

## **Response from third party E to the CMA's invitation to comment on remedies**

The competitor 3PL's view on this transaction remains unchanged, but it wishes to make the following comments on the two proposed remedies put forward by GXO (the "Divestiture Remedy Proposal" and the "3PL Sponsorship Remedy Proposal"), and the CMA's potential third remedy (the divestiture of a broader and/or differently configured standalone business), as set out in the CMA's Invitation to Comment.

### **The Divestiture Remedy Proposal**

A divestiture provides the best way of ensuring that knowledge and experience is retained within a separate business and provides the only certain method of maintaining competition in the grocery sector.

Several existing providers with small amounts of Grocery logistics business but without any large-scale presence would see this as a beneficial acquisition.

This proposed remedy provides certainty unlike the CMA's alternative option of a divestiture of a broader and/or differently configured standalone business.

### **The 3PL Sponsorship Remedy Proposal**

It is hard to assess how this would fundamentally change the competitive landscape for end customers and how it would create a genuine alternative.

Experience in this field is achieved and demonstrated by providing the same or similar services in the sector. It is not clear how the proposed sponsoring remedy could achieve this. All the knowledge and experience would be retained within the remaining providers, and the sponsored provider would not be gaining any direct experience in providing the service.

In addition, unless all end users choose to sponsor the same 3PL there is a risk that the investment would be diluted across multiple providers, nullifying its impact. On the other hand, if they all work together to choose one 3PL this could potentially distort the market; and raises the question of how that 3PL gets selected.

### **The CMA's potential remedy of divestiture of a broader and/or differently configured standalone business**

It is the opinion of the competitor 3PL that the Divestiture Remedy Proposal would be the only certain method to address the CMA's concerns regarding competition.