
Three's response to CMA Strategic Market Status Investigations into Apple's and Google's mobile ecosystems

Non-Confidential

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Introduction

As one of the UK's leading Mobile Network Operators (MNOs), Three UK strongly supports the Competition and Market Authority's Strategic Market Status investigations into Apple's and Google's mobile ecosystems. We align with the position presented by Mobile UK and we wish to emphasize several critical points from our perspective in the present response.

Impact on Mobile Network Innovation

As a mobile operator investing heavily in 5G infrastructure, we are particularly concerned about the potential limitations that Apple and Google's market power could impose on network innovation.

Specifically, we identify two areas where Apple and Google market power might hinder consumers and business benefit:

- The development of 5G network slicing capabilities, which represents a significant opportunity for providing tailored services to our customers, that could be severely restricted by platform operators' gatekeeping practices.
- More generally, our ability to deliver future innovative services and maintain network quality that could be compromised by current ecosystem constraints.

With regards to network slicing, this technology is at an early stage of market development, but represents a significant opportunity for consumers and businesses as it allows to:

- Develop tailored services beyond basic internet connectivity
- Create customized applications for specific use cases

Three believes there are significant concerns about how Apple and Google's dominant market power could severely impact the development of 5G network slicing capabilities.

As platform operators controlling the mobile ecosystem, these companies have the ability to impose restrictive standards and technical requirements that could fundamentally limit how mobile network operators implement and utilize network slicing technologies. This control could range from simple technical specifications to

include interface designs, permissions systems, and access to critical operating system functions.

We strongly urge the CMA to adopt a proactive and forward-looking approach in their assessment, particularly considering how platform operators' current market power could significantly impair the development of network slicing capabilities.

Mobile operators will require access to operating system functions and the ability to manage service quality effectively without unnecessary friction, delay, or cost. However, the current ecosystem structure allows platform operators to potentially restrict these capabilities, limiting innovation in areas such as tailored enterprise services, enhanced mobile broadband, and mission-critical communications applications.

To conclude, the gatekeeping practices employed by Apple and Google could significantly stifle innovation in the mobile space, particularly as network slicing remains at a nascent stage of market development. These practices could prevent mobile operators from fully leveraging their network investments, resulting in less innovation and choice of services for businesses and consumers.

Three's recommendations

We believe a number of interventions will mitigate the risk of gatekeeping by Apple and Google and the impact on innovation and consumers / businesses choice.

First and foremost, CMA should ensure fair and open collaboration continues in the development and implementation of technical standards. Mobile should have equal participation in standard-setting processes, resulting in the development of transparent technical specifications that will benefit the entire ecosystem rather than favouring specific platform operators.

Second, mobile operators must be granted equal access to platform capabilities without artificial barriers or unnecessary restrictions. This extends to fair treatment in technical implementations, ensuring that mobile operators can fully utilize their network investments and innovation potential, benefiting consumers and businesses.