

Title:

Mr

Forename:

Peter

Surname:

Morrison

Representing:

Self

What do you want Ofcom to keep confidential?:

Keep nothing confidential

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

Premium TV content in this country is a virtual Sky monopoly. With the demise of Setanta, the only real option I am likely to have to access sport is to purchase Sky channels via Virgin Media (my current provider). Doing this however gives me a vastly inferior package, as I would not get the HD channels or interactive content. In not providing these services via Virgin Media, Sky is trying to leverage Virgin viewers into moving to Sky. This is grossly unfair and likely to be damaging to long term competition in this country for premium TV.

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:

Yes

Comments:

Question 1: Do you agree with Oxera's approach to the valuation of Sky's intangible asset base? :

Question 2: Do you agree with Oxera's approach to assessing Sky's profitability?:

Question 3: Do you agree with our assessment of Sky's weighted average cost of capital? :

Question 4: Do you agree with the conclusions we draw about Sky's aggregate profitability? :

Question 5: Do you agree with the conclusions we draw about Sky's profitability at a disaggregated level? :

Question 6: Do you agree with our characterisation of the relationship between high wholesale prices and retail pricing? :

Question 7: Do you agree with our view that it would not be more appropriate to proceed in relation to some or all of the matters in question under CA98?:

Question 8: Do you agree that a wholesale must-offer is in principle the best way of answering our concerns around restricted distribution of Core Premium channels? :

YES ABSOLUTELY!!!!

Question 9: Do you agree with our proposal not to apply a remedy to wholesalers without market power?:

Question 10: Do you agree with our proposal not to extend a remedy to retailers on Sky's own platforms? :

Question 11: Is it necessary for us to set the prices of a wholesale must-offer? :

YES. With a virtual monopoly, Sky can virtually charge what they want at present, and they do!!!

Question 12: Do you agree with our overall price-setting approach of using retail-minus, with a cost-plus cross-check?:

Question 13: Do you agree with our proposal to include HD and primary interactive sports content in a remedy?:

YES ABSOLUTELY. This is a MUST!!!

Question 14: Do you agree with our views as the concerns relating to commercial premises? :

Question 15: Do you agree in principle that our retail-minus calculation should start from Sky's retail prices and deduct the retail costs of an efficient entrant?:

Question 16: Do you agree with our proposal to set simple linear prices per subscriber, allowing flexibility for other pricing structures?:

Question 17: Do you agree with our proposal for wholesale prices to evolve over time according to a 'ratchet' approach and how should these prices track retail prices over time?:

Question 18: Do you agree with the principle that the same price for a 'factory gate' product should apply to all retailers regardless of their scale and choice of distribution technology?:

Is this not normal anyway? Isn't this how firms need to account for transfer pricing within their own subsidiaries / partners to appease tax authorities? Therefore these prices should be easy to account for. Why should Sky be different in selling at these prices to competitors?

Question 19: Do you agree with our approach for deriving starting retail prices given the complexity of retail bundling?:

Question 20: Do you agree with our calculation methodology to deduct retailing costs ? in particular the use of a discounted cashflow analysis, deduction of incremental and pro-rated fixed and common costs, and the use of Sky's costs as an efficient retailer?:

Yes

Question 21: Do you agree with our proposal to focus on deriving prices for a 'large' entrant scale retailer using DTT transmission and what are your views on our range of prices?:

Question 22: Do you agree with our approach to deriving a wholesale price for HD services and what are your views on the resulting range of prices?:

Question 23: Do you agree with our proposals for non-price terms ? in particular on Minimum Qualifying Retailer, Minimum Security Requirements and a Reference offer?:

Question 24: Do you agree that a wholesale must-offer remedy is unlikely to contribute significantly to the administrative costs currently incurred by Sky?:

Yes. No brainer.

Question 25: Do you consider that our impact assessment above supports our view that it would be appropriate to impose a wholesale must-offer obligation in the form proposed in order to ensure fair and effective competition?:

Yes. Without doubt.

Question 26: Do you have any comments on the draft wording of this condition, in light of the positions we have set out in the previous two sections?:

Question 27: Do you agree with our proposed approach to addressing concerns about the restricted exploitation of SVoD movies rights? :

Yes.

Question 28: Do you agree with our proposed way forward on FAPL?:

Yes, but don't forget about other rights for which Sky have virtual monopoly. Gof for example is likely to be live only on via Sky Channels.

Question 29: In particular, what remedies do you believe we should consider on FAPL, if any?: