[DE] ProSiebenSat.1 Abandons Encryption Plans After Cartel Office Decision

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ProSiebenSat.1 Media AG originally intended, along with the RTL broadcasting group and satellite operator SES Astra, to introduce encrypted digital television on the basis of a subscription-based business model. Satellite operator *SES Astra* is planning to build a new digital platform (called Entavio) for German television broadcasters. Providers will then be able to encrypt their TV channels via this platform. Viewers will have to pay a monthly fee of EUR 3.50 in order to watch the encoded programmes.

The *Bundeskartellamt* (Federal Cartels Office) had examined these plans in terms of their conformity with cartel law and concluded that the arrangement between the ProSiebenSat.1and RTL broadcasting groups was unlawful. The Cartels Office therefore threatened to issue an official warning, whereupon ProSiebenSat.1 informed it in writing that it was abandoning its plans. In the Cartels Office's opinion, the fact that one of the two broadcasting groups has pulled out of the arrangement meant that there was now no suspicion of collusion. Therefore, the proceedings against RTL and ProSiebenSat.1 could be dropped. However, if the business model was revived, the proceedings would be continued.

The second procedure under cartel law concerning the technical specifications of the Entavio platform is still pending with the Cartels Office.

According to press reports, SES Astra and RTL are continuing with their business plan. Any broadcaster can decide whether or not to join Entavio. Meanwhile, the press claim that ProSieben has not ruled out encryption altogether, but has only dropped out of the project that was examined by the Cartels Office. However, it is thought not to have been decided yet whether ProSiebenSat.1 will broadcast its channels in encrypted form in the future and whether, in the medium term, the channels will continue to be available free of charge to satellite viewers.

Pressemitteilung des Bundeskartellamts vom 5. Dezember 2006

http://www.bundeskartellamt.de/wDeutsch/aktuelles/2006_12_05.shtml

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