

[GB] Broadcasting and Telecommunications Regulators Launch Joint Inquiry into the «Bundling» of Cable Television and Telephone Services

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*Tony Prosser
University of Bristol Law School*

The Independent Television Commission and the Office of Telecommunications, which regulate respectively commercial broadcasting and telecommunications services in the UK, have launched a joint investigation into the «bundling» of cable television and telecommunications services. «Bundling» refers to the offering to consumers of services as a joint package rather than individually. In the UK, the availability of cheap telecommunications services has become a major selling point for cable television. It follows an earlier investigation of «bundling» of channels in cable television in which groups of channels were only made available as a whole rather than being marketed individually.

Two alleged practices are being investigated: whether it is anti-competitive to refuse to supply either telephony or television separately where the services are sold as a bundle; and whether it is anti-competitive to offer telephony and/or television at less than the costs directly attributable to the relevant service.

Details are contained in a consultation paper issued by the two regulators; it also seeks views on issues of market definition, including the question of whether there is a single national market for pay television services; market power, especially of the cable operators; and the consequences for competition and consumers. Responses to the consultation paper are sought by 1 June 1999.

Apart from its interest as an example of the investigation of potential unfair competition, the inquiry involves two regulatory bodies with different duties and responsibilities. In the past it has been doubted whether such division of regulatory responsibilities can survive the process of convergence; this inquiry is an attempt to develop co-operation in this new context.

Independent Television Commission and Office of Telecommunications, «the Bundling of Television and Telephony: Competition Issues».

