

**Name and title under which you would like this response to appear:**

Anonymous 147

**Representing:**

Self

**What do you want Ofcom to keep confidential?:**

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**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: To what extent do you consider that DTT, DSat, cable and IPTV are in competition with one another for subscribers of pay TV services ? either at present or in the future?:**

Sky remain in a dominant market position, allowing little competition to take place in the sector. An example of this was Sky's removal of Sky One from Virgin Media, demonstrating how a single channel can influence a significant drop in subscriber numbers from Virgin Media's cable television service. However, both Sky and Virgin have a significant impact on the delivery of IPTV. Both parties also provide broadband internet access, and both parties operate some form of capping. This is artificially stunting the growth of IPTV.

**Question 2: To what extent do you consider the Proposal is likely to deliver benefits to the consumer?:**

DTT takeup is often seen as a significant driver to the switch-off of the analogue signal. This platform is often taken up by those who may already be able to access subscription services, but who want to have access to a multi-channel platform without incurring other setup costs. DSat, cable and IPTV all have either a high initial investment cost, or require an ongoing subscription to receive multi-channels. DTT is

available to homes who may otherwise not be able to experience multi-channels as the initial setup cost is achieved usually for around £20 or less.

**Question 3: To what extent do you consider that there is scope for sustainable competition in pay TV on the DTT platform and, more broadly, across all pay TV platforms?:**

Given Sky's dominance over the pay TV industry in the UK, competition cannot be sustained if Sky has control over more than one platform. This again was reflected during the head-on collision experienced with Virgin Media, and Sky's attempt to control the cable platform. Investment into the DTT platform would significantly limit competition between platforms and act as an inhibitor to price controls.

**Question 4: What are likely to be the key aspects of competition between providers of retail pay TV services on the DTT platform? E.g. what is the role of premium sports and movies content?:**

Given the current capacity on DTT, very limited content can be provided. The availability of channels on other platforms, including IPTV, DSat and cable, means premium content is already available for the majority of the UK should they wish to see it. During the failure of ITV Digital, and the launch of Freeview, this was reflected in the significant numbers of people investing in free-to-air DTT equipment.

**Question 5: Do you consider that if Sky were to become the only provider of pay TV on the DTT platform it would be likely to have a significant detrimental effect on competition in the long term? How might this affect the development of other platforms for the delivery of pay TV services?:**

Sky already operate the DSat service using their own EPG and encryption system. Broadcasters are required to pay Sky for access to their EPG. Such dominating of the market to happen on DTT is likely to cause a significant concern as to how Sky determine which channels are available on the DTT EPG, and where they appear. This would then lead to a cross-promotion of the DSat service, and leaving DTT viewers in a position where they are offered just enough to tease them, but not enough to be otherwise tempted by DSat.

**Question 6: To what extent, if at all, do you consider that the Proposal would be likely to lead to any of the public policy concerns outlined at Section 4?:**

The development of further pay TV services on DTT is likely to lead to huge consumer confusion at a time when many media groups are already under fire for exploiting the analogue switch-off. Consumers will not only have to look at digital TV's, they will have a choice of Freeview, Top-Up, or Sky's DTT proposed service. Much confusion exists with HD services. This is likely to lead in an attack on the regulator for permitting an additional service to be licenced should the board vote in favour of Sky's proposed DTT service.

**Question 7: Specifically, to what extent do you consider that the Proposal would be likely to lead to consumer confusion?:**

Covered within Question 6.

**Question 8: To what extent do you consider that it is beneficial for consumers to be able to obtain Sky and existing DTT pay TV content without having to purchase separate STBs?:**

Equipment compatibility is paramount. Legacy systems which change frequently will cause additional expense, adding to the 'digital divide' that is often talked about when poorer consumers will be left behind.

**Question 9: Do you consider that the Proposal might lead to any additional public policy concerns:**

Should the proposal be accepted, this could stall consumer confidence in the digital market completely and cause a halt of the analogue switch-off.

**Question 10: If Sky becoming the only provider of pay TV services on the DTT platform were likely to have a significant detrimental effect on competition, do you consider that it is possible to address this through a set of additional conditions and/or directions? If so, what form should those conditions/directions take?:**

With Sky's dominance of a single market already, it is inappropriate for them to be awarded such a licence to operate on the DTT platform. Referring to other international countries, we see in several occasions other operators able to compete on a direct playing field. Sky have sought to dominate the DSat platform, which since the launch of Sky Digital they now have around a 98% control of the entire UK satellite market. This appears to be a clear motive to dominate a second platform.

**Additional comments:**