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Kim Howells
Minister for Tourism, Film & Broadcasting
Department of Culture, Media & Sport
4 Cockspur Street
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5th August 2002

Department for Culture, Media and Sport	
DATE RECEIVED 08 AUG 2002	
Minister	K. HOWELLS
Lead	T. BUTLER (Tick)
Action	Advice & Draft Reply by 1
	Advice as Appropriate by 22/08
For information only	
Permanent Secretary	Cc:
Director (A.P.)	
Director of Strat & Com	
Private Secretary (S.P.)	
Diary Secretary ()	
PCU REFERENCE: 0210907.	

Dear Kim,

Carriage of new BBC channels on ntl's network

I am writing to you to seek advice and assistance from the DCMS on an issue which has arisen in relation to the carriage on our network of new BBC digital channels.

We have agreed carriage terms with the BBC for their entire suite of licence fee-funded channels on our digital platform. However, we would also like to agree carriage terms for these channels in relation to the 1 million ntl customers who are on our analogue service. However, the BBC has pointed out that the approvals it has received from the Secretary of State only cover carriage on digital platforms. They have asked, and we have agreed, to raise this issue with you.

Addressing the analogue carriage issue is important for ntl for two reasons. First, unlike BSkyB, ntl does not intend to 'force migrate' the existing analogue customer base to digital. Naturally, it is strongly in our interests for as many customers as possible to migrate to digital and we are doing all we can to facilitate this. But whereas BSkyB has the market power to force recalcitrant customers to make the decision either to churn or to migrate, we do not.

Second, there are some residual areas where – because of the network we have inherited through acquisition – it is not currently possible to offer a digital service. Notably, this includes the BT-built network in Westminster.

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Our customers feel very strongly that they are entitled to view BBC services which they have already paid for, regardless of whether they are receiving service in analogue or digital form. The difference in the customer experience is likely to be minimal whether the service is available in analogue or digital form. Clearly, for those customers who are in areas like Westminster, there would be no opportunity to view these services if not carried in analogue – a problem increased when it is remembered that BSkyB is also not available to many Westminster residents as a result of planning restrictions on satellite dishes.

Therefore, whilst we appreciate that approvals given to the BBC have been designed in part to encourage customers to migrate to digital, we believe that there is a strong pragmatic argument to allow the BBC to provide its suite of channels to ntl's analogue customer base at this time. This would also maintain the policy position that the BBC's services are universally available to all customers whatever platform they happen to be taking service from.

Yours sincerely,



pp. Stephen A. Carter