



# Fixed IPTV – Market and Regulatory Trends in Western Europe

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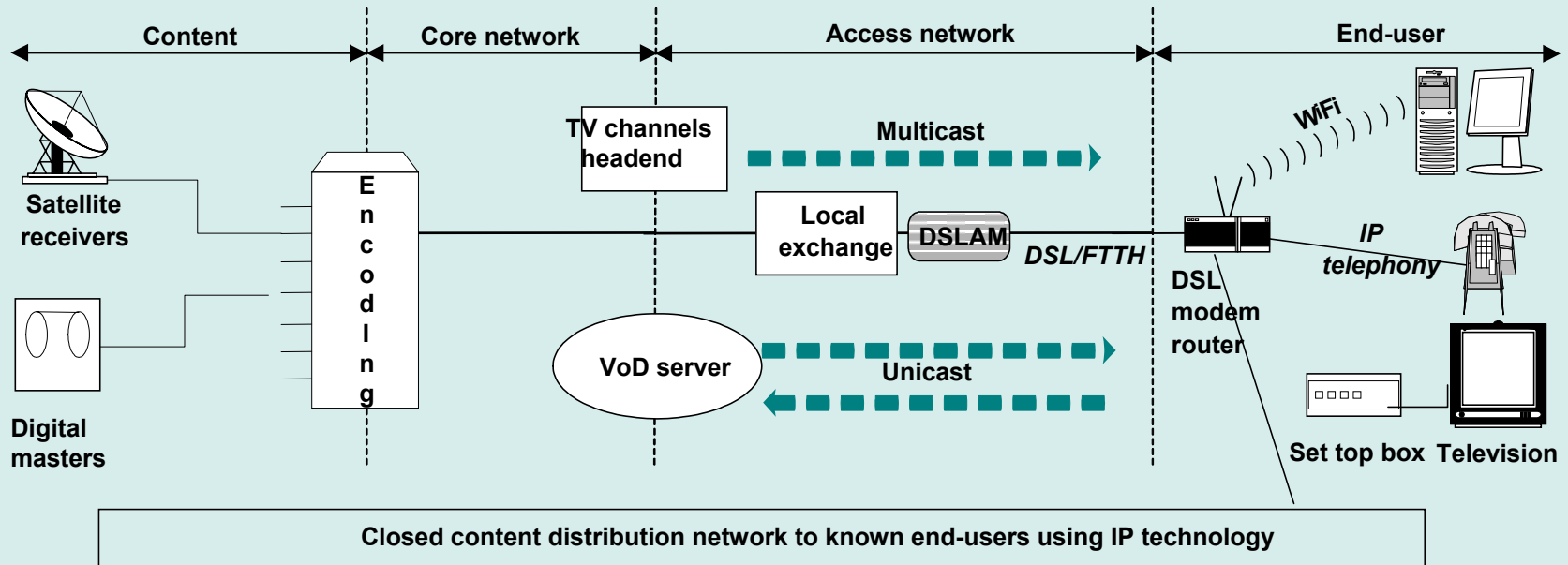
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# Scope of research

- Research paper for ITU in October 2006
- Country coverage: Big Five + B, DK, NL and SE
  
- Fixed IPTV commercial offers
- Football rights
- Regulatory issues
  - Replicability
  - Predatory pricing
  - Bundling
  - Must carry
  - Broadcasting licences

# What is IPTV?



- ▼ IPTV is viewed over fixed broadband connection (DSL or FTTH) with standard TV set
- ▼ NOT video streaming over public Internet viewed on a PC (e.g. YouTube)

# IPTV vs. Internet TV

	<b>IPTV</b>	<b>Internet video streaming</b>
<b>Footprint</b>	Local (limited operator coverage)	Potentially supranational or worldwide
<b>Users</b>	Known customers with known IP addresses and known locations	Any users (generally unknown)
<b>Video Quality</b>	Controlled QoS Broadcast TV quality	Best effort quality, QoS not guaranteed
<b>Connection bandwidth</b>	At least 4 Mbps	
<b>Video format</b>	MPEG-2 MPEG-4 Part 2 MPEG-4 Part 10 (AVC) Microsoft VC1	Windows Media RealNetworks QuickTime Flash, and others
<b>Receiver device</b>	Set-top box with a television display	PC
<b>Resolution</b>	Full TV display	QCIF/CIF
<b>Reliability</b>	Stable	Subject to contention
<b>Security</b>	Users are authenticated and protected	Unsafe
<b>Copyright</b>	Content is protected	Often unprotected
<b>Other services</b>	Electronic Programme Guide (EPG), PVR (local or network)	
<b>Customer relationship</b>	Yes, onsite installation and customer support	Generally no

# IPTV subscribers

- ▼ IPTV is in its infancy in 9 Western European countries surveyed
- ▼ France and Italy are the early leaders
- ▼ Subscribers at end June 2006:

France		Italy	
Free	1.26m	Fastweb	870K
France Télécom	300K		
Total households	23.5m	Total households	22m

# IPTV commercial offers

- IPTV offers look pretty similar between operators and between countries
  - Sold as part of bundle with broadband Internet + IP telephony
  - Live TV (basic + premium channels), VoD, PVR
  - Pricing ?
  
- But some differences
  - Digital terrestrial TV tuner in STB – Free (F), Telefónica (ES), BT Vision (UK)
  - Content ?

# Football rights - English Premier League

Current			Future		
2004/05 to 2006/07 seasons (3 years)			2007/08 to 2009/10 seasons (3 years)		
Live TV	BSkyB	£1.024bn	Live TV	BSkyB (4 packages)	£1.3bn
				Setanta (2 packages)	£392m
	BBC (highlights)	?		BBC (highlights)	£171.6m
Online	BSkyB	£100m bid for combined rights by BSkyB, 3 and Vodafone	Online	BT and BSkyB 242 “near live” matches per season	£84.3m
Mobile	3 and Vodafone		Mobile	BSkyB	Under £10m
TOTAL		Approx. £1.1bn (€1.6bn)	TOTAL		Approx. £2bn (€3bn)

# Must carry

## Article 31 – Universal Service Directive

- ▼ Member States may impose reasonable must carry obligations:
  - ▼ For transmission of specified radio and TV channels
  - ▼ On electronic communications providers
  - ▼ Where a significant number of end-users of such networks use them as their principal means to receive radio and TV broadcasts
  
- ▼ Must carry obligations must be:
  - ▼ Linked to clearly defined general interest objectives
  - ▼ Proportionate and transparent
  - ▼ Subject to periodical review

# Must carry on Fixed IPTV networks

	Must-carry obligation for fixed IPTV networks?	Which channels?	Must offer obligation for broadcaster?
<b>Belgium (FR)</b>	Yes	Public FR+VL+DE Local	-
<b>Belgium (VL)</b>	-	-	-
<b>Denmark</b>	-	-	-
<b>France</b>	Yes	Public Local + FTA (on request from channels)	Public
<b>Germany</b>	-	-	-
<b>Italy</b>	-	-	-
<b>Netherlands</b>	-	-	-
<b>Spain</b>	-	-	-
<b>Sweden</b>	Yes (FTTH, but not ADSL)	Public + 1 FTA	-
<b>UK</b>	-	-	-

# Broadcasting licences for Fixed IPTV

	VoD	Retransmission of already licensed TV channels	“Editorial control” over programming
<b>Belgium (FR)</b>	Licence	Notification	Licence
<b>Belgium (VL)</b>	Notification	-	Licence
<b>Denmark</b>	-	-	Notification
<b>France</b>	-	Notification	Licence
<b>Germany</b>	-	-	Licence (regional)
<b>Italy</b>	-	-	Licence
<b>Netherlands</b>	-	-	Licence
<b>Spain</b>	-	Notification (Cataluña)	Licence Notification (Cataluña)
<b>Sweden</b>	-	-	Notification
<b>UK</b>	-	-	Licence