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Anonymous 21

Representing:

Self

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Yes

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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?:

For the main pay TV market the battle is undoubtedly between Sky and Cable - but Sky in particular are eager to restrict the growth of Freeview which has now built up a free portfolio which is strong enough to rival the pay-TV market.

The current DTT pay-TV offerings may be limited - but that is appropriate for the space provided - while the move towards On-Demand service has put Freeview in an emerging market which Sky has struggled to break into itself.

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

The limited offering of the packaging means there are few real benefits.

While there may be a demand for selected channels and a "lite" pay-TV service, history shows that timeshare channels can be very unpopular - while the proposed Sky

Sports service offers just a quarter of the output - and comes at the price of losing Sky Sports News, one of Freeview's most popular - and unique - channels.

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?:

I do think there is scope, especially after Digital Switchover, for a limited pay-TV channel offering on Freeview - but it needs to be in addition to the current line up, without key channels being removed.

Sky News and Sky Sports News are two major selling points of Freeview - and their removal undoubtedly would have a negative impact on the service.

In addition, the decline of Top Up TV shows the a service offering channels over just three or four streams - with many of the channels on a time share arrangement - is not sustainable. I also fail to see how it could be financially beneficial to the customer to purchase the proposed Picnic service in favour of opting for the content on Sky - as realistically Sky are going to price it at a level which will not affect it's core business.

If Sky want a route into the DTT pay-TV market I think a service similar to Top Up TV Anytime (or Sky's own Anytime on TV) would be more beneficial to the viewer - offering the companies flagship programme and movies, plus selected sports content, on an On Demand basis, downloaded overnight using space by shutting down either Sky Sports News or Sky Three during the night.

Sky also offer a "Sky by Wire" service on Tiscali TV - so if technically possible offering a similar service on BT Vision would be better for the consumer IMO.

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?:

Sky Sports and Sky Movies may be pushed as selling points of this service - but the limited space means they fail completely to match up to what is available on Sky and Cable.

Viewers will end up being frustrated by sporting events they believe they can watch only being available on Sky's satellite sport channels, and similarly with Sky Movies there will be a relatively limited choice offering little more than the service Film4 - along with movies across the Freeview channels - already provides.

In addition, the "Picnic" channels are likely to end up being recruiting tools for people to switch to the main Sky service so they can ensure they can watch everything Sky offers.

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?:

Yes. Sky can fix the prices of the DTT service to make their core Sky Digital service look more appealing.

It also puts Sky back in the position of the primary pay-TV content provider just as real competition from Virgin and Setanta in particular is really beginning to emerge.

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 distinction between Freeview and Sky as platform providers would be blurred - and having been a long term content provider for Freeview, the loss of the FTA Sky channels would cause confusion for some users - and a genuine concern that other "Freeview" channels may follow suit.

Re: MPEG4 - although in principle upgrading the Freeview transmission to enable more channels sounds a great idea, the reality is very different as boxes cannot be upgraded automatically and people will not wish to buy new boxes so soon.

The main concern though is how a switch to MPEG4 would affect other channels on the same Mux, notably E4+1 and UKTV History (soon to be Dave). The loss of any third-party channel from Freeview as a result of this switch is not acceptable at all.

Re: HD - Although the HD situation on Freeview is far from resolved, the increasing prominence of HD content and equipment means that many viewers would prefer any spare or new capacity to be reserved for FTA HD content over any pay-TV service.

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

Having Sky providing a pay-TV platform on DTT could also cause confusion with Sky's main service - with many potential "picnic" subscribers believing they will receive a service to rival Sky Digital via DTT - rather than just a three channel service.

In addition, the time share arrangement means that while there may be seven channels as part of the bundle, there are only three 24 hour streams - meaning the full Sky One, Sky News, Sky Movies or Sky Sports schedule is not available.

Overall if people want a Sky service they can opt to join Sky itself. If Sky really want to tap into the "lite" pay-TV market, why don't they offer a similar bundle on their own platform instead?

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?:

Obviously the easier it is to access the service, the better.

Having three pay-TV services on the one platform all using different technology and different equipment though is not beneficial to the viewer.

It's also something I'm sure Sky are aware of - launching this service means they can take viewers away from Top Up TV and BT Vision - and restrict competition.

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

Sky's dominance of the UK TV market - and in particular the sports rights market, perhaps using it's position of offering a sports channel on all platforms (for a fee) to pull more rights away from FTA TV.

On the other hand, the existence of a free to air Sky channel on FTA such as Sky Three offers Sky the chance to compete with the main FTA channels in providing selected content from it's sports portfolio FTA.

Using Test Cricket as an example. Personally I'm fine with cricket being on Sky, but I think The Ashes should be on the protected list and be available FTA. The current situation means Sky could continue showing cricket on Sky Sports - but once every four years put it's coverage of The Ashes on Sky Three, available FTA - if that's what the regulation required.

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 - there is absolutely no benefit to the consumer of Sky becoming the only DTT pay-TV provider, and therefore even allowing it with restrictions would be of no benefit.

Sky's history has always shown that although restrictions may be in place, over time it grows to such a size that it can quite easily lobby the regulators to lift restrictions - and therefore any implemented at the launch of the service wouldn't be guaranteed long term - so wouldn't protect the consumer or competition long term either.

Additional comments:

Basically an absolute no to the proposed "picnic" service.

If after DSO, Sky were to purchase new space to launch a DTT service that would be less of an issue - but in doing so they should be forced to keep their current Freeview channels on Freeview.

Alternative viable options IMO are permitting a "Sky by Wire" broadband streamed package via BT Vision, or a "Sky Anytime" service similar to Top Up TV's offering using overnight space of it's existing Freeview channels.

However, the "Sky Anytime" service would have to be a first class service offering the best of Sky One and Sky Movies programming, in addition to selected Sky Sports content, as a viable alternative to subscribing to Sky itself.