

Remedies – Is there anything we can do about it?

e.CA meeting

8 May 2015
Brussels

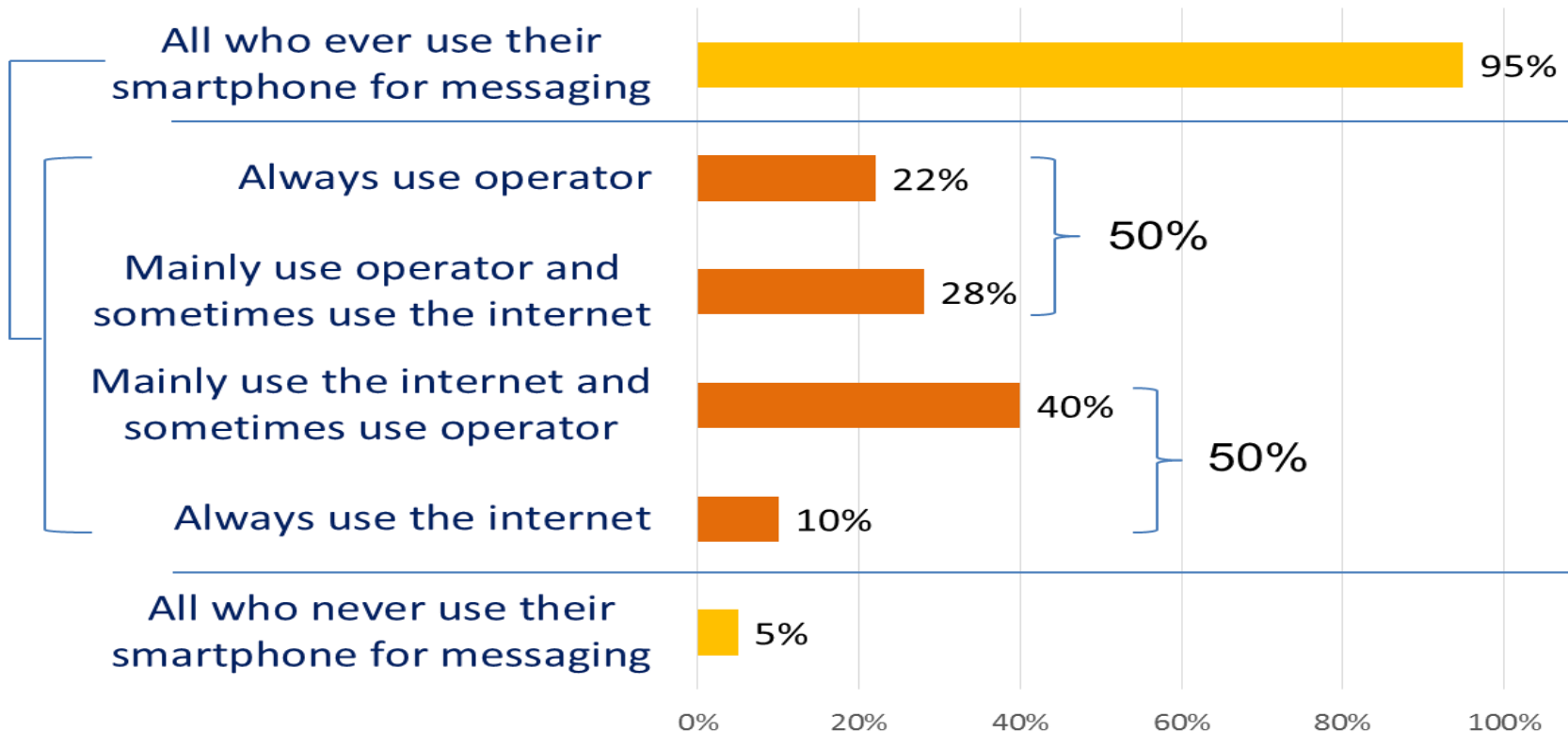
Remedies are only one slice of the pie



1. What is the market?

“In making mobile voice calls or sending messages, which ONE statement best applies to you?”

Messaging



2. Where is the money/value?

- The need to understand multi sided business models and where the value, power and consumer issues are

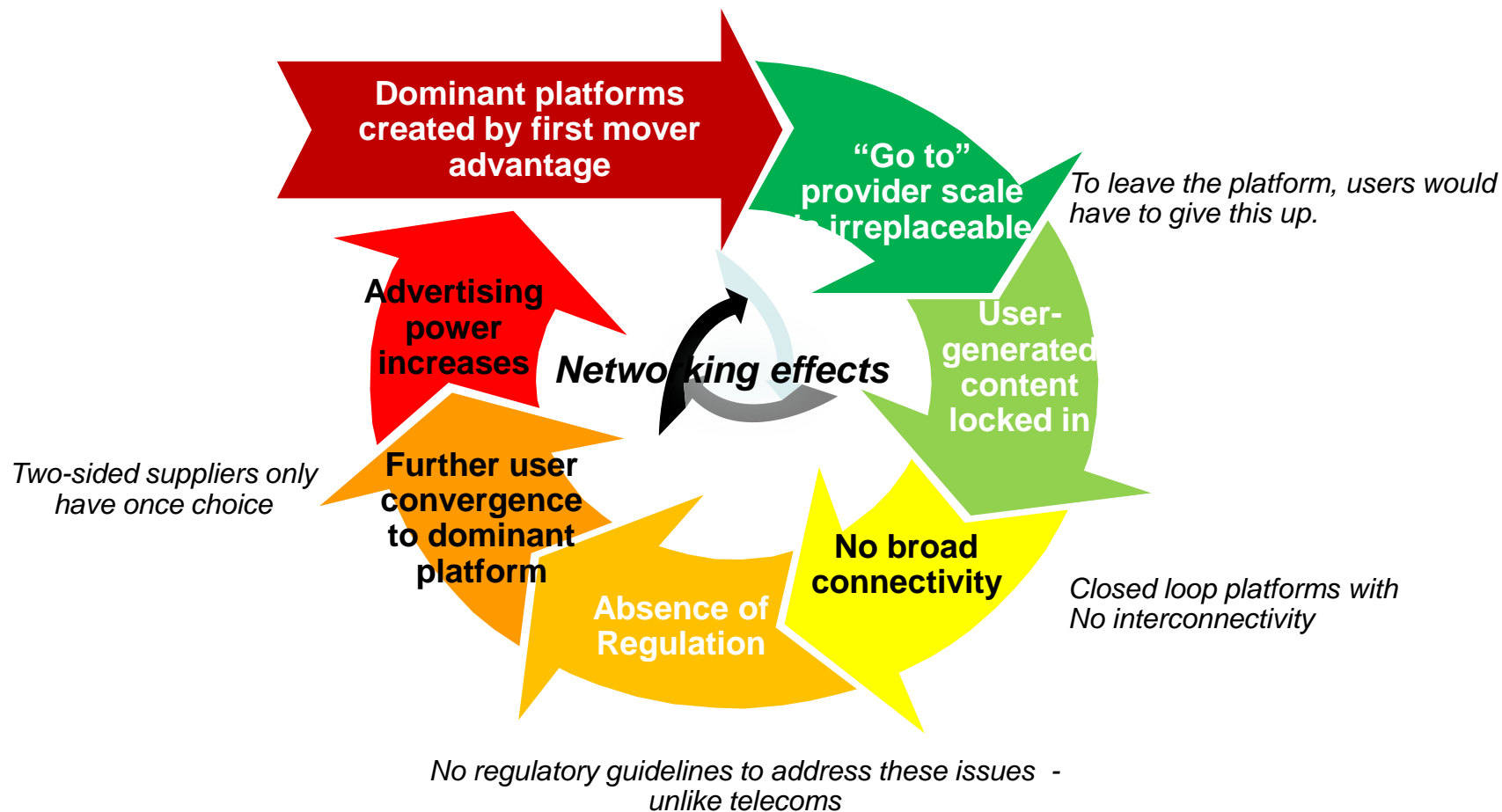


- What do investors value and why? Why is Salesforce worth \$47bn?

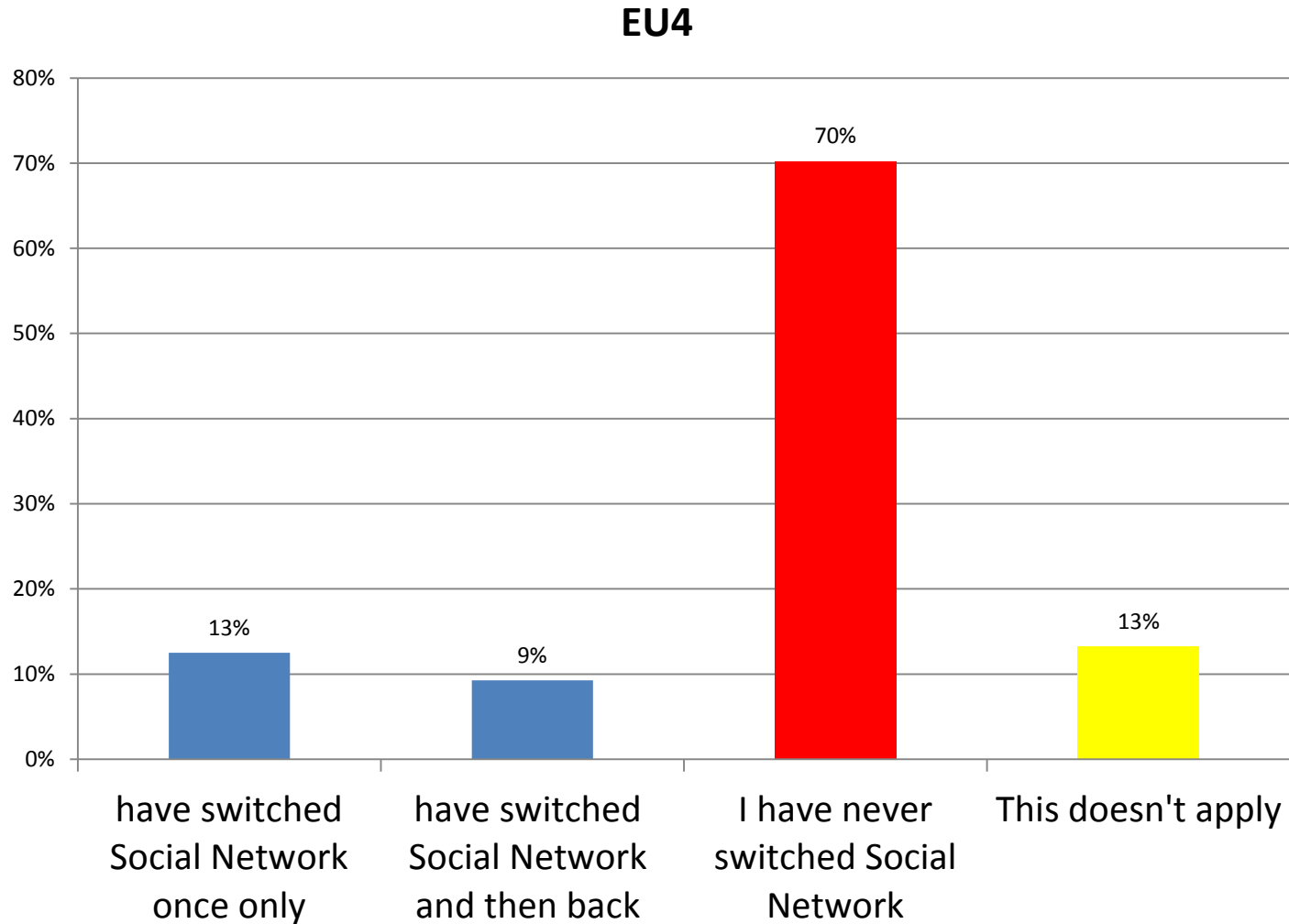
3. What dynamics confer market power?



- Market power always analysed on basis of SSNIP (retail pricing power)
- Today, networking effects and platform lock-in are “power”



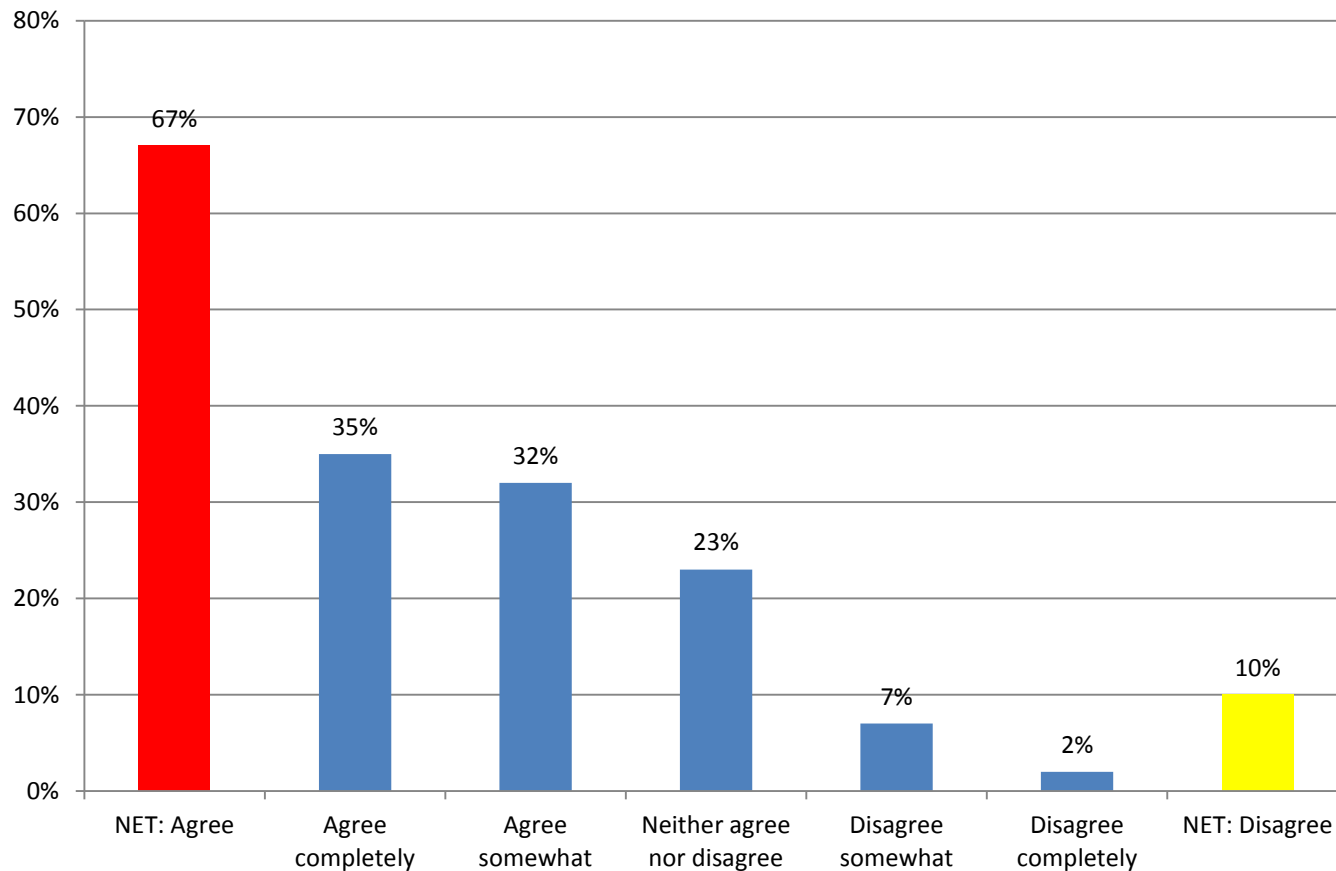
Does interoperability matter?



Does portability matter?



Should be able to port digital assets (photos) to different app



Current telecoms regulation and remedies



Consistent application of Competition law

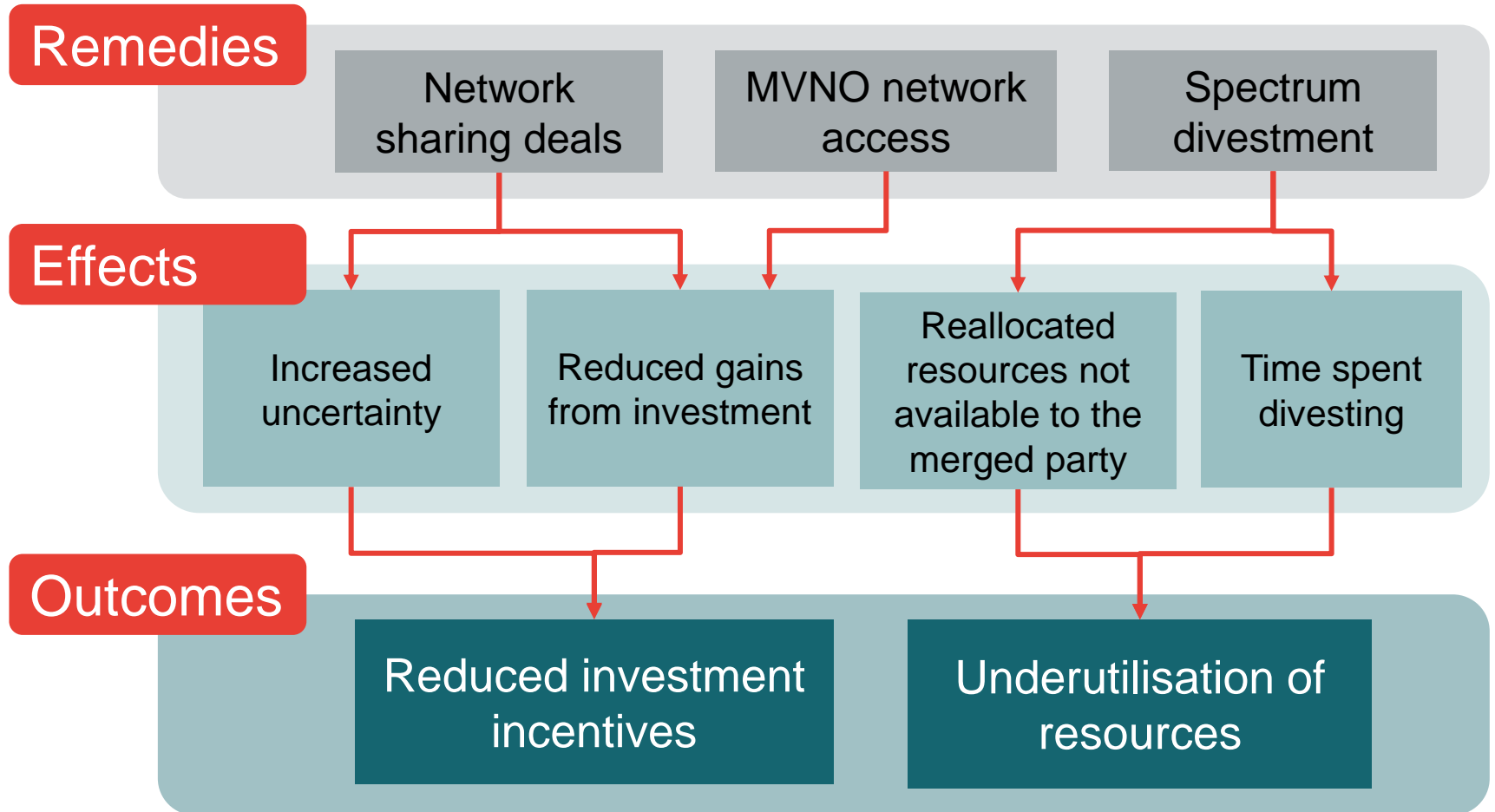


In recent MNO merger cases the Commission identified:

- Incentives to compete aggressively are removed
- Low market share but still had effect in a concentrated market
- Limited ability of MVNOs to provide restraint
- Switching costs remain high (despite interoperability and portability)



Misdirected remedies may undermine the benefits of mergers



Remedies should be informed by a clear understanding of what drives performance

Ideally.....

- No regulation.....



- FT (4 May): The right way to bolster European businesses is not to legislate to disadvantage their rivals. It is to encourage the culture of innovation and entrepreneurship that has produced the US companies that many now fear.



Same service, Same rules

