

ONITELECOM's comments on BEREC Report on Impact of Fixed-Mobile Substitution in Market Definition

10/02/2012

ONITELECOM is a Portuguese alternative operator focusing on the corporate, business, public sector and carriers' market segments. ONITELECOM is the main alternative to the incumbent operator in Portugal in these markets and operates an extensive network already based on next generation technologies.

ONITELECOM welcomes the opportunity to present their views on *BEREC Report on Impact of Fixed-Mobile Substitution in Market Definition*.

As an operator focused on non-residential markets, ONITELECOM regrets that those markets are not adequately addressed in this report. In fact, Fixed-Mobile Substitution (FMS) is very important in corporate retail markets, where large clients usually seek integrated fixed-mobile solutions. This puts purely fixed operators at a disadvantage compared to integrated operators. Therefore, FMS in non-residential markets can create adverse competitive conditions, where only those operators capable of providing both fixed and mobile solutions can survive.

This problem is compounded in those countries where MVNO offers specifically adapted to the requirements of corporate markets are not available. In such cases, purely fixed operators are incapable of complementing their fixed offers with mobile services supported on a virtual operation.

ONITELECOM believes that a market analysis finding FMS in the corporate retail markets, where only integrated operators are able to provide solutions to the end users, should lead to the imposition of regulated MVNO offers adapted to the requirements of the said corporate retail markets. Otherwise, competition will be severely limited and only integrated operators will be able to survive.

Considering this, ONITELECOM suggests that BEREC complement the report with a discussion of FMS in corporate retail markets and its impact in market definition and regulation. ONITELECOM also urges BEREC to analyse this subject further in a future specific report.