

Walt Disney On-Track to Acquire Twenty-First Century Fox, Pending EU Approval

By Clara Knapp, J.D. Candidate 2021 | October 20, 2018

The massive [Walt Disney \(DIS.N\)](#) media and entertainment empire is home to Pixar, Mickey Mouse, the Marvel movies, and the famed Star Wars franchise. The company also owns ABC and ESPN. In June 2018, Disney proposed a \$71.3 billion bid to acquire another powerful media conglomerate, Rupert Murdoch's [Twenty-First Century Fox](#). Fox is the source of countless successful TV shows and box-office hits, including *The Simpsons*, *The Shape of Water*, *Avatar*, and *X-Men*. It is also home to a vast array of network and sports television, including Fox News, the NFL Sports Network, National Geographic, and [over 300 international channels](#).

Unsurprisingly, Disney's proposed \$71.3 billion acquisition of Twenty-First Century Fox has raised antitrust concerns. The Justice Department, which is responsible for the investigation of antitrust cases, took a hit on June 12, 2018 due to a [defeat in court](#) while attempting to block the merger of AT&T and Time Warner. The U.S. District Court's "blistering" decision [criticized](#) the Justice Department's arguments as out of touch with the reality of today's constantly evolving media landscape. Notably, the two parties to the AT&T-Time Warner merger operate in "[different rungs](#) in the media industry supply chain," a fact which serves to mitigate the antitrust issue of harm to competition. However, the Fox acquisition is arguably a different beast, as it places Disney in a position of box-office "[clout](#) unmatched by any other traditional movie maker."

Nonetheless, the Justice Department's resounding defeat in district court may have forced it into a [position](#) more amenable toward corporate media acquisitions. As such, on June 27, 2018, the Justice Department approved Disney's purchase of Fox under a [settlement](#) that requires Disney to sell Fox's 22 regional sports networks.

The "clout" Disney will possess through the acquisition of Fox is perhaps one reason why the [European Commission](#), the EU's politically independent executive arm, has been slower to dismiss the antitrust issue. In response to the EU's continued concerns, on October 12, 2018 Disney [offered concessions](#) via a proposal to the EU competition enforcer. The Commission will decide whether to approve the proposal by November 6, 2018. Although the details have not yet been released as to what the concessions may include, Fox President [Peter Rice](#) confirmed the deal is [on-track](#) to close in the first half of 2019, pending approval from the EU.

If the EU decides in favor of the acquisition, Disney's \$71.3 billion purchase of Fox will radically change the power distribution in media and entertainment.

