BT Group / EE merger inquiry provisional findings

Response from Rainbow Communications – received 12 November 2015

Dear Sir/Madam

As Northern Irelands largest competitor to BT in the business lines and calls market we would be deeply concerned by the resultant market dominance of BT following an acquisition of EE.

We believe, BT in Northern Ireland already hold a market share greater than 80% for Residential, SME Business, Large Business and Public Sector markets and have requested Ofcom on numerous occasions investigate market breakdown, with no response.

BT's recently announced success of supplying over 200k Fibre connections demonstrates how they can introduce a new service to the Northern Ireland market and within a few years be the dominant supplier.

A recent BT Reseller Wholesale price increase has resulted in Market A FTTC being over 50% move expensive than Market B and has resulted in BT Wholesale Resellers being left without a service that is competitive against BT Retail as Market A where LLU typically is not available, something we believe is an abuse of dominance.

As sales competition in the UK telecoms markets is now totally focused on selling bundled services we believe the CMA approach of examining the impact on individual services is out of date and needs reviewed.

We believe, should the acquisition proceed, competition in Northern Ireland would suffer as BT would then bundle Mobile services with Fixed Line and Broadband services on the one bill making it difficult for Fixed line resellers to compete as no competitive MVNO Wholesale mobile business model exist in the UK unlike the Fixed Line market.

As Openreach does not exist in Northern Ireland, Fixed Line Resellers are already disadvantaged at the point of sale when compared to BT Retail, as customer correctly believe that BT Retail own the network and also perceive they will get a better service from the network owner.

We believe BT's ownership of the EE mobile network in Norther Ireland would greatly strengthen their sales position for all services and make it difficult for all competitors to build a business and maintain competitive services for the consumer.

We request that should the acquisition be allowed that BT Retail would be excluded from selling Mobile services in Northern Ireland, whilst Openreach does not exist with the exact same terms as the rest of the UK, and that a requirement be put in place for a price controlled BT Wholesale Mobile service to be supplied to Resellers thereby reducing the risk of bundled services strangling competition in the Fixed Line and Broadband service market.

BT Ireland already have too many unique competitive advantages in Northern Ireland for credible competition to exist and adding mobile services will further reduce completion in all telecoms services.

Should you require further explanation please do not hesitate to make contact.

Best regards

[✂]

Rainbow communications