[DE] BKartA Approves Liberty's Takeover of Kabel BW

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On 15 December 2011, the Bundeskartellamt (Federal Cartels Office - BKartA) approved the takeover of the cable network operator Kabel Baden-Württemberg by the American media group Liberty. After the BKartA had expressed serious concerns about the takeover in October (see IRIS 2012-1/20), Liberty's German subsidiary Unitymedia was able to dispel its concerns by making certain commitments.

For example, Unitymedia will no longer encrypt digital free-to-air channels, enabling cable customers in North Rhine-Westphalia and Hessen to receive around 70 digital channels without a smartcard or additional charges. Unitymedia will also give up the exclusive rights it currently enjoys under its contracts with building firms. Users of Unitymedia's TV service will also therefore be able to subscribe to other providers' bundled telecommunications services. Liberty also grants special cancellation rights for licensing contracts covering more than 800 homes that have more than three years' contracts still to run.

The BKartA particularly welcomed the decision to stop encrypting digital free-to-air channels, which will make it easier for competitors to apply for licensing contracts and have a positive impact on the feed-in market. In addition, the granting of special cancellation rights will enable building firms to open up competition to cheaper network operators that they would not before have been able to.

The BKartA believes that these commitments will strengthen the competitive opportunities of other providers and compensate for the negative effects of the merger. It therefore approved the takeover, subject to the aforementioned obligations being met.

Pressemitteilung des BKartA vom 15. Dezember 2011

http://www.bundeskartellamt.de/wDeutsch/download/pdf/Presse/2011/2011-12-15_PM_Liberty.pdf

BKartA press release of 15 December 2011

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