SSSL's Approach to Access Control Charges

This document describes SSSL's approach to charges for access control ("AC") services.

Types of Access Control Service

SSSL currently charges for two types of AC service:

- Application Signing Services - services provided by Sky in order to enable interactive applications to be validly signed by or on behalf of a broadcaster, by which broadcasters and digital interactive television service ("DITS") providers are provided with the signing tools, keys and certificates that enable them to sign their own interactive applications in order that those interactive applications are recognised by Current Generations of Sky set top boxes[1] and permitted access to Current Generations of Sky set top boxes. These services provide a means for broadcasters and DITS providers to offer interactive services that run on Current Generations of Sky set top boxes.

- Authentication Services - the services provided by Sky in order to enable a third party to operate a return path (i.e. which enables 'two-way' interactions) in relation to Current Generations of Sky set top boxes, which may then be utilised by interactive applications broadcast by broadcasters and DITS providers who are in receipt of Application Signing Services from Sky.

Access Control Charges

There are currently three types of Access Control Charges:

a.   fixed charges which reflect the costs incurred by SSSL in establishing and operating authentication servers in order to provide DITS providers with the required Authentication Services in accordance with agreed service levels. These charges will be bespoke to the implementation required by the Authentication Services customer.
b.   fixed charges for providing broadcasters' and DITS providers' applications with access to set top boxes in order to execute such applications; and
c.   additional Charges (see below).

Categories (a) and (c) are described further below.

Fixed charges relating to the provision of Authentication Services

Whilst most of the costs incurred by SSSL are common to all broadcasters/DITS providers on the DSat platform, the costs incurred in providing authentication services will be unique to the DITS provider and dependant upon the level of service requested.

The cost of providing Authentication Services relates to the hardware, software and manpower costs incurred by SSSL in establishing an Authentication Server that provides the capacity, scalability and resilience required by the DITS provider. Such Authentication Server will be dedicated to the provision of Authentication Services to the DITS provider concerned and therefore this is a bespoke cost. As a bespoke cost, SSSL will seek to recover it together with the operating costs associated with it solely from the relevant DITS provider. In common with other charges for AC services, the approach adopted by

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[1] As defined in Sky's commitments to Ofcom dated 23 April 2015

SSSL in establishing such charges will be based on recovering costs incurred plus a return commensurate with the level of risk, over an appropriate time horizon.

Additional Charges

Additional Charges contribute to the recovery of the costs incurred in developing the digital satellite platform, including a return commensurate with the level of risk involved, over an appropriate time horizon. The digital satellite platform enables broadcasters and DITS providers to provide interactive services, whether online or otherwise, which reach over 10 million households in the UK.

Additional charges are typically based on a combination of the number of uses and/or value arising from the use of the interactive functionality of the digital satellite set top boxes, e.g. a "per authentication" charge and/or a percentage of the value of the transaction.

Different services derive value from the use of interactivity in different ways. For this reason, SSSL's approach is to develop Additional Charges which relate to different types of services. Charges are determined which reflect a fair share of the "economic benefit generated" by the AC customer from its services as a result of the use of set top box interactivity. Without limitation, such benefit generated might relate to:

- revenue (e.g. advertising revenue; the margin generated on transactions; call revenue from PRT services; revenue from lead generation etc);
- costs saved (e.g. where the service allows the AC customer (or its content providers) to avoid customer service costs); or
- other forms of benefit (e.g. where end users are provided with services that make them more valuable customers or are provided with enhanced services which are more highly valued by end users).

In determining charges that reflect a fair share of economic benefit generated, SSSL will make use of value drivers as appropriate, such as gross revenue, gross margin, net profit, numbers of authentications/modem usages etc. The selection of the appropriate value driver(s) will reflect issues such as the extent to which a driver is a sensible proxy for the economic benefit generated and also the practical issues associated with data collection and validation.

Maximum Charges in respect of certain interactive services

By way of commitments to Ofcom dated 23 April 2015, Sky has committed to maximum charges in respect of certain interactive services (see Annex 1 to Sky's commitments at https://corporate.sky.com/about-sky/other-information/regulatory-information).

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