

**ANTICIPATED JOINT VENTURE BETWEEN BBC WORLDWIDE LIMITED,
CHANNEL 4 TELEVISION CORPORATION AND ITV PLC
RELATING TO THE VIDEO ON DEMAND SECTOR**

Terms of reference

1. In exercise of its duty under section 33(1) of the Enterprise Act 2002 (“the Act”) to make a reference to the Competition Commission (“the CC”) in relation to an anticipated merger the Office of Fair Trading (“the OFT”) believes that it is or may be the case that -
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation in that:
 - (i) the BBC, through BBC Worldwide Limited, Channel 4 Television Corporation and ITV PLC will establish a joint venture, VodLLP, from which each of the parties will cease to be distinct; and
 - (ii) as a result, the condition specified in section 23(4) of the Act will prevail or will prevail to a greater extent with respect to the provision of UK catch-up television content available within 0-7 or 8-30 days following its broadcast on a television channel available online on a video-on-demand basis in the United Kingdom; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services including the syndication of content rights for video-on demand services in the UK.
2. Therefore, in exercise of its duty under section 33(1) of the Act, the OFT hereby refers to the CC, for investigation and report within a period ending on 14 December 2008, the following questions in accordance with section 36(1) of the Act-
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
3. In relation to the question whether a relevant merger situation will be created, the CC shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.

Simon Pritchard
Senior Director, Mergers, Office of Fair Trading
30 June 2008