

Title:

Mr

Forename:

jim

Surname:

lochhead

Representing:

Self

What do you want Ofcom to keep confidential?:

Keep nothing confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Question 1: Do you agree with the criteria against which we propose to assess the functioning of the pay TV sector?:

yes

Question 2: Does our overview of the pay TV market fairly reflect the key developments within this market?:

yes

Question 3: Do you agree with our analytic framework for the pay TV value chain? If not, why not?:

overall yes

Question 4: Are there any additional comments or evidence which you wish to provide?:

Question 5: Do you agree with the views we have expressed as to the level of platform and content choice available?:

yes

Question 6: Do you agree with our analysis of innovation levels in UK pay TV? Do you agree with our assessment of what has driven innovation in the past, and what will drive it in the future?:

yes

Question 7: Do you agree with our analysis of pricing structures in UK pay TV? Do current pricing structures act in the aggregate interests of consumers?:

When there was effectively only one premium content provider i.e. Sky the only decision the consumer could make was what level of content do I want, which generally was a higher priced package which gave access to just about all you would want. With different content providers, who effectively hold monopolistic positions, e.g. setanta with regards to Scottish league football, we effectively now have to pay a range of suppliers whatever they want to charge to receive that particular content. Therefore, the whole thing costs more.
The current bundling offered by the providers is ineffective in reality. You either take it or leave it, and the consumer has to play to their rules with little or no effective redress.

Question 8: Do you agree with our assessment that there is currently insufficient evidence to support a conclusion that prices in the UK are excessive?:

Comparatively yes, although my experience in the US is that individual choice is greater and cheaper.

Question 9: Do you agree with our initial assessment that there is not convincing evidence to support the claim that the industry is earning excessive profits? Is there evidence to support the suggestion that Sky is pursuing objectives other than short term profitability?:

yes

Question 10: Are there any other comments or evidence which you wish to provide?:

I find it interesting that Setanta have joined the group alleging that competition is not working properly in the UK market due to Sky's market position. If Sky were forced by the European Commission to give up its monopoly on English Premier football, why have Setanta been given a monopoly on Scottish Premier league content. This has allowed them to set a price at whatever level they wanted, and treat existing customers badly in their efforts to gain new customers.

Question 11: What is your view on our approach to defining markets?:

no view.

Question 12: Do you agree with our definitions of premium content markets?:

yes

Question 13: Do you agree with our preliminary conclusions on basic / free-to-air markets?:

yes

Question 14: Do you agree with our assessment of market power?:

There is a need for a more micro level analysis of market power in terms of UK geography and types of content.

Question 15: Have we identified the correct set of intrinsic market characteristics? Are there any that you would add?:

Question 16: Have we correctly captured the role of vertical integration?:

Question 17: Do you agree with our assessment of the effects of content aggregation on retail competition?:

Question 18: Do you agree with our summary of the possible issues relating to the short-run operation of the market?:

Question 19: Do you share our possible concerns over the long-run operation of the market?:

Question 20: What do you see as the impact of these considerations on consumers?:

The content provider can determine what is premium or not. Therefore, exclusive deals lead to inflated prices and distortion in the wider market place. These should be avoided. This may mean less money for football etc, but given what it is doing to this

industry, i.e football, and the waste associated with channelling the money into fewer and fewer hands, this would be a good thing for society on a broader basis.

Comments: