

Information TV Ltd
1 Stephen St
London W1T 1AL

T: 020 7131 6693
F: 020 7131 6698

fiperkins@information.tv

December 8, 2008

Dear Mr Ball,

BSkyB' "Picnic" proposals

Ofcom has done an excellent job of putting forward the issues relating to the BSkyB proposals, which introduce another PayTV option on Freeview. We feel that these should also be viewed in the context of the Ofcom's separate consultation on the PAY TV markets (to which we have submitted a brief response). If there is an existing problem of dominance arising from vertical integration on DSat, we surely must avoid similar happening on DTT.

The major concern has to be that BSkyB is capable (if unfettered) of exercising a degree of vertical integration on the DTT platform which will be to the detriment of all stakeholders except BSkyB – and at the same time, potentially cause considerable confusion amongst consumers during the critical Digital SwitchOver transition. So we do NOT agree with Ofcom's suggestion that the "Picnic" proposals will not impact Freeview's appeal under DSO.

The "Picnic" proposal could be the Trojan horse for turning DTT into a BSkyB-dominated platform, as we currently have with satellite. This would have disastrous impact on viewer perception as to choice, during DSO. With even modest marketing by BSkyB, Freeview would immediately be perceived as another "Sky" platform.

There is already a Pay TV manifestation of DTT (via Top-Up TV). It is surely absolutely essential, given spectrum scarcity, that DTT must remain an "open" platform, whether for "Free" or Pay TV, with no single operator allowed to create a monopoly of supply of either set-top boxes or channels (pay or free). Simulcrypt is an existing and acceptable means of encrypting pay channels. BSkyB should manifestly NOT be allowed to establish a proprietary means of encryption. Vertical integration must be prevented, in the interests of both consumers and broadcasters.

Freeview viewers are already potentially facing forthcoming upheaval arising from the need to replace set-top boxes in order to accommodate MPEG4 transmissions for HD.

The majority of consumers – particularly those at the less-privileged level financially, want to choose ONE platform for their TV reception. They do not perceive any easy ability to combine aspects of multiple platforms, whether technically or economically.

The Freeview platform is widely viewed as the "base" one for choice, as viewers migrate through the DSO process. We must ensure that this base proposition remains clear and straightforward. We disagree with the postulation that "Picnic" would not add confusion.

We therefore support **Option 3 – Do not consent**, as the only viable option at the moment.

Yours sincerely,



Fred J Perkins (Chief Executive, Information TV Ltd)