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Anonymous 178

**Representing:**

Self

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Yes

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Yes

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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?:**

1. Pay-TV on the DTT platform can never offer real competition to Pay-TV on DSat, Cable or IPTV, because of the severe constraints on DTT bandwidth that limits the overall number of DTT channels possible. Pay-TV on DTT can only ever be samplers for Pay-TV available on other platforms. Moreover, expansion of Pay-TV on DTT can only be achieved by sacrificing some Free-TV channels, which is 'the thin edge of the wedge' inevitably resulting in a crippled Freeview service.

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

2. Sky's proposal to replace their DTT Free-TV channels by Pay-TV channels and requiring new STBs will only benefit a minority of DTT viewers but to the detriment of most DTT viewers. This is because it can only happen by Sky sacrificing their Free-TV channels, which are among the minority of quality channels available on Freeview.

**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?:**

3. While Pay-TV on DSat, Cable and IPTV can facilitate sustainable competition, because of the large number of channels that each can broadcast, Pay-TV on DTT can never have sustainable competition. Moreover, as Sky are so dominant a Pay-TV provider on DSat it is vital that they be prevented from dominating DTT too.

**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?:**

4. DTT Pay-TV providers really can only offer samplers of what is available from the full Pay-TV services on other platforms, so competition can never be real. As mere samplers used to market Pay-TV on DSat, Cable and IPTV, they would be a waste of our limited DTT channel availability. To squander DTT in such a way that led to the inevitable crippling of Freeview, would be disgraceful.

**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?:**

5. If Sky were to become the only provider of Pay-TV on DTT it would give them a stranglehold that would deter other providers on all platforms. This mirrors concerns with Sky's initial abortive involvement role in the BDB consortium (which resulted in the On-Digital service). Moreover, it is my belief that Sky would use their dominant position to cripple Freeview, in a determined effort to force consumers to subscribe to their Pay-TV services. This must never be allowed to happen - either outright or by degrees.

**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?:**

6. Reducing Free-TV channels on DTT would cause great concern to license fee payers, who would never have bothered with DTT if it meant spending good money only to end up getting the same five PSB channels they had on ATT plus meagre odd extras. The public has deep suspicions that Ofcom manipulated earlier regulation to dupe license payers in order to meet digital take-up targets set for making DSO binding and, having achieved that objective, that it will now sacrifice Freeview after DSO, if not before. Therefore, license fee payers need to know from Ofcom, SwitchCo, broadcasters, manufacturers, retailers, etc. just how few Free-TV channels Ofcom might sanction (i.e. just how small Freeview may be allowed to become)?

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

7. The addition of Sky's Pay-TV service to those already offered on DTT would definitely cause confusion on what is already a cramped platform. Add to that the need for different STBs using yet more technical standards for SDTV and you have a recipe for widespread confusion.

**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?:**

8. The need for viewers to buy different STBs in order to receive Sky's DTT pay-TV service would definitely be a serious issue. Incompatibility with existing STBs and current DTT Pay-TV services for SDTV is major obstacle.

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

9. It must be remembered that Sky made binding commitments to 'core proposals' when Freeview was set-up by the DTSL consortium. These commitments comprised rolling Sky News, rolling Sky Sports News and a Sky entertainment channel. Then there are Sky's text services, and NHS Direct too. They should be made to honour the commitments that they made to provide their Free-to-Air channels on Freeview, or their channel space be awarded to other broadcasters on condition that they broadcast similar channels Free-to-Air in order to protect Freeview.

The great aspect of Freeview is that consumers are not constrained to view only those channels for which they have subscribed. This is not just a monetary issue, although this is important for those who cannot afford to pay monthly sums to Sky. With Freeview one can browse channels other than one's normal viewing, and so discover interesting programs that might broaden one's view of life. This freedom to browse is an important social benefit, which is priceless.

Moreover, the removal of one of the only two remaining news channels from Freeview would be a shameful, if not scandalous.

**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?:**

10. No, once Sky got a Pay-TV foothold on DTT they would inevitably become the dominant and then sole DTT Pay-TV provider, and to the detriment of Freeview. No conditions set now or in the future would ever really contain them, so the only course is to 'nip their aspirations in the bud' now and reject their proposal.

**Additional comments:**

It was Ofcom's earlier decision to relax constraints on previously protected MUXs to allow Free-to-Air channels to be sacrificed in favour of Pay-TV ones that opened the door for Sky to make their proposal. Sky's action was as predictable 'as night follows day', so Ofcom must bear full responsibility for this situation arising.

Now we also face the prospect of a major upgrade to the DTT platform, as proposed in Ofcom's 'The Future of Digital Terrestrial Television' document.

I urge Ofcom to reject Sky's application.