

[FR] Canal Plus Closely Supervised as it Enters the Free-Access TV Market

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On 17 April 2012, the French competition authority (Autorité de la Concurrence) announced the start of a thorough investigation into the acquisition by the Canal Plus Group of the DTV channels Direct 8 and Direct Star. On 5 December 2011 France's main pay-TV operator notified its acquisition, which gave it a toe-hold in the free-access TV market. In investigating the situation, the competition authority held that the operation raised "serious fears" that competition was being impeded. The Canal Plus Group occupies an extremely strong position, particularly in the upstream markets for acquiring broadcasting rights (sports events, films and series) on pay TV. Exploitation of this position to the advantage of the channels Direct 8 and Direct Star, which the group wished to acquire, was not without risks to competition in the sector. The investigation of the situation also pointed to serious risks regarding the conditions under which the other free-access channels would be able to gain access to Studio Canal's film catalogue (the leading catalogue in France), compared with their competitors Direct 8 and Direct Star. At the end of March 2012, Canal Plus had in fact promised that it would not offer Direct 8 and Direct Star favourable conditions for buying films in its catalogue, stating that the channels would not be able to acquire the rights for more than six months. The group was also offering to link acquisition of the rights to its free-access and pay-TV channels for a maximum of twenty French cinema films a year. Its competitors felt these undertakings were vague and insufficient; they also failed to convince the competition watchdog, which felt they were "not enough to obviate the risks identified at this stage in the proceedings". During the next stage in the investigation, the competition authority will ask for the opinions of the audiovisual regulatory authority (Conseil Supérieur de l'Audiovisuel - CSA), the e-communications and postal regulatory authority (Autorité de Régulation des Communications électroniques et des Postes - ARCEP) and other stakeholders in the market, more particularly to find out how they propose to remedy any distortion of competition. TF1, M6, and most of the DTV channels have in fact never concealed their concern at the entry of a giant such as Canal Plus on the free-access television market. The competition authority should announce its findings by the end of July, by which time it should also have reached a decision on the merger of CanalSat and TPS.

