

***Case No COMP/M.1951 -  
BT / JAPAN TELECOM /  
VODAFONE  
AIRTOUCH / JV***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 01/09/2000

*Also available in the CELEX database  
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.9.2000

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying parties

**Dear Sirs,**

**Subject: Case No Comp/M. 1951 – BT/JAPAN TELECOM/VODAFONE AIRTOUCH-JV**

Notification of 31.7.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 31.7.2000 the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) N° 4064/89 by which the undertakings British Telecommunications Plc (“BT”), Japan Telecom Co., Ltd. (“JT”) and Vodafone AirTouch Plc (“Vodafone”) within the meaning of Article 3(2) will set up a joint venture company. The new joint venture, J-Phone Communications Co., Ltd. (“J-Phone”) has been awarded a license for the exploitation of the third generation UMTS<sup>1</sup> mobile telecommunications in Japan.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

**I. THE PARTIES AND THE OPERATION**

3. The principal activity of British Telecommunications Plc (“BT”) is the supply of telecommunications services and equipment. Its main services and products are local and long-distance telephone calls in the United Kingdom, the provision of telephone exchange lines to homes and businesses, international telephone calls made from and to

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<sup>1</sup> Universal Mobile Telephony Service

the United Kingdom and the supply of telecommunications equipment for customer's premises.

4. Vodafone Airtouch Plc ("Vodafone Airtouch") is a United Kingdom based company involved in the operation of mobile telecommunications networks and the provision of related telecommunications services.
5. Japan Telecom is a Japanese telecommunications operator, providing a broad range of international and domestic voice and data communications services, including leased lines, digital data-transmission services, mobile communications, Internet and cable TV.
6. BT, Vodafone Airtouch and Japan Telecom entered into an agreement intending to give BT, Japan Telecom and Vodafone Airtouch, via the newly created J-Phone Communications Co. Ltd. ("J-Phone"), a controlling interest in, each of nine digital mobile companies ("J-Phone companies") in Japan. Each of the nine J-Phone companies have applied for one of the three national 3G mobile licences. The licences were awarded on 30.6.2000.
7. BT, Vodafone Airtouch and Japan Telecom will jointly control the joint venture. The unanimous consent of BT, Japan Telecom and Vodafone Airtouch is required for, amongst other things, approval, adoption or amendment of each J-Phone Company's business plan prior to the plan's approval. The joint venture will perform on a lasting basis all the functions of an autonomous economic entity.

### **III. COMMUNITY DIMENSION**

8. The combined aggregate world-wide turnover of the undertakings concerned exceeds EURO 5 000 million (EURO [...] for BT, EURO 12,282 million for Vodafone Airtouch and EURO 2,967 million for Japan Telecom). BT and Vodafone Airtouch have a Community-wide turnover in excess of EURO 250 million (EURO [...] for BT, EURO [...] for Vodafone Airtouch). Bt and Vodafone Airtouch do not achieve more than two thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation has therefore a Community dimension in accordance with Article 1(2) of the Merger Regulation, but does not constitute a co-operation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

### **III. COMPETITIVE ASSESSMENT**

#### **A. Relevant markets**

9. The envisaged concentration concerns the mobile telecommunications business in Japan. It is not necessary to further delineate the relevant product and geographic markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### **B. Assessment**

10. The joint venture will only be active in the mobile telecommunications business in Japan. The joint venture will not have other activities nor it will be active outside Japan. There are no affected markets at the EEA, Community or national level in relation to the concentration. Consequently, the proposed concentration does not create or strengthen a

dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

#### **IV. CONCLUSION**

11. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission