

***Case No IV/M.887 -
CASTLE TOWER /
TDF / CANDOVER /
BERKSHIRE - HSCo***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 27/02/1997

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.02.1997

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties

Dear Sirs,

Subject : Case No IV/M.887 - Castle Tower/TDF/Candover/Berkshire - HSCo
Notification of 24.01.1997 pursuant to Article 4 of Council Regulation (EEC) No 4064/89

1. On 24.01.1997, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which Castle Tower Corporation ("CTC"), controlled by Castle Tower Holding Corporation; TéléDiffusion de France International SA ("TDFI"), controlled by France Télécom; Candover Investments plc ("CI") and Berkshire Fund IV LP ("BP") acquire within the meaning of Article 3(1)(b) of the Council Regulation joint control of a company, HSCo, by way of the purchase of shares in a newly created company constituting a joint venture.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. The business activities of the undertakings concerned are :

for CTC : the management of sites for broadcasting and communication, principally in the USA;
for TDFI : the provision of terrestrial transmission services for television and radio, mainly in France;

for both CI/BP : investment companies; and
for HSCo : the provision of transmission services in the UK principally those previously carried out by the British Broadcasting Corporation ("BBC").

4. The joint venture will be jointly controlled by CTC, TDFI, CI and BP and will provide terrestrial transmission services in the UK, principally those previously completed by the BBC. It will share its sites with other providers of similar services benefitting from related rental income whenever possible. The joint venture will perform on a lasting basis all the functions of an autonomous economic entity and its creation will not give rise to coordination of the competitive behaviour of the parties amongst themselves or between them and the joint venture.

II. COMMUNITY DIMENSION

5. Castle Tower Holding Corporation, France Télécom, CI, BP and HSCo have a combined aggregate worldwide turnover in excess of ECU 5 000 million (Castle Tower Holding Corporation ECU 3 million; France Télécom ECU 24 000 million; CI ECU []¹ million; BP 2 million; HSCo ECU []² million). France Télécom and CI each have a Community-wide turnover that is well in excess of ECU 250 million, but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension, but does not constitute a cooperation case under the EEA Agreement.

III. COMPETITIVE ASSESSMENT

A. Relevant product markets

6. The notifying parties state that there are relevant product markets for terrestrial broadcasting services, the sharing and rental of communications sites and the provision of ancillary services. However, it is not necessary to further delineate the relevant product markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

B. Relevant geographic markets

7. The notifying parties state that the relevant geographic markets are national or smaller. However, for terrestrial broadcasting services specifically, the geographic market is probably wider than simply the UK as the BBC is obliged to provide services in both the Channel Islands and the Isle of Man.

However, it is not necessary to further delineate the relevant geographic markets because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

¹ Deleted for publication

² Deleted for publication.

C. Impact of the concentration

8. There is no overlap between the parties to the concentration in any market.
9. In view of the market position of the parties to the concentration, it appears that the notified operation will have no impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

IV. CONCLUSION

11. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,