

Title:

Mr

Forename:

Richard

Surname:

Lamont

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

Mr R Lamont

Representing:

Self

What do you want Ofcom to keep confidential?:

Keep nothing 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 DSat and cable for pay TV subscribers. DTT and IPTV are not significant players.

In the future, DTT could become significant if a pay TV operator bid successfully in a spectrum auction for UHF channels and then used those channels for national SFN

multiplexes carrying pay TV.

IPTV cannot become significant without the rollout of FTTC/FTTH and a vast reduction in IP backhaul costs.

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

The 'benefit' of the proposed pay TV channels will be outweighed by the 'cost' of the loss of the existing FTA channels. It will therefore deliver no net benefit at all.

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?:

Competition in pay TV on DTT will depend on the prevention of 'lock in' to a single pay TV operator by means of proprietary set-top boxes. A system based on the Common Interface slot and pluggable CAMs is essential to keep this market open. More broadly, competition in pay TV depends on regulatory prevention of vertical integration.

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?:

At present, DTT has too little capacity to become a significant competitor to satellite and cable in pay sports/movies.

Post-DSO, a pay TV operator would be able to outbid FTA operators for UHF spectrum on which national SFNs could carry pay TV. A pay TV operator who had already rolled out proprietary DTT STBs would be able to outbid other pay TV operators.

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. It would entrench Sky's existing dominant position in pay TV permanently. Network effects would effectively shut out all competition in this market.

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 are serious problems here. First, having got a 'foot in the door' with pay TV on DTT, Sky will no doubt seek to expand on that by seeking to acquire additional

multiplex capacity by any means available. Second, proprietary STBs will damage DTT as an open standard. Third, there is already a great deal of confusion about DSO and HD and this will just add to the mess.

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

It will make an already difficult situation much worse.

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?:

Two of the key strengths of DTT at present are: (1) everything can be done with an open-standard STB or IDTV, (2) pay TV can be added through pluggable CAMs.

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

The proposal is a Trojan horse that will allow Sky to damage its main competitor in the short term and/or take it over in the long term.

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. By then the damage will have been done and it will be too late to do anything about it.

Additional comments:

If Ofcom decides to approve the proposal, it should add a prohibition on proprietary DTT STBs and require the use of the Common Interface slot and a pluggable CAM instead.