

CMA consults on market investigation into emergency services' mobile radio network

The move follows concerns expressed about the impact of the dual role of Motorola as the owner of the company providing the current mobile radio network (Airwave Solutions) and as a key supplier in the roll-out of the planned new 'Emergency Services Network' (ESN).

The Government, the National Audit Office and the Public Accounts Committee have expressed concerns regarding Motorola's position and incentives to deliver ESN, given the continuing high profitability of the Airwave network. The Competition and Markets Authority (CMA) is particularly concerned that Motorola could stand to make excess profits of about £1.2 billion in the period from 2020 to 2026 – a cost which will ultimately fall to the British taxpayer. This issue has arisen because the planned replacement of the Airwave network with ESN has been delayed from 2019 to the end of 2026.

The CMA's initial review of the evidence available indicates that the supply of the Airwave network in Great Britain is not working well, resulting in significant detriment to customers and the taxpayer. Given the nature and significance of the issues the CMA has identified, it has reached the initial view that further investigation is needed.

Andrea Coscelli, Chief Executive of the CMA, said:

"At the moment, Motorola is the only provider of critical mobile radio network services used by our emergency service workers and is involved in both the current and future set-up. We're worried that the company could be cashing in on its position, while taxpayers are left to foot the bill.

"The CMA is minded to launch a market investigation to dig deeper into its concerns and will now consult with a range of stakeholders, including the Government, on its plans."

Motorola gained its dual role by purchasing Airwave in February 2016, two months after it had entered into a contract with the Government to provide software for ESN, intended to replace Airwave. The merger was cleared by the CMA, in part because of the expectation of the Government that the Airwave network would be shut down by 2019.

While the probe is still in early stages, the CMA has identified two potential solutions in its consultation that may, in principle, be available should a market investigation confirm its initial concerns: regulate Motorola's rate of return in relation to the Airwave network or require Motorola to sell the Airwave network.

The CMA is required to consult before making a market investigation

reference. Following its consultation, which is open until 2 September 2021, the CMA will decide whether to launch a market investigation.

For more information, visit the [consultation page](#).