

10. Timetable for Implementation

Any other matters which the Commission considers to be necessary to secure the orderly establishment, maintenance and operation of multiplexes

In addition to the specific requirements covered under previous criteria, the BCI will assess the overall realism shown in each application, as suggested by the level of coherence between the proposals and any supporting research or other data; the degree of optimism exhibited in the financial projections and underlying assumptions; and the application of good risk management principles. The BCI will also take account of the following:

- Timeframe for commencement of transmission
- Media concentration considerations
- Achievement of statutory and BCI Policy objectives.

Timeframe for Commencement of Transmission

Section 4(4) of the Act requires the Commission to endeavour to arrange, as a matter of priority, for the establishment, maintenance and operation of three national television multiplexes (emphasis added). The Commission considers it desirable that BCI-licensed DTT multiplex contractors commence transmission at the earliest possible date. For this reason, the BCI shall have regard to the overall timeframe proposed by applicants for implementation of their proposals, including the date proposed for commencement of transmission should the multiplex contract be awarded.

10.1.a. Are any consents, clearances, permissions or approvals (including EC Merger approval) necessary or appropriate, or other conditions needing to be met either before or after the contract is awarded?

Where appropriate, please provide details, including a timetable, for satisfying the requirement(s).

The proposed ownership and operating arrangements for Boxer would result in the creation of a full function joint venture. EC merger approval will not be required given the turnover of Boxer Sweden and Communicorp. Instead, binding agreements on the ownership of Boxer would require notification and approval by the Competition Authority and notification to the Minister for Enterprise, Trade & Employment as a media merger. The actual obligation to notify only arises within one month of the date of the award of the Multiplex Contracts.

Timetable for Satisfying Requirements for Consents, Clearances, Permissions or Approvals	
July 21 st	Selection for exclusive negotiation announced by the BCI
August 1 st	Final approval of a shareholders agreement by the Boxer Sweden and Communicorp Boards
September 29 th	Boxer signs three BCI Multiplex Contracts
October 6 th	Notification to the Competition Authority
November 1 st	Approval by the Competition Authority and the Minister

10.1.b. Please submit a critical path analysis identifying all key actions and decisions required on the applicant's part and their timescale from the time of the award of the contract to the on-air date.

Boxer's critical path analysis, setting out all key actions and decisions that are required from the time the DTT multiplex contract is awarded to the date on which the DTT services goes on air, is set out below.

Critical Path Analysis	
July 21st	Contract Award Notification from the BCI.
August 1 st	Approval of a shareholders agreement by Boxer Sweden and Communicorp boards. Full legal and commercial backing in place. Mobilise teams for legal, financial, technical/operational and marketing workstreams. Start negotiations with content providers.
August 8 th	Confirm implementation requirements and schedule with RTÉ and RTÉNL. Confirm multiplexing equipment orders and delivery schedule to key suppliers. Start testing and certification in Sweden of DTT receivers and iDTVs for Irish market.
August 15 th	Cease DTT Pilot transmissions and upgrade to MPEG 4 and 64 QAM. Discuss analogue switch-off campaign with Dept of Communications, ComReg and BCI.
September 29 th	Boxer signs BCI multiplex contracts. Conclude negotiations with content providers and agree contracts. Agree contract with RTÉNL for distribution and multiplexing service. Agree contract with BT Ireland for multiplexing and related service.
October 1st	Re-launch of FTA channels on Multiplex 1 (from Three Rock and Clermont Carn). Start of retailer recruitment and training campaign. Start of consumer awareness campaign.
October 6 th	Delivery of new multiplexing and networking equipment and installation. Finalisation of retailer merchandising. Start of volume shipment of DTT receivers.
November 1 st	End-to-end testing with RTÉ and RTÉNL. Retail merchandise delivered into shops.
December 1 st	On-air testing of new pay-TV channels. Call centre staffed up, trained and testing with dummy calls.
January 1st, 2009	Provisional Launch Date for pay-TV channels on DTT.

10.1.c. How is your ability to progress to commencing transmissions affected, if at all, by the attachment, or not as the case may be, of any conditionality to this application?

Boxer's application is conditional on being contracted to run the three multiplex. Preceding that Boxer Sweden and Communicorp will have entered into a shareholder's agreement.

Media Concentration Considerations

10.1.d. With reference to the information provided in Section 3.3, please identify and provide details of the following:

- (i) All substantial interests held (either directly or indirectly) by the applicant or by any member of the applicant or by any director of the applicant in the communications media in the State;

Boxer has no media interests in the State.

Boxer Sweden has no media interests in the State.

Communicorp Group Limited holds a number of interests in media businesses in the State, namely:

- 98FM,
- Newstalk 106-108 FM
- Today FM
- SPIN 103.8,
- SPIN South West
- Highland Radio
- A number of Internet portals and service companies

- (ii) Control - exercised directly or indirectly, by the applicant or by any member of the applicant or by any director of the applicant - of any communications media in the State.

Communicorp has a controlling interest in the six commercial radio stations within the State which have been listed in our response to Question 10.1.d.(i) above.

10.1.e. The applicant should state why, in its view, the award of one (or more) DTT multiplex contract(s) to the applicant would not result in the applicant having control of, or substantial interests in, an undue amount of the communications media in the State.

The multiplex contracts to be awarded by the BCI are national in scope and as a result, the addressable market is the entire television viewing population of the Republic of Ireland, comprising some 1.5 million households. However, account must be taken of the very significant number of households already with access to multi-channel television (digital or analogue) through satellite and the fact that many consumers may well decide to buy services from two or more platforms. As a result, even if Boxer realises all of its objectives, it projects that it would (in conjunction with RTÉ) be the sole provider of digital television services to less than 500,000 households. However, many of those households will have the possibility of switching or supplementing by way of satellite or cable, in addition to having recourse to a variety of other independently controlled media.

Applicants should discuss the context in which their statement is made, with reference to the following:

- (i) The totality of the communications media in the State

Four companies already dominate the communications media sector within the State i.e. RTÉ, Eircom, UPC and BSkyB. The establishment of a new company, Boxer, dedicated to promoting and supporting DTT service should bring a fresh dynamic to an otherwise moribund market.

(ii) The share of the total audience of the various communications media in the State

BSkyB claims to have in excess of 530,000 subscribers for its satellite-based TV service while UPC claims to have over 580,000 subscribers for its cable or MMDS TV services. Together this represents over 70% of all households in the State. Boxer starts with a zero audience share.

10.1.f. Applicants are invited to comment on their proposals in the context of the media concentration tests.

In terms of media interest, Boxer Sweden has no media interests in Ireland, by way of control over radio, television or newsprint. As the BCI is aware, while Communicorp runs and has a significant interest in a portfolio of radio stations, it does not have any other regulated media interests in Ireland. Since this application process does not relate to the award of a sound broadcasting contract in the conventional (analogue) sense, Boxer considers that media concentration tests are most usefully applied on a platform basis.

Boxer will be under the joint control of Boxer Sweden and Communicorp and as a result of the revisions to the BCI's Ownership and Control Policy, the DTT multiplex allocations are a distinct broadcasting services platform. However, Boxer will not have sole control over the entire DTT platform in Ireland. RTÉ has already been granted one multiplex frequency allocation, and with provision for a further grant, it will be a driving force in Ireland's move to DTT. Boxer's objective is to be the other lead partner in that endeavour. Boxer believes that an integrated DTT offering that comprises Boxer and RTÉ programming is the best method of achieving the statutory objectives and BCI goals.

This competition gives Boxer the opportunity to have partial control over a distinct media platform. From a television perspective, the DTT platform (excluding the RTÉ offering) is capable of support 30 television channels. Other rival platforms including cable, satellite and DSL local loops have at least equal (if not greater) capability in terms of the numbers of television channels that they are capable of carrying. Neither Boxer nor any of shareholders owns or controls any of these rival platforms in Ireland. Boxer considers that all of these other platforms are also "communications media" since they are all are capable of being used as transmission systems for the deliver of programme material.

Boxer acknowledges that the grant of the multiplex contracts to an entity that is jointly controlled by Communicorp represents an addition to the type of "communication media" in which Communicorp would be regarded as having 'control' under the BCI's Policy, but considers that for the following reasons no issues arise under the BCI's Ownership and Control Policy.

Undue Amount of Communications Media in a Specified Area

Boxer does not propose to air its own channels or content. Its business model is based on taking content from existing broadcasters and content providers, and packaging it into a composite DTT offering with RTÉ. As a result, a key facet of 'control' identified by the BCI, namely the ability to influence 'programme' output will be absent.

Communicorp will have joint control with Boxer Sweden over the conduct of Boxer's business. However, that business is to be conducted in accordance with the agreed business plan, which is an integral part of this application. Boxer would expect to see key elements of its business model reflected in the multiplex contracts. As such, there is no ability on Communicorp's part to determine unilaterally that Boxer will follow a different business model.

Depending on the choice of business model to be awarded to the successful applicant, the grant of these multiplex contracts may have little or no effects on opinion forming. The Boxer business model is based on buying third-party content and accommodating it on the DTT platform, which means that the potential for Boxer (or for that matter its controlling shareholders) to directly influence public opinion is very limited. The Boxer business model leaves the initiative on programming (and hence opinion forming potential) with the underlying content providers on the television side. Boxer is not proposing to make or commission its own programming, and considering that it will be buying content from much larger third parties, it will not be a position to skew or influence the type of programming material on offer to it.

In so far as radio is concerned, Boxer will air the Communicorp portfolio of stations, but this will only be a fraction of the total radio stations which will be provided at no charge to all customers. More importantly, Boxer will be inviting all other BCI licensed radio stations onto its multiplexes, and proposes to do so for a modest fixed annual fee, which will be exactly the same charge and under the same commercial terms, as borne by each the Communicorp radio stations wishing to avail of the same services.

Achievement of Statutory and BCI Policy Objectives

10.1.g. Please provide a general statement on the nature and duration of your commitment to the orderly establishment, maintenance and operation of DTT in Ireland

Boxer has prepared this contract application with due regard for the business opportunity, risk and commitment that lie ahead for the duration of the contract period.

Boxer will draw on the collective business experience of Boxer Sweden in successfully establishing DTT in Sweden and competing for and winning the DTT gatekeeper licence in Denmark, Communicorp in winning and managing radio licences in Ireland, and the operational experiences gained by BT during the DTT Pilot in Ireland. The necessary commitment in resources has been determined and secured at executive management level between the parties to the Bid Agreement.

It is the Commission's policy that a driver or champion for DTT is highly desirable for the promotion and success of the platform.

10.1.h. What proposals, if any, do you have for co-operating with other multiplex operators in the promotion of the platform, both at the launch of DTT and over the period of the multiplex contract? Please comment on your willingness to collaborate with other DTT multiplex operators and to participate in the promotion of the platform.

Boxer concurs that a driver or champion for DTT is highly desirable for the promotion and success of the platform. Boxer will fulfil this role, working in close collaboration with RTÉ as the PSB multiplex operator.

Boxer does not believe that authorising multiple commercial operators is an appropriate regulatory or commercial model for DTT in Ireland given the importance of not fracturing the platform. Boxer has submitted a conditional application to be awarded all three licence contracts and thus the issue of co-operation with other commercial multiplex operators will not arise in the foreseeable future.

10.1.i. What are your proposals for the establishment, operation and funding of a platform driver? The BCI wishes to accommodate and recognise any innovative proposals that would have a beneficial influence on the development of the DTT platform and are not adequately addressed under the earlier criteria (a) to (g).

Boxer's outline proposals for working with RTÉ for the establishment, operation and funding of a platform driver are as follows:

- Develop and publish an over-arching programme between Boxer and RTÉ that links their individual multiplex implementations, operations and marketing.
- Jointly identify with RTÉ workstreams (e.g. technical, brand promotion and public relations) with owners that will lead the programme.
- Nominate a joint executive Steering Group between Boxer and RTÉ to formulate joint strategy and policy.
- Schedule quarterly meetings to review progress against agreed targets.
- Develop a Steering Group to establish a joint set of principles and standards that will direct budget, brand, public relations and technical coordination.
- Establish a Steering Group to schedule regular meetings with industry and regulatory stakeholders to communicate progress.
- Nominate a joint operational Steering Group between Boxer and RTÉ to execute and co-ordinate the joint strategy for platform implementation and promotion. Schedule weekly meetings to ensure checks and balances on all workstreams.
- Appoint and jointly fund a programme director who will act as link person between Boxer, RTÉ and RTÉNL.
- Propose a mediation mechanism for working with RTÉ.

10.1.j. What aspects, if any, of your application do you believe are innovative and will contribute to the success of DTT? How would you describe the benefits and costs of the proposal(s) and confirm the extent to which they are reflected in the business plan and financial projections.

The BCI will have regard to whether the success of the DTT platform is likely to be better served by awarding the three multiplex contracts to a single applicant (or two or more applicants acting in a coordinated manner) through a series of conditional applications or to three applicants acting independently.

Boxer believes that its proposals are innovative in a number of respects and that this will contribute to making DTT a success in Ireland. Specifically:

- Boxer intends to offer consumers the ability to access our pay channels on a 'pay-as-you-go' basis. Just as this development proved a catalyst for the widespread take-up of mobile telephony services ten years ago, Boxer believes that this innovative approach to pricing and payment will engender significant consumer take-up for its commercial DTT offerings.
- The kind of programming Boxer carries on the multiplexes will show a high degree of innovation and will mark a significant departure from multichannel programming available to date within the country. In particular, Boxer plans to reach agreement with international broadcasters (for example the BBC and ITV) for the creation of bespoke Irish versions of their channels, a move which Boxer believes will meet with high approval by Irish TV viewers.

- Boxer will orchestrate a high profile marketing campaign using a “culturally tuned” animated character and dialogue, a model that has worked well in Sweden.
- Boxer will provide free-of-charge to customers an MPEG-4 Plug & Play module to enable MPEG-2 integrated digital TVs (iDTVs) to receive the new MPEG-4 DTT service. This should mitigate any latent concern that the consumer electronics industry may have about the volume of iDTVs that have already been sold with MPEG-2 tuners.

Looking forward and following ASO, Boxer plans to introduce a PVR service called Navigator when the initial market introduction is over. Navigator will give customers access to detailed programme information for a longer period forward in time. For the customers who have the necessary reception equipment it will also enable them to programme their PVR to record individual programmes and series of programmes. This can be done by searching in the programme guide; a single press on the remote control programmes the recordings.

Finally, Boxer will evaluate the feasibility of implementing Push DTT. This is a concept based on using surplus capacity in the DTT broadcast network, for example at night, to transmit encrypted content that is stored automatically on PVRs. The concept makes possible a number of new services such as Video on Demand, CatchUp TV and virtual channels (that are played back locally from the hard disk in the PVR). Boxer has decided to focus on the possibility of developing a Video on Demand service for the DTT network. Consumers will have a library of around 50 new films stored on their PVR hard disk at all times. Every night the library is updated with a new film. This means that the customer has access to around 30 new films every month. This service can be offered either as a subscription, whereby the user has access to all films, or as a transaction-based service, whereby the user buys films individually via a traditional pay-per-view business model.

10.1.k. What are the specific merits, if any, of your application vis-à-vis the inclusion or exclusion of any related conditionality with regard to the success of the DTT platform as a whole?

Boxer believes that it is imperative that the three multiplex contracts be awarded to a single applicant. Commercially the single licensee needs the scale and capacity vested in a single operator to develop an attractive and uniform consumer proposition in terms of content and packaging, to be competitive vis-à-vis existing digital TV offerings in the market, and to simplify the operational procedure associated with EPG, interactive services, and general problem and change management.

Our DTT business model would be untenable if there was to be undue operational complexity, business contention and administrative overheads associated with a multi-operator scenario. Secondly, given that the Commission intends to adopt a lighter touch or a facilitative approach to regulation, any scenario where it becomes embroiled in dispute resolution or arbitration between multiple multiplex operators would not be welcome. A resourceful and independent DTT multiplex operator working in conjunction with RTÉ will allow the BCI to realise its regulatory goal of facilitating broadcasting through formulating basic principles, setting standards and applying them.

10.1.I. Are there any other aspects of your proposal not described in any of the above responses that you believe are relevant to realising the broad DTT objectives of the Broadcasting (Amendment) Act 2007 as well as the objectives of the BCI's DTT Multiplex Licensing Policy (2008)?

An understanding of the DTT transmission service and support for analogue switch-off will be a key aspect of a successful DTT roll-out in Ireland. Boxer, through Boxer Sweden, brings a wealth of experience and expertise in this regard to supplement. Boxer is willing to share this resource with RTÉ, RTÉNL and the regulatory stakeholders so that Ireland can benefit from the Swedish programme which concluded in 2007.

Boxer Sweden's parent company Teracom established and has subsequently operated the terrestrial TV broadcast network in Sweden. Boxer Sweden buys broadcast capacity in this network from Teracom and specifies a number of requirements that Teracom must meet. Boxer Sweden and Teracom have an SLA that regulates relations between the two companies.

Boxer Sweden controls its requirements in the following areas:

- Coverage
- Quality assurance
- Service level
- Network functionality
- Integration with CA systems

In the EIT domain, Boxer Sweden has worked with Teracom on the design of the SI management system. In parallel with the expansion of the coverage of the Swedish network, Boxer Sweden has also made requirements for Teracom concerning other services, including the following:

- Introduction of multichannel sound (AC-3).
- Expanded, improved EPG service using DVB EIT scheduling (for details, see the review of EPG later in this document).
- Regionalisation of Multiplex 3.

In headline form, the services and service levels formulated are as follows:

- Service content
 - Total number of TV services
 - Type of transmitted services, such as video/audio/teletext/data
 - Other transmissions, such as EMM/ECM, OTA, etc.
- Service quality
 - Coverage (number of households and locations)
 - Component quality
 - User-experienced quality
 - Coverage information (coverage map for the internet)

- Service availability
 - Permitted proportion of downtime in relation to specific categories of broadcast stations
 - Maximum wait time in connection with planned maintenance tasks
 - Prioritisation and troubleshooting procedures

- Operating processes
 - Network monitoring
 - Reporting
 - Feedback

- Costs
 - In operation
 - In non-operation

Before Sweden launched a digital terrestrial broadcast network Teracom operated the corresponding analogue Swedish TV broadcast network. This network has just been shut down after an extremely successful transition to digital in Sweden. The terrestrial analogue TV broadcast network was taken into operation in 1954 and was operated by Teracom, then part of Televerket (the Swedish national telecommunications agency at that time).

Teracom therefore has 53 years of experience of operation of an analogue TV broadcast network and nine years of experience of operation of a digital terrestrial TV broadcast network. Teracom also established both TV broadcast networks.

It is worth noting that the Swedish DTT network is of a much greater extent and complexity than the Irish one is likely to be. This is due not least to the size of Sweden and also to the topography of the country. In many areas this means that denser mast coverage is required. The Swedish network consists of 54 primary masts and 520 in-fillers.

To make use of Teracom's expertise in the development, construction and operation of a terrestrial broadcast network, Boxer Sweden and Teracom have signed a Cooperation Agreement on the construction of Boxer's terrestrial digital TV broadcast network in Denmark. In their Agreement, Teracom documents its experience of the establishment and technical operation of a terrestrial TV broadcast network. In accordance with the Cooperation Agreement, Teracom will make all necessary expertise available to Boxer in the form of consultancy services. Teracom will advise Boxer Sweden in areas such as evaluation of technical suppliers and specific technical solutions, assessment of the need for better coverage of specific geographical areas, assessment of the pricing of solutions supplied, etc.

Sweden's state secretary for analogue switch-off, Pjeer Helsen, is now employed by Teracom and is available as a consultant to Boxer Ireland, if required.

