



OFCOM'S FURTHER CONSULTATION ON THE BUSINESS CONNECTIVITY MARKET REVIEW ("BCMR")

RESPONSE BY BSKYB ("SKY")

1. Ofcom is consulting further on certain aspects of the BCMR including on the status of competition in Multiple Interface Symmetric Broadband Origination ("MISBO") outside of the West, East and Central London Area ("WECLA"). This is in light of BT's response to the first BCMR consultation where it argued that competition was greater than originally proposed by Ofcom.
2. Specifically, in relation to whether BT has significant market power ("SMP") in MISBO outside of WECLA, BT asserts that competition is more intense than portrayed by Ofcom because there is significant self-supply of dark fibre by communications providers ("CPs") in order to offer complex, high bandwidth, multisite networking solutions to businesses and that those businesses deliberately site their premises close to CPs' fibre networks.
3. However, as stated in Sky previous BCMR response¹, the nature of competition in the delivery of high bandwidth networks to businesses has little or no bearing on the strength of competition in the delivery of LLU backhaul. Sky identified that it will become increasingly reliant upon higher bandwidth backhaul circuits (including those delivered via MISBO) over the period relevant for this market review as a result of increasing broadband usage by subscribers and continuing growth in its subscriber volumes.
4. Therefore, while an assessment of current MISBO market volumes and shares today may be dominated by business networking solutions, this would not be a useful indicator of the strength of BT's market power in the provision of LLU backhaul over the relevant period of the market review – not least because LLU backhaul demand is often concentrated away from those geographic areas where high bandwidth business networking solutions are deployed.

¹ §6-§12, *Ofcom Business Connectivity Market Review ("BCMR") and Leased Line Charge Control ("LLCC") consultations – Response by BSKyB ("Sky")*, October 2012. <http://stakeholders.ofcom.org.uk/binaries/consultations/lcc-2012/responses/Sky.pdf>

5. Sky argues that BT's uniquely ubiquitous network means that it is the only viable supplier of LLU backhaul on many routes. Coupled with the prospective demand for higher bandwidth LLU backhaul, it is appropriate to conclude that BT has significant market power in MISBO outside of WECLA.
6. BT's new assertion does nothing to alter this point.

Sky

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