

European Commission: Objections against Cablevision agreement of Telefonica and Canal Plus Spain

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On 3 April 1996, the daily bulletin EUROPE reported that the European Commission has sent a letter of grievances to the Spanish companies Telefonica and Canal Plus Spain regarding to the Cablevision joint venture agreement entered into by these two companies.

Cablevision provides technical, administrative and commercial services to cable operators in Spain. The Commission considers that this joint venture represents a concentration of Community-wide dimension which should have been notified to it under Council Regulation (EEC) No 4064/89 of 21 December 1989 on the control of concentrations between undertakings.

The Commission invited the companies to make their observations known and pointing out that they are likely to be fined (up to ECU 50 000 for not giving notification, up to 10% of the turnover for more serious violations). According to EUROPE, Spanish Government sources have stated that the operation comes exclusively under national legislation because on of the conditions for community competence would not have been met since Canal Plus Spain would carry out over two thirds of its activities in just one Member State (Spain). The Commission, however, would be of the opinion that Canal Plus France's activities must be taken into consideration. In that case, the cumulated activities of Canal Plus France and Canal Plus Spain are carried out to a large extent outside Spain which makes the Commission exclusively competent to assess the matter under European law.

