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

Anonymous 165

Representing:

Self

What do you want Ofcom to keep confidential?:

Keep name/contact details/job title 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: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?:

At present there is strong competition between cable, satellite and digital terrestrial television. While not presently a true competitor, IPTV is likely to provide the strongest competition to these methods of programming distribution in the future.

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

I believe the proposal is unlikely to provide any significant benefit to the consumer, given that Sky will require new set-top boxes to be purchased. I believe this will cause considerable confusion among purchasers (especially those whose DTVs will not be compatible with Sky's new service) and thus will slow digital uptake.

Given that it's chief source of revenue is satellite subscriptions, one can only be concerned that the move to provide "picnic" is a move to muddy the DTT waters and enhance the value of its own satellite service rather than to provide additional consumer choice.

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 the lack of bandwidth available on DTT (it is interesting that Disney was forced to close ABC1 as it simply could not find available space on Freeview) and the real need for DTT to provide HD services in the future if those without access to Sky are not to become second-class viewers, DTT is an unsuitable platform for an additional pay TV service beyond Top Up TV (and some would question even Top Up TVs value).
By being (largely) free while providing a significant range of cannels, Freeview provides vital competition to satellite and cable TV.

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?:

Premium sports and movies are clearly the main driver of competition between pay TV outlets. It is worth remembering, however, that both were available on the ill-fated OnDigital service and did nothing to prolong that service's life (indeed, the cost of football rights is probably what brought the service down). Those whose main motivators are movies/sports will in all likelihood already have access to their chosen delivery platform, be it cable or satellite (or indeed Setanta on top-up TV)

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?:

Such a move would render Sky absolutely dominant on both terrestrial and satellite TV. Given that rivals such as BT rely on the Freeview service as part of their ADSL/cable packages and given that Sky's service would use up some of the DTT spectrum available to Freeview, this would also put a crimp on their activities. This would only leave cable companies such as Virgin Media in any position to compete. Again, it is worth noting that Virgin themselves have described their own service as bandwifth limited. Thus Sky would be left in an utterly dominant market position.

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?:

There is a real risk that the Proposal could slow, rather than hasten, digital uptake in the lead-up to digital switchover.
I am concerned that Ofcom seems to have taken the highly illogical view that only pay services can compete with pay services. As stated above, Freeview competes with other services for viewers. Its value can be seen from the fact that it is a highly attractive platform to content providers, with great competition for a limited number

of programming slots.
I believe that Sky's proposal will lead to considerable confusion among consumers and lead to the perception of Freeview as an inferior service.

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

There will undoubtedly be considerable confusion raised by the adoption of the "picnic" proposal. Already consumers must navigate through a large number of options with regard to DTT set-top boxes and televisions. Having been told that these items were "future-proof", they will then be told that they will not, in fact, be compatible with "picnic" and they will have to upgrade. The whole problem will then recur with a change to HDTV terrestrial broadcasting.
The presence of "picnic" is likely to devalue the "Freeview" brand, which has done so much to improve digital uptake, just at the time when switch-over is about to occur.

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?:

It is clearly undesirable that consumers should have to buy 2 set-top boxes. Given that the present proposal would, in any event, require the purchase of a new STB, the point seems moot

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

i) The advance from MPEG2 to MPEG4 encoding on FTA DTT is a complex move which will require considerable explanation to the consumer. Adding "Picnic" to the complication will simply aid confusion.
ii) Given its large installed subscriber base, adding pay DTT to Sky's roster would give it unchallenged dominance over pay TV in the UK.

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?:

The restrictions necessary to ensure a genuinely level playing field between all parties - particularly given Sky's large installed user base, considerable subscription revenue and (given it's lack of non-sport original programming) very low cost base - would inevitably be so restrictive as to make the picnic proposal undesirable to Sky itself.

Additional comments:

Given that it will require considerable expense on the part of the viewing public, digital switchover should not be seen merely as a way of freeing up spectrum for the government to sell off and a method of moving viewers from free-to-air to paid for content. At present, viewers can be confident that they will always have a wide range of free content available to them. The "picnic" proposal is liable to jeopardise trust in digital switchover and may lead to some viewers - particularly the more vulnerable - being effectively disnfranchised.