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

Anonymous 173

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:

Yes

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?:

DTT is bandwidth limited. DSat, cable aren't. IPTV effectively isn't as the user selects which channel is sent to them. DTT is for the user who accepts lower picture quality, who is prepared to pay less for less choice.
DSat is available nearly everywhere apart from some rented houses or conservation areas, so if nearly all people who want Sky can get it now. Cable is available in perhaps half the country. This proposal is all about making Freeview DTT less attractive so that consumers reluctantly end up paying for TV. Freeview is in competition with DTT, DSat and IPTV from the advertiser's point of view and this proposal will reduce the choice advertisers have as fewer people will watch Freeview, forcing companies to pay to advertise on Sky TV services or pay more on Freeview services.

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

This will have no benefit to the consumer.

It will reduce the choice of free channels on DTT, discouraging digital switchover.

It will increase advertising costs on television as there are fewer free channels for advertisers to use, causing manufacturers to increase prices of advertised goods.

It will lead to the demise of existing pay DTT services which provide limited competition to Sky DSat. It will then reduce the competition for sports rights, reducing the money paid to football clubs etc.

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?:

There is not really room for competition on DTT because it is bandwidth limited and more pay channels reduce the choice of free channels. By making Freeview less attractive Sky are encouraging people to move to pay services.

There is room for competition between Satellite and cable. Sky controls the Satellite through encryption standards and electric TV guide access prices, but is playing rough with Virgin cable, so will easily squash pay DTT competitors, especially if different equipment is required.

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 movies on DTT won't work as the high resolution quality isn't available.

Switching to MPEG4 breaks all existing freeview boxes, and further discourages digital switchover.

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?:

Definitely will be detrimental. Sky can cross-subsidize between platforms to force out competitors.

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?:

Existing set top boxes must continue to work through digital switchover. Sky's proposals may reduce this, and worry consumers that switching now will result in unusable equipment.

MPEG4 could break existing boxes.

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

This will lead to a great deal of confusion. DTT means Freeview for most people apart from those who want to pay and know about Top-up TV. Sky's big name will mean that people assume that DTT is now pay TV, and that they have to pay for a box, and so may as well subscribe to Sky.

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?:

This is essential if the proposal is allowed. Set top boxes now will be personal video recorders or integrated digital televisions for anyone interested enough in TV to want to pay a subscription, so will be at a minimum £100 to £1000. Extra boxes take up room, consume power and are a significant disincentive to change pay TV providers if one provider increases prices or drops a popular service. If a provider put up prices by £4/month, but a new pvr box cost £200 or required a subscription for 12 months then people might not switch as it could take one or two years to recover the costs, and there is a risk they won't like new service so won't switch. If it just required changing subscription details then people would switch. Changing electricity company doesn't require new meters, changing telephone provider doesn't require new phones, changing broadband doesn't require new modems. Requiring new boxes means that providers will have an incentive to gradually increase prices, relying on customer inertia to retain customers.

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

This proposal will reduce the uptake of Freeview DTT, making it harder to achieve analogue switchoff, as people will not get as many channels so won't want to switch early.

The loss of a independent news service in competition to BBC News 24 means consumers do not have a choice of viewpoints of news.

Sky got the Freeview channels on the understanding they were for free to air use. It should release them to another free to air user if Sky does not want to transmit its channels for free anymore.

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?:

There should be a minimum number of free to air channels at any time of day. E.g. in the evening there should be at least 28 free channels. Ideally the number of +1 and shopping channels should be limited. Don't count channels on a different times as different channels. E.g. you can only watch CBeebies until 7pm, and BBC 4 after 7pm so that is just one channel from a choice point of view.

Sky should have a maximum of 3 pay channels.

Additional comments:

This is a bad idea. Sky is trying to squash Top-up TV and wreck Freeview DTT, so that people get fed up and are then willing to pay for TV, increasing Sky's profits.

Free TV is in competition with pay TV both from the consumer's and the advertiser's point of view. Don't just look at this proposal from a subscription DSat/cable/pay IPTV/pay DTT point of view.