

[Company Y]

*Non-Confidential version*

**The Competition and Markets Authority**  
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30 September 2024

**Ref: [Company Y]’s response to the CMA’s Notice of Possible Remedies dated 13 September 2024 regarding the anticipated joint venture in the UK between Vodafone Group plc and CK Hutchison Holdings Limited**

Dear Madam/Sir,

Further to [REDACTED] wishes to submit observations specifically in relation to the Notice of Possible Remedies dated 13 September 2024 on the anticipated joint venture in the UK between Vodafone Group plc and CK Hutchison Holdings Limited concerning Vodafone Limited (“**VUK**”) and Hutchison 3G UK Limited (“**3UK**”) (the “**Proposed Transaction**”).

[Company Y] concurs with the CMA’s Provisional Findings of 13 September 2024 that the Proposed Transaction would result in a substantial lessening of competition (“**SLC**”) in the supply of retail and wholesale mobile telecommunications services in the UK. [Company Y] hopes that this submission in response to the CMA’s Notice of Possible Remedies will assist the CMA in its ongoing review process. [Company Y] also wishes to underscore [REDACTED], at the CMA’s convenience.

## **1. Only structural remedies can prevent the SLC in the wholesale and retail UK mobile markets**

[Company Y]

## [Company Y]

**Firstly**, [Company Y] concurs with the CMA's Provisional Findings that the Proposed Transaction would lead to price increases for mobile customers.<sup>1</sup>

Studies have shown that, in markets where four-to-three MNO ("4-to-3") mergers were approved by the European Commission (the "**Commission**") without structural remedies creating a new fourth MNO, the approval led either to direct price increases or slower decrease in prices. This has been further substantiated by a recent report of the Commission<sup>2</sup>, which confirms that 4-to-3 mergers in the telecommunications sector lead to higher prices as a direct result of such mergers. Moreover, the Rewheel Report<sup>3</sup> indicates that prices in environments characterized by the presence of four MNOs are up to 5 times lower than in markets where there are only three MNOs<sup>4</sup>.

While the Rewheel Report uses metrics such as the monthly price per 100GB, the Commission Report, on the other hand, refers to the average revenue per unit/user ("**ARPU**"). The Commission Report thus shows that countries with fewer market players are characterized by a higher average ARPU<sup>5</sup>. EU Member States with three MNOs, such as Greece, Portugal and Bulgaria, have consistently higher average ARPU compared with countries featuring four MNOs. This difference in ARPU is likely to persist in the long run according to the Commission Report<sup>6</sup>. Indeed, in certain EU Member States adding one MNO to the market is associated with a 9% reduction in ARPU, and in France in particular the average ARPU decreased sharply following entry of a fourth player in 2012<sup>7</sup>.

**Secondly**, [Company Y] agrees with the CMA's Provisional Findings that the Proposed Transaction would result in both the merged entity and its competitors having less of an incentive to bid for wholesale business, and/or offer less competitive prices and terms to MVNOs, thereby making it more difficult for independent MVNOs to offer competitive deals to retail customers<sup>8</sup>.

Removing one competitor would indeed reduce the competitive pressure and weaken MVNOs' ability to negotiate favourable MVNO agreements, which in turn would restrict both the entry of new operators into the market and the ability of MVNOs to compete effectively with low prices.

Competition in the supply of wholesale mobile services is already rather limited, as there are only four MNOs capable of hosting MVNOs and not all of them bid for all tenders<sup>9</sup>. A number of MVNOs told the CMA that they experienced limited competition when negotiating wholesale access contracts<sup>10</sup>. As

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<sup>1</sup> CMA Notice of Provisional Findings of 13 September 2024, paragraph 10.

<sup>2</sup> *Protecting competition in a changing world – Evidence on the evolution of competition in the EU during the past 25 years*, European Commission Report, 2024 (the "**Commission Report**").

<sup>3</sup> [\*The 4 to 3 Vodafone / Three mobile merger in the UK will lead to substantial 26% to 51% monthly price increases\*](#), Rewheel Research PRO Study, 2024 (the "**Rewheel Report**").

<sup>4</sup> *Ibid*, p.3.

<sup>5</sup> Please see p. 125 of the Commission Report.

<sup>6</sup> *Ibid*, p. 125.

<sup>7</sup> *Ibid*, p. 125.

<sup>8</sup> CMA Notice of Provisional Findings of 13 September 2024, paragraph 10.

<sup>9</sup> CMA Decision of 22 March 2024, ME/7064/23, paragraph 586.

<sup>10</sup> *Ibid*, paragraph 616.

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such, removing one of four competitors will reduce the MVNOs' ability to negotiate effectively with the remaining MNOs<sup>11</sup>.

VUK and 3UK argue that competitive constraints will be as strong post-merger, notably due to alleged strong and growing competition from MVNOs, as they are the fastest growing players in the retail mobile service market exerting strong and growing competitive pressure.

However, the Commission Report explicitly indicated that empirical research shows that these virtual operators have an impact on price which is very close to zero and not statistically significant, further indicating that they pose a negligible competitive constraint on MNO pricing<sup>12</sup>. In this respect, [Company Y] further highlights that infrastructure-based competition is key in order for consumers to ultimately benefit from mobile networks developed with cutting-edge technologies at the lowest cost possible. Yet, MVNOs cannot compete at the network level and, as explained by VUK and 3UK themselves, price is, alongside quality, the key parameter of competition in the market for retail mobile services.

This negligible impact may be explained by the fact that MVNOs can be considered to be a source of product differentiation and segmentation for MNOs (allowing them to distinguish customer segments by price sensitivity, while protecting their premium brands) as well as a means of utilizing excess network capacity, rather than presenting a real competitive threat for the MNOs<sup>13</sup>.

[Company Y] thus agrees with the Commission and the CMA, that MVNOs exert a weak competitive constraint and cannot compete on price due to the wholesale terms they are offered. Moreover, when MVNOs have no alternative options from MNOs for better wholesale terms, MVNOs are unable to improve their retail offerings, thereby preventing discounts and product innovation.

Only MNOs, if operating in a competitive environment, can positively influence competition as innovation, optimisation and improvements in CAPEX and OPEX primarily occur on the network side (controlled by MNOs), while the commercial and marketing aspects are largely handled by MVNOs. Therefore, limited competition at the MNO level results in less competition across both wholesale and retail levels.

**These arguments reinforce the need for structural remedies in our opinion. Moreover, empirical evidence shows that in the two 4-to-3 mobile mergers where spectrum was divested to a new MNO entrant prices subsequently decreased,<sup>14</sup> whereas in the three 4-to-3 mobile mergers approved conditionally with only behavioural commitments, together with the unconditionally approved Dutch 4-to-3 merger, prices increased without any network improvements or other technological developments.<sup>15</sup> In our view, behavioural commitments would cause the prices paid by MVNOs to**

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<sup>11</sup> Ibid, paragraph 718.

<sup>12</sup> Please see p.128 of the Commission Report.

<sup>13</sup> Ibid, p. 128.

<sup>14</sup> Commission decisions in Hutchison Italy/Wind, and Orange/MásMovil, please see the Rewheel Report, p.3.

<sup>15</sup> Commission decisions in 4-3 mergers cleared subject to behavioural remedies in Austria, Ireland, Germany and unconditionally cleared in the Netherlands; please also see the Rewheel Report, p.3.

## [Company Y]

**increase post-transaction and will consequently result in a detriment to end customers in terms of higher bills, less choice, less innovation and worse quality of service.<sup>16</sup>**

Significant positive changes in the market following new entry by an MNO are evident in Italy, where Iliad purchased the divestment assets in 2016 from Wind/H3G and subsequently started competing on the Italian market in 2018, thereby materially improving the competitive landscape.<sup>17</sup> Iliad's entry into the Italian market forced the other MNOs to quickly react to competitive pressure by reviewing their pricing and quality of their offerings, multiplying new offers, with lower rates and more generous data allowances than before. The three main MNOs in Italy (Tim, Vodafone and WindTre) also launched their own second brands to compete more aggressively with Iliad (and also Fastweb and the Italian MVNOs).<sup>18</sup> A mobile subscription in Italy costs c. EUR 8 on average per month and includes 100 GBs data. The 5G coverage has also significantly increased over the last few years, up to 99.7% of the populated territory<sup>19</sup>.

**Thirdly**, [Company Y] wishes to highlight the fact that important barriers to entry and expansion do exist on the relevant markets.

At wholesale level, the CMA has seen no evidence of any scope for entry by MNOs due to high costs and lack of spectrum availability<sup>20</sup> and the Parties did not make any submissions to the contrary. Indeed, [Company Y] considers that entry barriers for a potential MNO are significant as entry requires significant upfront investment including, but not limited to, acquisition of spectrum, construction of a RAN on a national basis, establishing a core network and IT environment and developing a brand and retail presence.

Concerning MVNOs, VUK and 3UK argue that the supply of retail mobile services has seen a significant number of new entrants and that MVNOs are credible competitors to MNOs, as reflected by their aggregate share of supply by subscribers in the consumer retail segment.<sup>21</sup> However, not only do MVNOs exert only a very weak competitive constraint on MNOs, as detailed above, [Company Y] further agrees with the CMA's identification of barriers to entry and/or expansion for MVNOs, such as the high costs involved and challenges with negotiating and obtaining competitive commercial terms from MNOs.<sup>22</sup>

Accordingly, organic entry into the wholesale market for a potential MNO cannot be reasonably expected, and such organic entry and expansion at retail level for an MVNO would be extremely challenging.

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<sup>16</sup> Please also see section 2.3, in particular, of the most recent report by Rewheel ("**Rewheel Report #2**"), enclosed (Enclosure 1).

<sup>17</sup> Study prepared by Luiss University on Iliad's contribution to the Italian economy. Analysis of the socioeconomic impacts of investments and competitive impacts in the mobile telephony market, November 2022.

<sup>18</sup> In particular, Kena, ho.mobile and Very Mobile, owned by Tim, Vodafone and WindTre respectively.

<sup>19</sup> The European Commission's DESI Country Report 2024, Italy, ([link](#)).

<sup>20</sup> CMA Decision of 22 March 2024, ME/7064/23, paragraph 16.

<sup>21</sup> CMA Decision of 22 March 2024, ME/7064/23, paragraph 767.

<sup>22</sup> Ibid, paragraph 427.

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**Therefore**, since a 4-to-3 merger such as the Proposed Transaction would lead to many and substantial competition issues on the UK market, and since MVNOs do not exert sufficient competitive constraint to make up for this loss of an MNO player on the market, the UK market would need a fourth MNO player to enter should the CMA approve the Proposed Transaction. As evidenced by relevant EU and UK decisional practice, competition concerns raised by a merger reducing four competitors to three can only be removed by the entry of a new MNO into the market,<sup>23</sup> which necessitates the acquisition of spectrum and related assets.

**As such, [Company Y] strongly believes that the appropriate remedies to be considered by the CMA must be of a structural nature and, in particular, should include spectrum divestments (low and medium), a national roaming agreement (NRA) for a duration of at least 10 years, and, optional, passive and active infrastructure (e.g. sites, antennas) or radio access network (RAN) agreements and.**

As mentioned by the CMA in its Notice of Possible Remedies<sup>24</sup>, structural remedies are to be preferred to behavioural remedies in order to ensure competitive market structures.<sup>25</sup> More specifically, as stated in the CMA's Merger Remedies Guidance (CMA87) (the "**Remedies Guidance**")<sup>26</sup>, the CMA generally prefers structural remedies, such as divestiture or prohibition, over behavioural remedies, because structural remedies are more likely to address an SLC and its resulting adverse effects directly and comprehensively at source by restoring rivalry. Indeed, the CMA has made it clear in its Remedies Guidance that behavioural remedies would only be appropriate in limited circumstances, none of which apply to the Proposed Transaction. In particular, the SLC would not have a short duration, the costs of the proposed structural remedies do not exceed the scale of the adverse effects of the SLC, relevant customer benefits are likely to be substantial compared with the adverse effects of the merger, and these benefits would not be preserved by behavioural remedies. As such, the potential behavioural remedies considered by the CMA in the Notice of Possible Remedies would give rise to specification challenges, could be readily circumvented, would risk leading to market distortions and would be difficult and burdensome for the CMA (and/or Ofcom) and a monitoring trustee to monitor and enforce.

**As the CMA identifies, a "partial divestiture remedy requiring the divestiture of or access to certain mobile network assets and spectrum (from either VUK or 3UK) in the UK" would be an appropriate and measured structural remedy, also in light of experience in other large European markets like Spain [REDACTED] and Italy [REDACTED].<sup>27</sup> We agree and support that "the aim of this remedy would be to enhance the competitive capability of an existing MVNO or provide sufficient assets to enable a new provider to enter the market as an MNO and compete across all parameters of competition**

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<sup>23</sup> Please see Hutchison 3G Italy/Wind/JV, Case M.7758, and Orange/MásMovil/JV, Case M.10896.

<sup>24</sup> CMA Notice of Provisional Findings of 13 September 2024, paragraph 15.

<sup>25</sup> European Commission notice on remedies, paragraphs 15, 17, 61 and 69; Case C-12/03 P, *Commission v Tetra Laval*, 2005, paragraph 86.

<sup>26</sup> CMA87, paragraphs 3.46-3.48.

<sup>27</sup> [REDACTED] prices materially decreased in Italy after Iliad purchased the divested spectrum package (low band and midband) and NRA. [REDACTED].

**[Company Y]**

**including network quality. Such a remedy would likely also require a national roaming agreement and on-going support from the Merged Entity at a minimum.”<sup>28</sup>**

It therefore follows from the above that, should the CMA approve the Proposed Transaction, structural remedies would be needed to enable a new fourth MNO to enter the market in order to replace the substantial competition lost. Such a remedy would be the only method through which such entry could practically occur.

When compared with potential behavioural remedies, it is important to remember that behavioural commitments accepted by the Commission in the 4-to-3 mergers in Germany, Ireland and Austria, all failed to restore effective competition post-merger in those countries. Instead the mergers led to supra-competitive prices, reduced service quality and choice, and lower customer satisfaction – without any discernible increase in investments or other benefits in terms of network roll-out or quality.<sup>29</sup>

**[REDACTED]**

## **2. Views on the structural remedies envisaged by CMA**

### **A. The package of assets (including network agreements) and spectrum to be divested, whether these should come from VUK or 3UK, or whether it is acceptable to have a mix-and-match package drawn from both Parties**

[REDACTED]<sup>30</sup>, for a new MNO to operate as a viable competitor on the UK market, it is essential that the following remedies be provided by 3UK and VUK as a package: spectrum divestment, an optional passive and active infrastructure (e.g. sites, antenna) disposal component and/or a RAN sharing agreement, and an NRA. [REDACTED].

The potential sites to be transferred or RAN sharing are optional, as these could help in the timely deployment of network owned by the new entrant MNO. Ultimately, the merging parties, the CMA (and Ofcom) and the remedy-taker will have to discuss what is feasible on the technical and operational side, considering factors such as spectrum ownership and allocation among the parties. Equally, some of the elements of the divestment package may have to be provided by the merged entity, such as any RAN sharing agreement.<sup>31</sup> Hence, [Company Y] has focused its response on the

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<sup>28</sup> CMA Notice of Provisional Findings of 13 September 2024, paragraph 21.

<sup>29</sup> *Telefonica / Deutschland/E-Plus*, Case M.7018 ; *Hutchison 3G Ireland / O2*, Case M.6992 ; *Hutchison Austria / Orange*, Case M.6497.

<sup>30</sup> [REDACTED].

<sup>31</sup> [REDACTED]

**[Company Y]**

## [Company Y]

components which are essential to enable a new entrant MNO to establish [REDACTED] on the UK market and compete successfully in a timely manner.

**[Company Y] considers that an optimum implementation of the structural remedies, which will create a real competitor on the UK market, consists in a package of the following three elements, of which the first two are mandatory:**

1. the **spectrum** package - provides independence, innovation capabilities and efficiencies for the network and services of the new entrant;
2. the **NRA** - provides country-wide network coverage from the start of the operation of the new MNO and related services, closing in advance the large time gap that the new entrant would otherwise have compared with the existing MNOs; and
3. the *optional* divestment of **sites, towers and other types of passive infrastructure (and any required active infrastructure) or RAN sharing** will accompany the spectrum package, providing the new MNO with the necessary infrastructure in places where the parties have overlapping assets. A RAN sharing agreement provides cost optimisation, particularly where the merging parties do not own infrastructure, and will accelerate the launch of the new MNO's own network.

Taking each element of the structural remedies package in turn:

### (i) **Divestment of spectrum**

Spectrum divestment is essential to enable the new MNO to independently develop and control its own network infrastructure, optimizing the quality of the network and fostering competition among the existing operators.

To optimally enter the market and to be able to compete with a similar quality of service, [Company Y] believes that an MNO will simultaneously need each of the following:

- Low spectrum frequencies (below 1 GHz) for wide coverage and building penetration. Lack of low spectrum will lead to a lack of coverage in places that medium frequencies do not reach, which, in turn, means lower quality of service to customers; and
- Medium spectrum frequencies (between 1 GHz and 6 GHz) for a balance of coverage and capacity. At present, having a balanced proportion between coverage and capacity is the main workhorse of mobile networks. A new MNO is unlikely to be in a position to compete without sufficient frequencies in the medium band<sup>32</sup>.

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<sup>32</sup> [REDACTED]

## [Company Y]

The quantity and mix/distribution (as outlined above) of the spectrum holdings of an MNO is a key element for a competitive deployment in the market. If a new entrant MNO does not have a minimum amount and mix/distribution of spectrum, this will cause the following additional barriers to entry and diminish the ability of the new MNO to compete because it will have:

- Higher CAPEX than existing MNOs, as a lower amount of spectrum means less capacity for the same number of mobile sites, hence, the need for densification with additional mobile sites or micro cells;
- Higher OPEX than existing MNOs, as more mobile sites will generate more electricity costs, rentals, operations and maintenance, etc.; and
- Lower quality of service by the new entrant's network compared with existing MNOs, at least until the new MNO matches the capacity of the network of the existing operators, as capacity is directly proportional to the number of sites and the quantity of spectrum.

Following the Proposed Transaction, the future entity would hold approximately 520.2 MHz of spectrum, which is 140-200% of the current amount individually held by EE and O2. In order to prevent the Proposed Transaction from leading to an SLC in the UK markets for the supply of wholesale and retail mobile telecommunications services, it is paramount that a portion of this spectrum be divested. Indeed, OFCOM has identified excessive spectrum asymmetry in itself as a specific competition risk<sup>33</sup>.

OFCOM indeed noted that an MNO with a smaller spectrum holding may not be able to compete effectively with a spectrum rich MNO, as the former could face difficulties in deploying sufficient capacity to provide average speeds that would allow them to compete effectively.

In [Company Y] view, the merging parties should divest the following spectrum allocations to a new entrant MNO:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Below is a general overview of the current spectrum allocation and the spectrum that may be divested by the merging parties:

[REDACTED]

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<sup>33</sup> [REDACTED]



[Company Y]

[REDACTED]

Following the proposed spectrum divestment of [REDACTED], the merging parties would still have the largest spectrum with [REDACTED] however the new MNO will contribute to restoring and preserving competition on the relevant UK telecommunications markets.

The deployment of the spectrum transferred as part of the remedies package will be implemented by:

- concluding agreements with the companies which own and operate the passive infrastructure of the mobile sites in the UK, such as Cellnex, WIG, etc. (the “**TowerCos**”), which will enable the new MNO to gradually build its own network; and
- concluding a RAN sharing agreement, if this will be a part of the remedies, with the merging parties, leading to the efficiencies, increased speed of deployment, shorter time to market, and more flexibility and higher quality of the offer in the retail and wholesale markets by the new entrant.

(ii) **National Roaming Agreement (“NRA”)**

As a part of an effective remedies package, an NRA with a duration of at least 10 years is needed in order to allow the new entrant on the market immediate access to country-wide network coverage, with a network capacity-based usage model.

Accordingly, the new MNO, while developing its own infrastructure, will be able to serve customers in the short term, offering quality which is similar to the existing MNOs. Additionally, an NRA significantly reduces the initial investment required to enter the market by eliminating the immediate need for network construction, thereby accelerating market entry and reducing the immediate barriers to entry caused by the need for high CAPEX which could be spread over time based on a prudent financial strategy.

An NRA with the merging parties has to enable the new MNO to provide services with full national coverage, including in rural and remote areas throughout the country, and to access all technologies (current and future) which will bolster the competitiveness of its network.

**An optimized model is absolutely necessary to be present in the NRA [REDACTED]**

[REDACTED]

[Company Y]

## [Company Y]

[REDACTED] This provides the new entrant with flexibility and cost-effectiveness while creating the incentives to roll out its own mobile network.

[REDACTED] As a result, the new entrant will be able to invest promptly in the expansion of its own network and to compete with the other MNOs by means of comparable mobile network owner economics. Moreover, the access to all current and future technologies ensures that the new entrant can provide services in competition with the rest of the MNOs.

### (iii) **Optional divestment of sites**

VUK and 3UK are both well-established MNOs in the UK with a large portfolio of sites and related technology. As such, either party will be able to divest some of its sites without materially impacting the service quality and overall commercial viability of the merged entity. Any divestment of sites would accompany the spectrum divestment and the RAN sharing agreement, and would provide the new MNO with the necessary infrastructure in places where the parties already have sufficient combined site assets.

[Company Y] recognises that a substantial part of the merging parties' passive infrastructure is not actually owned by each of the merging parties. Instead third parties, mainly the TowerCos, own and control access to sites, while the merging parties are both part of separate network sharing agreements with the two other MNOs. As the CMA has stated in its Notice<sup>34</sup>, this could increase the complexity of this element of the remedy, which [Company Y] fully appreciates. Therefore, [Company Y] would be open to discuss with the CMA and the parties what would be possible in terms of site divestments, and would also consider a combination of fewer site divestments with a more robust RAN sharing agreement. In any event, [Company Y] believes that a comprehensive RAN sharing agreement could even work without site divestments in case that would turn out to be the most appropriate course of action in light of the complexities behind site ownership and operation.

### (iv) **Optional RAN sharing<sup>35</sup>**

As the spectrum which could be divested to a new entrant MNO is much lower compared with the spectrum of existing operators (while still the spectrum can be reused with a higher rate than existing operators through macro densification and small cells), a RAN sharing agreement between the parties and the remedy-taker could be an important remedy to be implemented on a certain number of sites.

The RAN sharing must be complemented by an NRA, so that the new MNO can take advantage of the spectrum which is divested by the merging parties and ensure an independent development of its own network leading to better quality for customers, more innovation and more competition on the market.

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<sup>34</sup> CMA Notice of Provisional Findings of 13 September 2024, paragraph 23(d).

<sup>35</sup> [Company Y] recognises that there are different types of RAN sharing arrangements (e.g. active vs passive sharing, MORAN, MOCN, etc.). For the purposes of this response [REDACTED].

## [Company Y]

A RAN sharing agreement with established MNOs can significantly reduce the new MNO's investment costs for passive infrastructure and allow for faster deployment of services, enabling the new MNO to quickly begin providing services to consumers. Therefore, through RAN sharing, the new entrant can become competitive more rapidly and deliver a better outcome for end customers in the UK.

[REDACTED]

### **B. How the CMA might determine the appropriate number and location of sites**

The appropriate number and location of sites will be a function of various factors including areas where the merging parties have sufficient combined/overlapping assets, population density and geographic footprints, financial and operational considerations, etc. As noted above, it may not be necessary or possible for the CMA to identify a large number of sites or their locations as the merging parties may no longer own a large number of sites. If this is indeed the case, [REDACTED]

This is also because RAN sharing and an NRA will be more efficient for the deployment of the new MNO in the UK, in combination with a large number of new sites to be added by the new MNO in the future as part of the development of its own network. [REDACTED]

### **C. Whether the Parties can propose the assets and spectrum to be divested, subject to the consent of the CMA**

The negotiation of the spectrum and other assets to be divested should be a three-party process involving the CMA (and Ofcom), the parties and the remedy-taker, in order for the CMA to have a better view as to the precise composition of the divestment package required to create a strong competitor in the market and alleviate the SLC resulting from the Proposed Transaction.

As was the case in the Commission remedy processes in recent years, most notably the 4-to-3 mergers in Spain (2024) and Italy (2016)<sup>36</sup>, the respective structural remedy packages were designed after a series of discussions with the parties and the remedy-takers in those cases, plus public consultations with interested parties and market participants.

As a result, the final remedy packages were significantly more comprehensive than what the merging parties in those cases would have been willing to offer. However, an effective remedy package needs to be viable and acceptable for a new entrant MNO, in order for the market entry strategy to be implemented successfully and in the long term.

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<sup>36</sup> Please see Hutchison 3G Italy/Wind/JV, Case M.7758, and Orange/MásMovil/JV, Case M.10896.

[Company Y]

**D. Whether there are risks that the scope of the divestiture package may be too constrained or not appropriately configured to attract a suitable purchaser or may not allow a purchaser to operate as an effective MNO in the provision of mobile services to retail and wholesale customers in the UK**

It is important to involve interested remedy-takers in the process of formulating the divestiture package in order to minimise the risks that the scope of the divestiture package may be too constrained or not appropriately configured. [COMPANY Y] believes that a process of further consultation should then be initiated, which will allow for an optimal outcome. As already mentioned [REDACTED]

**E. Whether there are risks that a suitable purchaser is not available or that the Parties will divest to a weak or otherwise inappropriate purchaser**

If the divestiture package is designed in the manner outlined above, and building on the experience in recent cases in those EU Member States where a new MNO has successfully entered the markets, there will definitely be a suitable purchaser [REDACTED]

**F. What on-going support the purchaser is likely to require**

Given that RAN sharing and national roaming are services to be provided over the medium-long term, monitoring of the implementation and qualitative operation are required. [REDACTED]

**G. Whether there are risks that the competitive capability of a divestiture package will deteriorate before completion of divestiture**

In the case of spectrum disposal, RAN sharing and national roaming comprising the lion's share of the remedy package, respective assets and services will be subject to specific medium to long-term contracts with the necessary conditions and commitments. [REDACTED]

**H. Whether there are regulatory requirements to be aware of**

[REDACTED]

**3. [REDACTED]**

[Company Y]

[Company Y]

[REDACTED]

[Company Y]

[Company Y]

**4. [REDACTED]**

[REDACTED]

[Company Y]

**[Company Y]**

Sincerely yours,

[COMPANY Y]

Enclosures:

1. Rewheel Report #2: Contrary to CMA's provisional speculative view – the entry of a new 4thMNO – is the only effective remedy for the Vodafone / Three merger.
2. [REDACTED]
3. [REDACTED]

**[Company Y]**