

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

Celtic and Irish Cultural Society

Representing:

Organisation

Organisation (if applicable):

Celtic and Irish Cultural Society

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

Contact Details only, website www.celtic-irish.co.uk can be displayed.

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?:

DTT is the de facto replacement for traditional analogue transmissions. As such, DTT will be the driver for replacement of analogue transmissions and a successful digital switchover. Under the Freeview brand, DTT has enabled consumers to gain value and quality by switching to Digital with a strong line-up of channels from Public Service and Commercial Broadcasters.

The existence of a Pay TV operator, Top Up TV, has not altered the Freeview proposition. However, the Celtic and Irish Cultural Society (CICS) consider that the presence of PAY TV has caused confusion with the senior and retired population - expansion would increase this confusion.

Where consumers wish to add additional services, there are a number of options open to them including DSAT, Cable and IPTV.

Should a new PAY TV provider enter the DTT market, this would cause further

confusion for the public. Additionally, the removal of valuable free services as suggested by SKY's proposals, would further weaken the DTT proposition such that consumers may not see the value of switching to Digital.

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

The CICS do not consider that the proposition to transfer FTA services to PAY TV would benefit consumers. The removal of three services: Sky News, Sky Sports News and Sky Three (General Entertainment) would reduce the choice of the public in Freeview homes.

The population will see a material deficit in the choice available. They may not switch to digital because the Freeview proposition is weaker? additionally, marketing may confuse the digital switchover further and increase the costs of digital switchover.

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?:

DTT is bandwidth limited. As such, services delivered by DTT with separate encryption methods will reduce both the Freeview proposition and that of the PAY TV operators. This would have a material impact on Top Up TV since subscribers may opt for DCAB, DSAT or IPTV.

The largest PAY TV operator, SKY TV, will most benefit as a delivery platform and a content provider to DCAB and IPTV. As such, evidence would suggest BSKYB proposal to amend DTT services are intended to deliver financial benefit in other areas of their business by locking out competitors and reducing the proposition offered by Freeview and Top Up TV. Thus, reducing competition in the UK as a whole.

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?:

The launch of Setanta Sports has added to consumer choice on DTT.

However, as a whole the CICS does not consider that Premium Content has a place on DTT due to bandwidth limitations and the likelihood that further PAY TV services will diminish existing services and confuse the most vulnerable consumers.

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?:

The Government have twice prevented BSKYB gaining a significant presence on DTT: by barring part-ownership of OnDigital and later by reducing the number of video services as part of Freeview.

The potential impact on competition has not changed.

If BSKYB were the only provider of PAY TV to large areas of the UK that could not receive DCAB or IPTV due to infrastructure restraints

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?:

BSKYB will be able to foreclose the market. By reducing the availability of FTA services it will, at the outset, reduce the Freeview proposition and cause a detrimental effect to consumers.

There are a number of broadcasters that may wish to launch services on DTT but are prevented due to bandwidth limitations. Previously, broadcasters have been prepared to pay upwards of £5million per video service (per year) for capacity. Significantly higher than BSKYB's cost.

The concerns of Competition are very real.

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

Setanta Sports / Top Up TV have previously used the name 'Freeview' to proposition their products. This has caused some confusion within the general public. A further Pay TV operator would confuse this further.

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?:

If PAY TV were to exist, this would be the most beneficial solution to the consumer.

However, BSKYB have already stated that their boxes will be more advanced (hence expensive) yet their proposed equipment will not be subsidised. As a result, the additional cost of the equipment will not drive consumers to the new service but will restrict the launch of FTA or other PAY TV services on DTT.

By reducing available bandwidth, the BSKYB proposal will increase the demand on FTA bandwidth to access 8 million households. The Freeview proposition will be weakened and the attractiveness of BSKYB DSAT service will be increased since BSKYB DTT proposal would be considerably weaker than that offered by DSAT.

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

BSKYB will be too dominant in the market place.

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?:

No. The government have already rejected BSKYB's involvement in PAY TV on DTT.

Additionally, the original multiplex license used by BSKY and National Grid Wireless sets out procedures that may be invoked if parties were to act against the spirit of the service and act anti-competitively. These procedures include the re-advertising of the license.

By utilising resources, marketing and PR expenditure on the proposed PAY TV service, Picnic, and the intent to remove FTA services that such measures are necessary.

The Freeview consortium won its bid to offer DTT services against a number of operators who wished to launch a PAY TV service by offering SKY's bouquet of channels. Should Sky no longer wish to provide those services FTA, the marketplace will be able to replace services.

Setanta Sports News (which is available Free on DSAT and Virgin Media) could replace Sky Sports News, for example. The remaining video streams could be auctioned to the marketplace for commercial broadcasters offering valuable benefits to the Freeview proposition.

Additional comments:

The Celtic and Irish Cultural Society represent the Irish population in the southeast of England. This includes first generation Irish immigrants as well their descendants.

The majority of first generation Irish are retirement age and, as such, will need to be supported with their move to digital.

Whilst the CICS is aware that switchover in the region will not take place until 2012, there is a valuable opportunity to encourage early switchover within that population that will look to DTT to provide their continued Television enjoyment.

RTE, the Irish national broadcaster, and Irish Government wishes to launch a television service to the UK Irish population with Freeview as the obvious choice to deliver maximum delivery to their target audience.

The service would offer a general entertainment channel modelled on a PSB broadcaster and include News, Documentaries, Drama and Comedy. Uniquely, it would offer News programming that could replace that offered by Sky News and

offer competition in that marketplace whilst ensuring fair reporting.

The service would benefit not only the Irish population but also provide additional quality services to the public throughout the UK. It would also be available in Northern Ireland, thus allowing the fulfilment of earlier agreements between the Dublin and London governments.

However, this would be impossible with BSKYB's DTT proposal nor with their continued foreclosure of the marketplace.