of the shareholders to be included in the new entity’s satellite offers. The current proportion of independent channels in the group’s offers will thus be respected as a minimum, including in the basic offer.

This merger enables France to join the ranks of Europe’s audiovisual players, as it was the only major country with two competing satellite packages. The Minister for the Economy and Finance believes that “the operation, supervised in this way and without weakening the emergence of new players in the market for the distribution of pay television, allows the emergence of a new company in the market for pay television which will be in a position to offer its subscribers a more substantial offer”.

Rapprochement de CanalSat et de TPS, 31 août 2006

http://www.industrie.gouv.fr/portail/ministre/comm.php?comm_id=7073

Merger of CanalSat and TPS on 31 August 2006

