

RESTRICTED

ITC MINUTES 76(97)

17 June 1997

Minutes of the Seventy-Sixth Meeting of the Commission
Held at 9.00 am on Thursday, 12 June 1997
at the ITC, 33 Foley Street

PRESENT

Chairman:

Sir Robin Biggam

Deputy Chairman:

The Earl of Dalkeith

Members:

Dr John Beynon

Mr Roy Goddard

Ms Jude Goffe

Mrs Eleri Jones

Dr Maria Moloney

Mr John Ranelagh

APOLOGIES

Dr Michael Shea

ALSO PRESENT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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BY INVITATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Minutes of Part II of the 75th Meeting of the Commission held on 22 May 1997

1. It was AGREED that the minutes of Part II of the 75th meeting of the Commission should be confirmed and signed, subject to the following amendments.

(i) In paragraph 6, line 10, substitute for the sentence beginning "However":

"However some reservations were expressed that the programme service proposals in DTN's application were unlikely to attract the revenue required under the business plan".

(ii) In paragraph 8, substitute for the third sentence:

"DTN's application provided less assurance as to financial sustainability throughout the licence term".

(iii) At the start of paragraph 11, add two new sentences as follows:

"Members carefully considered the views expressed in ITC Paper 77(97) as to the effectiveness of possible behavioural conditions, [REDACTED]
[REDACTED] They doubted whether these remedies would be sufficient to overcome their concerns about competition were BDB to be awarded the licence".

Multiplex Licences B, C and D

Digital Terrestrial Television - ITC Paper 81(97)

2. Reporting on developments since 22 May, Mr [REDACTED] said that letters dated 4 June sent to each of the two applicants were at Annex 1 to the paper. Mr [REDACTED] said that the Chairman of DTN had informed him that DTN would be responding by the agreed date. A meeting had been held with BDB on 11 June, a transcript of which would be circulated to Members as soon as it was available. These actions, which had been taken since the last meeting, were APPROVED, and the current position was NOTED.

Splitting the Awards - ITC Paper 80(97)

3. In the course of a full discussion of the possible options for splitting the awards of multiplex licences between the two applicants, it was NOTED that a split award would be likely to lead to a less focused and coherent promotional strategy to consumers and increase the risk of confusion in the development of receiving equipment, impacting adversely on the development and success of the whole digital terrestrial platform. It was AGREED there was no case for splitting the awards.

Conditional Access Issues Surrounding the Integrated Digital TV Set - ITC Information Paper
48(97)

4. Mr [REDACTED] said that BDB had been informed at the meeting on 11 June that their proposals for embedding proprietary technology in integrated digital television sets ("idTVs") were of concern to the Commission. It was AGREED that a letter should be sent to BDB to record formally that the Commission did not accept BDB's assertion that embedded proprietary technology was necessary in idTVs for security reasons. Consideration would need to be given to including conditions in all the multiplex licences in order to promote the use of open access systems.

Conclusions

7. Summing up the discussion, the Chairman said that staff would prepare in advance of the next Commission meeting a paper summarising the competition issues and concerns which had been discussed by Members during the Commission's consideration of the multiplex awards. This would be used as a background for analysing and considering any submissions which might be put by BDB. No further information should currently be sought from either of the applicants.

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