



DETERMINATION OF MERGER NOTIFICATION

M/22/040 – Q-Park / Tazbell Services

15 August 2023



Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

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1. INTRODUCTION

Introduction

1.1 On 5 August 2022, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a merger notification form (the “Merger Notification Form”) concerning a proposed transaction whereby Q-Park Ireland Limited (“Q-Park”) would acquire sole control of Tazbell Services Group DAC (“Tazbell”),¹ Sarlon Limited (“Sarlon”) and Maukin Limited (“Maukin”) (the “Proposed Transaction”). Q-Park and Tazbell are the parties to the Proposed Transaction (the “Parties”).

The Proposed Transaction

1.2 The Proposed Transaction is to be implemented pursuant to a share purchase agreement dated 25 July 2022, between: (i) the vendors of Tazbell, Sarlon, and Maukin;² (ii) [REDACTED]; and (iii) Q-Park (the “SPA”). Under the terms of the SPA, Q-Park will acquire the entire issued share capital, and thus sole control of, Tazbell. The Merger Notification Form states that immediately following the Proposed Transaction, Sarlon and Maukin, which are holding companies for shares in Tazbell, will be dissolved.³

The Undertakings Involved

The Acquirer – Q-Park

1.3 Q-Park is member of a group of companies whose parent company is Q-Park Holding BV (together the “Q-Park Group”).⁴ The Q-Park Group is active in various locations in Ireland, the Netherlands, Belgium, Germany, the United Kingdom,

¹ Tazbell’s subsidiaries are Tazbell Limited; Park Rite Limited; Dublin Street Parking Services Limited; Tazbell Group Limited; Amber Ventures Limited; and Tazbell Holdings Unlimited Company (in liquidation).

² [REDACTED]

³ See Merger Notification Form, paragraph 1.1.

⁴ See Merger Notification Form, paragraph 1.1.

France and Denmark. The Q-Park Group is ultimately controlled by KKR & Co. Inc (“KKR”), a global investment firm.

- 1.4 Q-Park is a private company limited by shares registered in the State under company number 363276. Q-Park is active in the provision of off-street car parking management services in the State. Q-Park currently operates 17 car parking facilities [REDACTED] of which it owns) located in counties Cork, Dublin, Galway, Limerick and Wicklow. Q-Park has a total of 6,893 spaces under its management in the State.
- 1.5 For the financial year ending 31 December 2021, KKR’s total worldwide turnover was approximately [REDACTED], of which approximately [REDACTED] was generated in the State. The Q-Park Group’s total worldwide turnover was approximately [REDACTED], of which [REDACTED] was generated in the State.⁵

The Target – Tazbell

- 1.6 Tazbell and its subsidiaries, including *Park Rite Limited*,⁶ provide off-street car parking management services, on-street parking enforcement services on behalf of local authorities, toll operations services and parking consulting services to customers in the State.⁷
- 1.7 Tazbell provides on-street parking enforcement services and related customer services (including correspondence, payment management appeals and complaint management) to Dublin City Council, via its wholly-owned direct subsidiary Dublin Street Parking Services Limited.
- 1.8 Tazbell provides consulting services for the feasibility and planning phases of parking projects and in respect of the investment and renewal of car parks.⁸
- 1.9 Tazbell is active in the provision of car park management services in counties Dublin, Galway, Limerick, Kilkenny and Offaly.

⁵ See Annex 5 to the Merger Notification Form.

⁶ *Park Rite Limited* (“Park Rite”), CRO number 25942.

⁷ See Merger Notification Form, paragraphs 1.1 and 3.3.

⁸ See Merger Notification Form, paragraph 3.3.

- 1.10 Tazbell provides toll operation services on the M3 and M4 toll-roads via its subsidiary Tazbell Limited, trading as *Toll Collection Services*.
- 1.11 Tazbell currently operates 24 car parks in various locations across the State, one of which Tazbell owns. Tazbell has a total of 12,352 spaces under its management.
- 1.12 For the financial year ending 31 December 2020, Tazbell's total worldwide turnover was approximately [REDACTED], all of which was generated in the State.⁹

Rationale for the Proposed Transaction

- 1.13 The Parties stated the following in the Merger Notification Form, in relation to the rationale for the Proposed Transaction:

[REDACTED]
[REDACTED]
[REDACTED].¹⁰

- 1.14 On 23 May 2023, Tazbell furnished to the Commission a confidential note on behalf of [REDACTED], stating that one of the reasons for selling the business was due to [REDACTED]
[REDACTED].¹¹

Preliminary Investigation ("Phase 1")

Contact with the undertakings involved

- 1.15 On 14 September 2022, the Commission served a Requirement for Further Information ("RFI") on each of Q-Park and Tazbell pursuant to section 20(2) of the Act (each a "Phase 1 RFI" and together, the "Phase 1 RFIs"). The service of the Phase 1 RFIs adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.
- 1.16 Upon receipt of a full response to each of the Phase 1 RFIs (the "Q-Park Phase 1 RFI Response", the "Tazbell Phase 1 RFI Response", together the "Phase 1 RFI

⁹ See Annex 6 to the Merger Notification Form.

¹⁰ See Merger Notification Form, paragraph 1.1.

¹¹ See [REDACTED] email to CCPC, dated 23 May 2023.

Responses”), the “*appropriate date*” (as defined in section 19(6)(b)(i) of the Act) became 9 November 2022.¹²

- 1.17 During the Phase 1 investigation, the Commission requested and received, on an ongoing basis, further information and clarifications from the Parties.

Third Party Submissions

- 1.18 During the Phase 1 investigation, the Commission received a submission from [REDACTED]¹³ (the “[REDACTED] Submission”) in relation to the Proposed Transaction. The Commission engaged with this third party to fully understand and obtain clarity around its submission. The submission was fully considered by the Commission insofar as it related to potential competition concerns arising from the Proposed Transaction.

Market Enquiries

- 1.19 The Commission conducted a number of market enquiries during the Phase 1 investigation and engaged with third parties (the “Third Parties”) in relation to its assessment of the competitive effects of the Proposed Transaction.
- 1.20 During the Phase 1 investigation, the Commission issued a Third Party questionnaire to 8 competitors (the “Third Party Questionnaire”) and held calls with Third Parties. Such stakeholders included:
- (a) Providers of car parking management services;¹⁴
 - (b) Dublin City Council (“DCC”);
 - (c) Egis Projects;¹⁵

¹² The “*appropriate date*” is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.

¹³ [REDACTED] (“[REDACTED]”), CRO number [REDACTED].

¹⁴ [REDACTED]; Best Car Park Limited (“*Best Car Parks*”), CRO number 533234; Bidvest Noonan (ROI) Limited (“*Bidvest Noonan*”), CRO number 459859; Car Park Services Limited (“*Car Park Services*”), CRO number NI019831; Go Park management Company Limited (“*CityPark*”), CRO number 636774; Euro Car Parks (Ireland) Limited (“*Euro Car Parks*”), CRO number 297908; IPáirc Limited (“*Ipáirc*”), CRO number 564061; RFC Security Limited (“*RFC Security*”), CRO number 478370.

¹⁵ Egis Ireland Limited (“*Egis Projects*”), CRO number 393672.

- (d) Ceancullig Investments Limited;¹⁶
- (e) The Office of Government Procurement (“OGP”);
- (f) Bannon Commercial Property Consultants Limited;¹⁷ and
- (g) University Hospital Galway (“UHG”).

1.21 The Commission engaged further with some of these Third Parties, where appropriate, to seek clarification or further explore issues raised in their responses to the Third Party Questionnaires.

The Phase 1 Investigation

1.22 Having considered all the available information in its possession at the time, the Commission was unable to form the view, at the conclusion of its Phase 1 investigation, that the result of the Proposed Transaction would not be to substantially lessen competition in any market for goods or services in the State.

1.23 On 19 December 2022, the Commission determined, in accordance with section 21(2)(b) of the Act, to carry out a full investigation under section 22 of the Act.

Full Investigation (“Phase 2”)

Third Party Submissions

1.24 During the Phase 2 investigation, the Commission received a submission from a Third Party in relation to the Proposed Transaction.¹⁸ The Commission engaged with this Third Party to discuss its submission in greater detail. The submission was fully considered by the Commission insofar as it related to potential competition concerns arising from the Proposed Transaction.

Market Enquiries

¹⁶ Ceancullig Investments Limited (“Ceancullig”), CRO number 260661.

¹⁷ Bannon Commercial Property Consultants Limited (“Bannon”), CRO number 384639.

¹⁸ The owner of the Fleet Street car park (“Fleet Street Car Park Owner”).

1.25 During the Phase 2 investigation, the Commission continued the process initiated during the Phase 1 investigation of seeking the views of, and engaging with, Third Parties in relation to the potential competitive effects of the Proposed Transaction.

1.26 Such Third Parties included:

- (a) Car parking management providers;¹⁹
- (b) Corporate customers (the “Corporate Customers”);²⁰
- (c) Car park owners (the “Car Park Owners”);²¹
- (d) Local authorities;²²
- (e) International Competition Commissions;²³ and
- (f) Car park customers, via a consumer survey (the “Consumer Survey”).

1.27 With respect to the Consumer Survey, the Commission engaged IPSOS to conduct a survey to explore private vehicle owners’ usage of car parking.²⁴ The Consumer Survey was conducted over several days at some of the Parties’ car parks in Dublin city and Galway city in March 2023, and asked off-street car park customers 12 questions.²⁵ These questions related to a respondent’s reason for travel, duration

¹⁹ [REDACTED]; Best Car Parks; Bidvest Noonan; CityPark; Euro Car Park; IPáirc.

²⁰ [REDACTED] (“[REDACTED]”), CRO number [REDACTED]; [REDACTED] (“[REDACTED]”), CRO number [REDACTED]; [REDACTED] (“[REDACTED]”), CRO number [REDACTED]; [REDACTED] (“[REDACTED]”), CRO number [REDACTED]; [REDACTED] (“[REDACTED]”), CRO number [REDACTED]; [REDACTED] (“[REDACTED]”), CRO number [REDACTED] (the “Corporate Customers”).

²¹ The owner of the Q-Park’s Grand Canal car park, [REDACTED], CRO number [REDACTED] (“Grand Canal Car Park Owner”); Fleet Street Car Park Owner; the owner of the Connolly Station car park, Irish Rail (“Connolly Station Car Park Owner”); the owner of Euro Car Parks the Point Square car park (“Point Car Park Owner”); the owner of the Tazbell Parnell car park, the Jervis Street car park and the [REDACTED] (“Parnell Car Park Owner”; “Jervis Street Car Park Owner”; and “Christchurch Car Park Owner”, together the “Parnell, Jervis Street and Christchurch Car Parks Owner”); the owner of the Tazbell Smithfield Market car park, Rocca Ventures Limited, CRO number 606886 (“Smithfield Market Car Park Owner”); the owner of the Euro Car Parks Convention Centre Dublin car park, Spencer Dock Convention Centre Dublin Designated Activity Company, CRO number 376279 (“Convention Centre Dublin Car Park Owner”); the owner of the Grafton car park and the Thomas Street car park, The Keoghan Partnership (“Grafton Car Park Owner and Thomas Street Car Park Owner”, together the “Grafton and Thomas Street Car Park Owner”); the owner of the Trinity Street car park (“Trinity Street Car Park Owner”); and the owner of Q-Park’s the Ushers Quay car park (“Ushers Quay Car Park Owner”).

²² DCC; Galway City Council (“GCC”).

²³ Commerce Commission New Zealand (the “New Zealand NCA”); Competition and Markets Authority (the “CMA”); the European Commission (the “EC”).

²⁴ See Consumer Survey.

²⁵ Depending on a respondents’ answer to Question 8 and 10, a total of 14 questions may have been asked.

(or expected duration) of stay in the off-street car park, how they paid, and how they would react in the event of car-park closure or price increase.

- 1.28 During the Phase 2 investigation, the Commission contacted 11 of the Parties' competitors in relation to the Proposed Transaction (the "Competitor Calls"). The Commission received responses from 5 of the competitors. The Commission contacted 14 Car Park Owners in relation to the Proposed Transaction (the "Car Park Owner Calls"). The Commission received responses from 10 Car Park Owners. The Commission contacted 40 Corporate Customers of the Parties in relation to the Proposed Transaction (the "Corporate Customer Calls"). The Commission received responses from 15 of the Corporate Customers.

Contact with the Undertakings Involved

- 1.29 During the Phase 2 investigation, the Commission requested and received, on an ongoing basis, further information and clarifications from the Parties.
- 1.30 On 10 January 2023, the Commission served a Requirement for Further Information on each of Q-Park and Tazbell pursuant to section 20(2) and 22(4A) of the Act (each a "First Phase 2 RFI"). The issuance of each First Phase 2 RFI had the effect of adjusting the deadline by which the Commission was required to issue its assessment of the Proposed Transaction in Phase 2.
- 1.31 On 30 January 2023, the Commission served an additional Requirement for Further Information on each of Q-Park and Tazbell pursuant to section 20(2) and 22(4A) of the Act (each a "Second Phase 2 RFI"). The issuance of each Second Phase 2 RFI had the effect of adjusting the deadline by which the Commission was required to issue its assessment of the Proposed Transaction in Phase 2.
- 1.32 On 24 February 2023, the Commission served an additional Requirement for Further Information on each of Q-Park and Tazbell pursuant to section 20(2) of the Act (each a "Third Phase 2 RFI").²⁶

²⁶ In this Assessment, the First Phase 2 RFI, the Second Phase 2 RFI, and the Third Phase 2 RFI are collectively referred to as the "Phase 2 RFIs".

- 1.33 Q-Park provided a full response to the First Phase 2 RFI on 3 February 2023 (the “Q-Park Response to the First Phase 2 RFI”). Q-Park provided a partial response to the Second Phase 2 RFI on 1 March 2023 (the “Q-Park Response to the Second Phase 2 RFI”), with a full revised response to the Second Phase 2 RFI provided on 31 March 2023. Q-Park provided a full response to the Third Phase 2 RFI on 1 March 2023 (the “Q-Park Response to the Third Phase 2 RFI”).
- 1.34 Tazbell provided a full response to the First Phase 2 RFI on 6 March 2023 (the “Tazbell Response to the First Phase 2 RFI”). Tazbell provided a partial response to the Second Phase 2 RFI on 16 March 2023 (the “Tazbell Response to the Second Phase 2 RFI”), with a full revised response provided on 6 April 2023. Tazbell provided a full response to the Third Phase 2 RFI on 2 March 2023 (the “Tazbell Response to the Third Phase 2 RFI”).
- 1.35 The Commission facilitated several presentations by the Parties during the Phase 2 Investigation, and organised various meetings including site visits with the Parties to their three car parks in Dublin and their two car parks in Galway. The Parties made further informal submissions during Phase 2.
- 1.36 The Commission issued its Assessment to the Parties on 25 May 2023 in accordance with its Merger and Acquisitions Procedures.²⁷
- 1.37 The Parties requested access to the Commission’s file. In accordance with the Commission’s procedures,²⁸ parties to whom an Assessment has been addressed are to be given access to the Commission’s file upon request, during the 15 working day period following their receipt of the Commission’s Assessment. The Commission provided the Parties with all of the Parties’ documents and all of the third-party documents included in the file on 29 May 2023. Access to the file was therefore granted during the 15 working day period.²⁹

²⁷ See the Commission’s “Mergers and Acquisitions Procedures”, dated 31 October 2014 and in particular paragraph 3.8.

²⁸ See the Commission’s “Access to the File in Merger Cases”, dated 31 October 2014, Article 5.1.

²⁹ Q-Park requested access to Third Party documents on 23 September 2022. Tazbell requested access to Third Party documents on 22 September 2022.

- 1.38 The Parties made separate written submissions in response to the Commission's Assessment (together the "Written Responses") on 19 June 2023. The Q-Park Written Response included an economics report titled *"Report to the Competition and Consumer Protection Commission on proposed acquisition by Q-Park of Tazbell"* by AlixPartners ("AlixPartners Report") and a confidential submission on [REDACTED] (the "Q-Park Written Response"). Tazbell Written Response included an economics report titled *"Downstream Product Market Definition in CCPC's Assessment of Merger M-22-040: Serious Errors in Theory (Capacity Constraint) and Practice (Critical Loss/SSNIP Test)"* by Francis O'Toole (the "Second Francis O'Toole Report") (the "Tazbell Written Response").
- 1.39 The Parties made separate oral submissions (the "Q-Park Oral Response" and the "Tazbell Oral Response") (together the "Oral Responses") to the Commission Members on 30 June 2023. Q-Park made a confidential Oral Response on [REDACTED] Tazbell made a confidential Oral Response on [REDACTED] and [REDACTED].
- 1.40 Following the Written Responses and Oral Responses, the Commission undertook additional market enquiries to address several points raised by the Parties in their Written Responses and Oral Responses.

Information Sources Relied Upon

- 1.41 In forming its conclusions on the Proposed Transaction, as set out in this determination (the "Determination"), the Commission has considered all the relevant information available to it at the time of making the Determination, including information provided by the Parties in response to the Commission's RFIs and information requests, , the Written Responses, the Oral Responses, information obtained from Third Parties, and other information available in the public domain.
- 1.42 During the Phase 2 investigation, the Commission also sought expert economic advice and analysis from Dr Christian Koboldt of DotEcon Ltd. Dr Koboldt's advice is incorporated into the Commission's analysis of the Proposed Transaction and, although the Commission benefitted from his expert advice, the Commission alone is responsible for the views expressed in this Determination.

Phase 2 Proposals

- 1.43 On 19 June 2023, Q-Park submitted draft proposals to the Commission. The submission of these draft proposals extended the deadline within which the Commission was required to make its determination of the Proposed Transaction in Phase 2. The extension added 15 working days to the Phase 2 period, bringing the review period to a total of 135 working days, in accordance with section 22(4B) of the Act.
- 1.44 Q-Park also included [REDACTED].
- 1.45 On 13 July 2023, following the Commission’s feedback to Q-Park that proposals which are behavioural in nature would not be likely to ameliorate any structural effects of the Proposed Transaction, Q-Park submitted revised draft proposals to the Commission. Over the period from the 21 July 2023 to 24 July 2023, the Commission market tested some of the measures contained in these draft proposals. This market testing is discussed in further detail in paragraphs 6.311-6.333 and 6.701-6.712 of this determination.
- 1.46 The Commission engaged further with Q-Park and its advisors concerning these draft proposals.
- 1.47 Following this engagement, on 14 August 2023, Q-Park submitted to the Commission final proposals under section 20(3) of the Act (the “Proposals”) with a view to the Proposals becoming binding on Q-Park if the Commission takes the Proposals into account and states in writing that the Proposals form the basis or part of the basis of its determination under section 22 of the Act in relation to the Proposed Transaction. The Proposals are appended to this determination.

Overview of the Legislative Framework and Relevant Case Law / Guidelines

Introduction

- 1.48 The legislative framework within which the Commission conducts its review of mergers notified pursuant to section 18 of the Act is set out below and includes a

summary of relevant guidelines published by the Commission and relevant case law. All statutory references in this section are to the Act, unless otherwise stated.

Legislative Framework

- 1.49 When a merger or acquisition within the meaning of section 16 is notified to the Commission pursuant to section 18 (the “Notified Transaction”) the Commission is required to assess the impact that the Notified Transaction will have on competition in the State, pursuant to section 20. The applicable legal test at that stage is set out in section 20(1)(c) which provides that the Commission:

“shall form a view as to whether the result of the merger or acquisition would be to substantially lessen competition in markets for goods or services in the State.”³⁰

- 1.50 Following notification, the Commission has 30 working days after the appropriate date within which to decide whether it can clear a Notified Transaction without having to carry out a full investigation under section 22, known as a “Phase 2 Investigation”.³¹ This decision is taken on the basis of the evidence available to it, including the submissions of the parties to the Notified Transaction and third parties.³² A Phase 2 Investigation is opened under section 22³³ if the Commission has been unable, on the basis of the information before it, to form the view that the result of the Notified Transaction will not be to substantially lessen competition in markets for goods or services in the State.

- 1.51 Where the Commission has initiated a Phase 2 Investigation, it must make a determination within 120 working days of the appropriate date.³⁴ Upon

³⁰ In Q-Park Oral Response (page 29), Q-Park argue that in the Assessment, the Commission erroneously applied the test set out in section 20(1)(c), stating that the Commission considered the Proposed Transaction by assessing “*whether an SLC is likely*”. However, paragraphs 1.50-1.69 of this determination will clearly lay out how the Commission applies section 20(1)(c) in its analysis of the Proposed Transaction, with reference to relevant case law and the Commission’s Guidelines on Merger Analysis.

³¹ The appropriate date may be reset pursuant to section 19(6)(b); and it may be extended pursuant to section 21(4).

³² See section 21(2)(a) of the Act and paragraph 2.11 of the Guidelines for Merger Analysis, adopted by the Commission on 31 October 2014 (the “Commission’s Merger Guidelines”).

³³ See section 21(2)(b) of the Act and paragraph 3.1 of the Mergers Guidelines.

³⁴ The term “appropriate date” is defined in section 19 of the Act. Section 22(4A) of the Act suspends the 120 working day timeframe referred to in section 22 where the Commission has issued a requirement to provide information pursuant to section 20(2) of the Act. Section 22(4B) provides that the Commission shall furnish a copy of the written determination to the notifying parties within 135 working days after the appropriate date where the notifying parties submit proposals to the Commission in accordance with section 20(3) of the Act.

completion of a Phase 2 Investigation, the Commission must make a determination that the merger may be:

“(a) put into effect;

(b) may not be put into effect; or

(c) may be put into effect subject to conditions specified by it being complied with,

on the ground that the result of the merger or acquisition will or will not, as the case may be, be to substantially lessen competition in markets for goods or services in the State, or, as appropriate, will not be to substantially lessen such competition if conditions so specified are complied with.” (emphasis added)

The Commission’s approach to the SLC test

1.52 Under the Act, the Oireachtas has entrusted to the Commission the task of investigating competition issues raised by Notified Transactions. The Act imposes on the Commission a duty to act but has set the terms upon which the Commission must act in such a way as to afford the Commission a wide latitude in its assessment of the competition issues upon which it is required to report as well as in relation to the remedial decisions it must take.

1.53 Each stage in the Commission’s decision-making process (i.e., whether there is a merger or acquisition within the meaning of section 16; whether the merger will or will not result in a substantial lessening of competition (“SLC”) under section 22(3); and what remedies will ameliorate any effects of the merger on competition in markets for goods or services under section 20) necessarily involves a predictive exercise and involves an important element of judgement. Thus, in carrying out its duties to assess whether there is a merger, to identify any SLC and to remedy it, the Commission has a wide margin of appreciation which is recognised both in the Irish and EU courts.³⁵

³⁵ See paragraph 5.18 of *Rye Investments*, cited above and Case T-5/02 *Tetra Laval v Commission*, upheld on appeal by the Court of Justice in Case C-12/03P *Commission v Tetra Laval*.

1.54 In this regard, the Commission refers to the judgment of Cooke J in *Rye Investments Ltd. v Competition Authority* who held:

“in a case such as the present, where primary findings of fact have not been put in issue, the Court considers that a determination by the Authority that a merger or acquisition will result in a substantial lessening of competition ought not to be set aside by this Court unless: -

(a) The Authority is shown to have committed a serious error in drawing inferences or conclusions from facts, such that the inferences or conclusions become untenable or unsound by reason of the error having been made; or

(b) It is demonstrated that the Authority has failed to take into consideration or adequately to consider, relevant information or data such that an inference or conclusion material to the determination is unsupported by or is rendered inconsistent with the clear force and effect of the available evidence taken as a whole; or

(c) A significant appraisal of economic or technical factors material to the functioning of competition in the relevant market is shown to be so inconsistent with the available evidence as to be manifestly unreasonable and unsound; or

(d) The Authority’s statement of its reasons for reaching conclusions material to the basis of the determination is lacking in cogency or coherence or is contradicted by the evidence which was available to it; or

(e) The Authority has made a material error of law either in the construction and application of the Act or by otherwise infringing some applicable principle of constitutional or natural justice.

...

“...where the Authority has, without committing significant error, exercised its specialist expertise in making judgments as to the prospective consequences of the economic and commercial factors which govern or

influence competition in the relevant market, this Court should not intervene even if it is demonstrated that an opposite conclusion might plausibly have been reached by placing weight on different aspects of the available evidence or data or by attributing different or greater significance to other pertinent factors in the economic assessment.”

...

“Accordingly, the Court considers that even if it might be said that the Authority is taking the most favourable view of the information at its disposal, the Court does not consider that it has gone beyond the margin of judgment which it is accorded in such matters and has not committed any obvious or significant error of assessment in respect of the material before it.”³⁶

- 1.55 The Commission considers that, in the test set out in section 22(3) quoted above, the relevant standard of proof is the ordinary civil standard, i.e., the balance of probabilities. In other words, in order to decide whether the result of the merger or acquisition will (or will not) be an SLC, the Commission must decide that an SLC is more likely than not to occur.
- 1.56 The application of the balance of probabilities test is also recognised in the Commission’s Guidelines on Merger Analysis: for example, paragraph 1.16 explains that in applying the SLC test, the Commission investigates the *likely* effect of a merger not only by reference to current competitors, but also by reference to potential competitors. Similarly, paragraph 1.19 provides that the Commission requires sufficient reliable evidence from the merging parties regarding the *likely* competitive effects of the merger.
- 1.57 Furthermore, it is important to recognise that the concept of a standard of proof provides a framework within which, for example, the Commission conducts its assessment of the likely effects of a merger. Such an assessment is, however, a

³⁶ See paragraphs 5.20, 5.21 and 8.21 of *Rye Investments Ltd. v Competition Authority* [2009] IEHC 140 (“Rye Investments”).

matter of judgement and evaluation and an unduly technical or rigid approach to the application of the standard of proof is not of particular assistance.

- 1.58 Where the range of ways in which an SLC could be made manifest is wide and, indeed, necessarily unpredictable, the Commission's assessment must be carried out in the round by looking at all the relevant factual material, including the incentives which those involved might have to act to reduce competition, and then making an overall assessment of the likelihood of the merger resulting in an SLC.
- 1.59 Accordingly, any Commission finding in relation to the presence or absence of an SLC will be based on all available information to the Commission considered in light of all credible theories of consumer harm arising from possible adverse competition effects.³⁷
- 1.60 As set out in the remainder of this Determination, the Commission has in mind the relevant civil standard in considering the statutory question of whether the result of the merger will be an SLC, and it applies that standard in reaching a judgement as to the likelihood of possible outcomes. While the Commission may use quantitative measures to assist in analysing whether a merger is likely to result in an SLC, the Commission will assess each merger on its merits. Paragraph 1.8 of the Commission's Merger Guidelines states as follows:

"While certain quantitative measures can be used to assist in analysing whether a merger is likely to result in an SLC there are no standard measures of competitive effects that can determine definitively, on their own, whether a given merger is likely to have such an effect. Each proposed merger needs to be assessed on its merits and in its own particular circumstances."

- 1.61 Paragraph 1.9 of the Commission's Merger Guidelines goes on to make the important point that, in applying the SLC test, the Commission analyses not only the effect on the price of affected products but also other effects that can impact on consumers, such as changes to output (quantity), quality, consumer choice and

³⁷ See the Commission's Merger Guidelines, paragraph 1.7.

innovation (e.g., development of new products or enhancements to existing products).

- 1.62 Chapters 2 to 9 of the Commission’s Merger Guidelines set out the Commission’s approach to the key elements of merger review function, such as market definition, horizontal merger effects, barriers to entry and expansion, countervailing buyer power, efficiencies and failing firm arguments. The remainder of this Determination will summarise the applicable principles which the Commission considers relevant to its analysis of the Proposed Transaction.

Commission’s View on the Position of the Parties

- 1.63 The Q-Park Written Response set out Q-Park’s position in relation to the evidence obtained by the Commission during the course of its review of the Proposed Transaction and the respective weight placed on this evidence by the Commission. In summary, Q-Park contended that the Commission has misunderstood/ misinterpreted/ failed to take into account evidence relating to the following matters: that on-street parking and off-street parking are in the same market; that geographic markets should be assessed from destinations rather than car park locations; that there are plans for the development of new car parks in Galway; that public transport has not been correctly taken into account when defining the relevant product market; that the results of the Consumer Survey were not correctly assessed; and that utilisation of car park spaces should be the measure of market power in the Commission’s analysis, rather than capacity³⁸. The Commission will address these concerns in Section 3 of the Determination.
- 1.64 The Tazbell Written Response sets out Tazbell’s position in relation to the evidence obtained by the Commission during the course of its review of the Proposed Transaction and the respective weight placed on this evidence by the Commission. In summary, Tazbell contended, in addition to the above points Q-Park raised in their Written Response, that the Commission has not considered all the off-street parking in Galway³⁹, not recognised the significant role that local authorities (such

³⁸ See Q-Park Written Response, pages 2-3.

³⁹ See Tazbell Written Response, pages 4-7.

as GCC and DCC) play as it pertains to parking in the cities,⁴⁰ and incorrect conclusions have been inferred from the Commission's Consumer Survey.⁴¹ In Tazbell Written Response, it contended that the Commission, in its Assessment, placed too much reliance on the views of competitors in the car parking market.⁴² The Commission will address these concerns in Section 3 of the Determination.

- 1.65 There is a general point to be made in relation to the wide margin of discretion afforded to the Commission when considering the evidence available to it, which is recognised both in the Irish and EU courts.⁴³ The relevant standard is set out in the judgment in *Rye Investments*:

“in a case such as the present, where primary findings of fact have not been put in issue, the Court considers that a determination by the Authority that a merger or acquisition will result in a substantial lessening of competition ought not to be set aside by this Court unless:-

(a) The Authority is shown to have committed a serious error in drawing inferences or conclusions from facts, such that the inferences or conclusions become untenable or unsound by reason of the error having been made; or

(b) It is demonstrated that the Authority has failed to take into consideration or adequately to consider, relevant information or data such that an inference or conclusion material to the determination is unsupported by or is rendered inconsistent with the clear force and effect of the available evidence taken as a whole; or

(c) A significant appraisal of economic or technical factors material to the functioning of competition in the relevant market is shown to be so

⁴⁰ See Tazbell Written Response, page 8.

⁴¹ See Tazbell Written Response, page 14.

⁴² See Tazbell Written Response, pages 8-10.

⁴³ See paragraph 5.18 of *Rye Investments*, cited above and Case T-5/02 *Tetra Laval v Commission*, upheld on appeal by the Court of Justice in Case C-12/03P *Commission v Tetra Laval*.

inconsistent with the available evidence as to be manifestly unreasonable and unsound; or

(d) The Authority's statement of its reasons for reaching conclusions material to the basis of the determination is lacking in cogency or coherence or is contradicted by the evidence which was available to it; or

(e) The Authority has made a material error of law either in the construction and application of the Act or by otherwise infringing some applicable principle of constitutional or natural justice".⁴⁴

- 1.66 The question of materiality of evidence is therefore of central importance. Minor errors or areas of reasonable disagreement will not vitiate the Commission's assessment of a Notified Transaction. The Commission must have regard to all relevant considerations and disregard any irrelevant considerations, however the weight to be given to those relevant considerations is a matter for the Commission.
- 1.67 The Written Responses also set out the Parties' views of procedural concerns associated with the Commission's level of engagement during the merger review process.⁴⁵
- 1.68 The Commission has engaged and responded to the Parties promptly at all stages of the review of the Proposed Transaction.

⁴⁴ See paragraph 5.20 of *Rye Investments* cited above.

⁴⁵ Tazbell Written Response, page 20. Q-Park Written Response, pages 7-8 and 20-23.

2. INDUSTRY BACKGROUND

Introduction

- 2.1 The Proposed Transaction will involve Q-Park's acquisition of Tazbell. As noted in Section 1 above, Tazbell's business activities include the provision of car parking⁴⁶ management services to Car Park Owners, as well as the provision of car parking spaces in the State.
- 2.2 The purpose of this section is to provide context for the identification of relevant product markets and for an assessment of the likely competitive effects of the Proposed Transaction set out later in the Determination. The industry background provides an overview of the car parking sector in the State, with specific focus on:
- (a) Types of car parking;
 - (b) The Supply Chain;
 - (c) The Supply of Car Parking to Customers; and,
 - (d) Recent Market Trends.

Types of car parking

- 2.3 Motorists have two main car parking options: they can park off-street or on-street.
- 2.4 Car parks can also be public or private. Public car parks are available to the public at large, while private car parks are restricted to certain groups of people, such as residential car parks, car parks owned and operated by a business or an allocation of employee spaces at a public car park.⁴⁷ For example, Tazbell's management contract with St. James's Hospital, Dublin, includes 1,100 car spaces. However, 385 of these spaces are available to the public, with the remaining spaces allocated for

⁴⁶ For clarity, references to "car parking" in this Determination is concerned with paid for commercial parking which is available to the public.

⁴⁷ The Tazbell Written Response, at page 23, notes that there are other car park spaces, such as businesses sub-letting spaces to consumers who are not employees, and tenants sub-letting their spaces on Daft.ie.

staff use. This industry background focuses on public car parks which have to be paid for.⁴⁸

Off-street car parking

- 2.5 Off-street car parking involves “*parking your vehicle anywhere but on the streets*”.⁴⁹ It tends to be located in large urban areas, and includes open parking lots, multi-storey car parks, or parking lots. Off-street car parking can be covered or uncovered.
- 2.6 Off-street car parking is provided by Car Park Owners, who generally outsource the management and operation of their car park(s) to car parking management service providers (“Car Parking Management Provider”). The services provided by Car Parking Management Providers are described in detail at paragraph 2.22 below.
- 2.7 Off-street Car Parking Management Providers usually charge customers an hourly rate for using the car park and collect payment via ticket terminals located in the vicinity of the car park or online.⁵⁰ Off-street car parks are accessible through entry and exit barriers. Pricing of off-street car parking is discussed further in paragraphs 2.98 to 2.106.

On-street car parking

- 2.8 On-street car parking involves “*parking your vehicle on the street, anywhere on or along the curb of streets, in contrast to parking it in a parking garage*.”⁵¹
- 2.9 On-street parking is almost entirely provided by local authorities,⁵² such as city and county councils. Local authorities may manage and operate on-street car parking themselves, or contract a Car Parking Management Provider to manage and operate on-street parking (e.g., clamping of unpaid for parked cars) on their behalf.

⁴⁸ Private car parks are not being considered as part of this assessment, as such car park spaces are often in gated communities or underground apartment complexes, and do not incur a charge or fee. For more, see page 4 of the First Francis O’Toole Report, 4 August 2022

⁴⁹ See: <https://www.parking.net/about-parking/on-and-off-street-parking>.

⁵⁰ Customers can also be charged flat rates or have discounts applied.

⁵¹ See: <https://www.parking.net/about-parking/on-and-off-street-parking>.

⁵² An example of on-street parking provided by a corporate entity is in Galway, the Port’s on-street spaces. More information at <https://theportofgalway.ie/port-of-galway-parking/>

Customers usually pay for on-street parking at ticket machines, known as ‘Pay & Display’ machines. Customers can also pay online or via mobile payment apps as well as in selected stores.⁵³ Pricing of on-street car parking is discussed further in paragraphs 2.98 to 2.106. During the course of its investigation, the Commission considered the issue of capacity of on-street parking. DCC informed the Commission that *“DCC responded that a lot of car parking has been removed in certain areas, especially around the canals.”*⁵⁴ The Commission notes that capacity of on-street parking is likely to be further reduced because of local authority policy. For example, DCC stated that they are *“encouraging the use of more sustainable transport options instead of driving, e.g public transport, walking or cycling”*⁵⁵ and noted that *“On-street parking spaces are becoming valuable and desired by local authorities, for instance the government want to remove spaces and replace them with additional cycling and walking networks.”*⁵⁶ DCC also stated that it *“may seek to charge more for on-street parking to encourage the use of off-street parking instead, as less demand for on-street spaces will allow for their removal more easily to put in cycle or walking paths, greenery, etc”*.⁵⁷

- 2.10 On the issue of capacity as it relates to Galway, the Galway Transport Strategy⁵⁸, states that “It is envisaged that the availability of on-street parking will be reduced, and access routes to off-street parking facilities will be rationalised and managed to minimise car circulation within the city centre.”⁵⁹
- 2.11 The Limerick/ Shannon Metropolitan Area Transport Strategy 2040 also states that *“To mediate this demand, a gradual reduction in on-street parking levels in urban centres over the lifetime of this Strategy will be required.”*⁶⁰

⁵³ See DCC website titled “Pay & Display”, available at: <https://www.dublincity.ie/residential/parking-dublin-city-centre/pay-and-display-parking>.

⁵⁴ See page 4 of Call Note with DCC, dated 20 April 2023

⁵⁵ See page 3 of Call Note with DCC, dated 20 April 2023.

⁵⁶ See page 3 of Call Note with DCC, dated 20 April 2023.

⁵⁷ See page 4 of Call Note with DCC, dated 20 April 2023.

⁵⁸ Galway Transport Strategy. Available at: [GTS Executive Summary Report - English.pdf \(galwaycity.ie\)](#)

⁵⁹ See page 7 of the Galway Transport Strategy. Available at: [GTS Executive Summary Report - English.pdf \(galwaycity.ie\)](#).

⁶⁰ See page 102 of the Limerick Shannon Metropolitan Area Transport Strategy. Available at: <https://www.nationaltransport.ie/wp-content/uploads/2022/12/Limerick-Shannon-Metropolitan-Area-Transport-Strategy.pdf>

2.12 Further, Q-Park stated in Q-Park’s Response to the Second Phase 2 RFI that [REDACTED]

”⁶¹

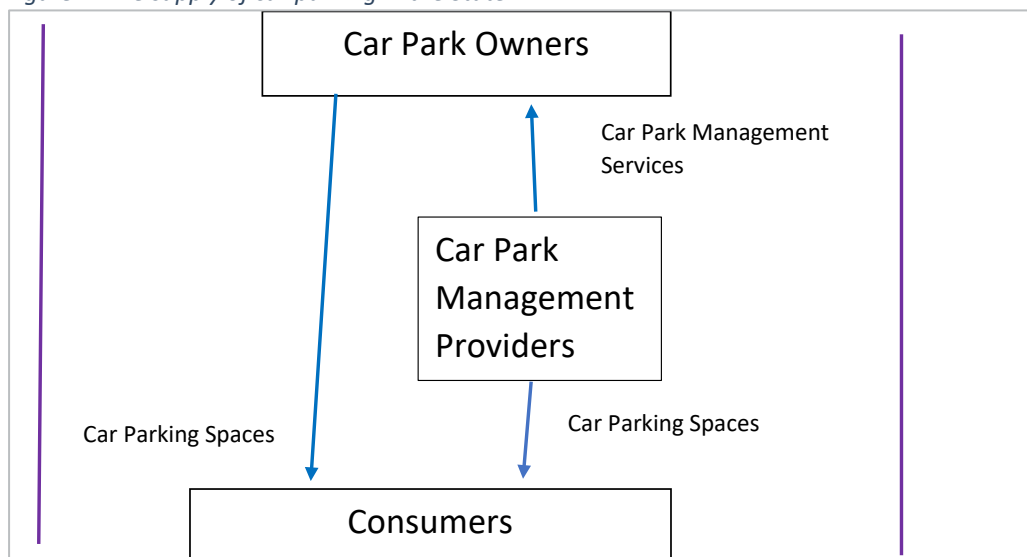
2.13 The Commission notes that evidence from local authorities shows that they are already reducing the number of on-street car parking spaces, and have clear intentions that this policy will continue. For a customer, their ability to choose on-street parking is already limited and will become even more limited.

2.14 The Commission conducted two site visits (one in Galway, and one in Dublin to Tazbell’s Smithfield Market and Irish Life Centre car parks, and Q-Park’s Four Courts car park)⁶² during its investigation into the Proposed Transaction. With respect to these car parks, while on-street parking is an option for drivers, the capacity is seriously constrained, particularly in Galway.

The Supply Chain

2.15 As shown in Figure 1 below, the supply of car parking to customers in the State involves Car Park Owners as well as Car Parking Management Providers.

Figure 1: The supply of car parking in the State



Source: The Commission

⁶¹ See response to Question 14 of the Q-Park Second Phase 2 RFI Response.

⁶² The Commission also conducted visits to the environs of the Drury Street, Fleet Street, Spire, and ILAC Centre car parks, however these were not as ‘formal’ site visits organised with the Parties.

- 2.16 Car Park Owners will generally outsource the operation and management of their car park to a Car Parking Management Provider,⁶³ although the extent of this outsourcing is contested by the Parties.⁶⁴ Car Park Owners can outsource the running of their car park under various contract types, namely; either (i) a lease contract; (ii) a management contract; or (iii) a park and control contract (“PAC”).⁶⁵ Further consideration of these various contract types are discussed in paragraphs 2.25 to 2.43 below.

Firms Active in the Supply Chain

- 2.17 As shown in Figure 1 above, there are two main types of firms active in the supply chain for car parking: (i) Car Park Owners; and (ii) Car Parking Management Providers.

Car Park Owners

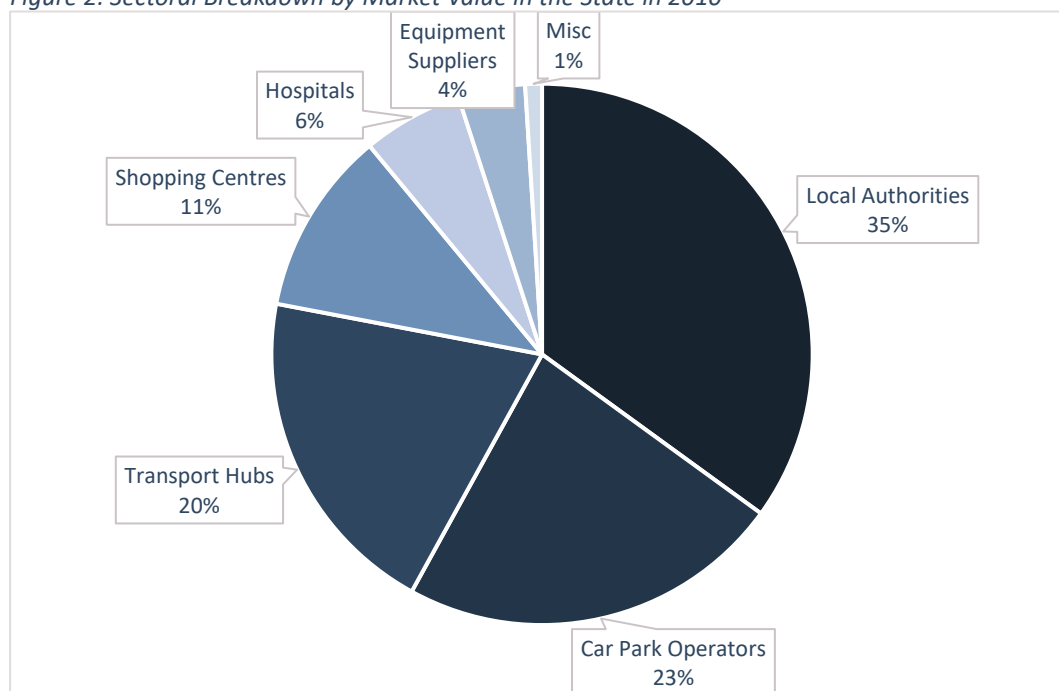
- 2.18 Car parks may be owned publicly through state entities, such as local authorities, or privately via a broad range of individuals or businesses, such as private business owners, hospitals, 3rd level education institutions, or large property owners.
- 2.19 Figure 2 below provides a sectoral breakdown of the car parking sector by market value in 2010, according to a 2010 Irish Parking Association Market Report (“IPA 2010 Market Report”)

⁶³ See page 1 of Call Note with the Parnell, Jervis Street and Christchurch Car Park Owner, dated 30 March; See page 1 of Call Note with the Point Car Park Owner, dated 29 March 2023; See page 2 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 202; See page 1 of Call Note with the Trinity Street Car Park Owner, dated 31 March 2023; See page 1 of Call Note with the Ushers Quay Car Park Owner, dated 23 March 2023.

⁶⁴ Tazbell Written Response, page 11, where Tazbell posits that the Commission’s analysis has not considered all the other possible self-run car parks by Car Park Owners.

⁶⁵ CCPC determination *M/19/012 – APCOA Parking/NCPS*.

Figure 2: Sectoral Breakdown by Market Value in the State in 2010



Source: IPA 2010 Market Report ⁶⁶

2.20 Car Park Owners may own one or more car parks. While for certain Car Park Owners their car park may be a standalone business, for others it may be linked to their primary business, such as a shopping centre or an event centre.

2.21 Many Car Park Owners outsource the running of their car park to a Car Parking Management Provider, who provides car parking management services. The different ways in which Car Park Owners outsource the running of their car park is discussed in detail at paragraphs 2.85 to 2.97 below.

Car Parking Management Providers

2.22 As noted in above, Car Park Owners generally outsource the operation and management of their car parks to Car Parking Management Providers.

2.23 The car parking management services provided by Car Parking Management Providers to Car Park Owners can include:

- (a) Management and issuing of parking permits;

⁶⁶ Irish Parking Association (2010). See page 9, figure 3.1 of the IPA 2010 Market Report.

- (b) Car park cleaning and maintenance, signage, and line marking;
- (c) Payment collection and banking;
- (d) Enforcement services (e.g., clamping and ticketing);
- (e) Management of pay and display services, including machine maintenance, the purchase and installation of new machines, and management of ticket stocks; and,
- (f) Offering customer service via help points on-site and call centres.
- (g) Certain Car Parking Management Providers also provide services with respect to on-street car parking. These services are known as car park enforcement services, and can include:
 - (i) Clamping and removal of vehicles, issuing tickets, legal processing of unpaid tickets, and car pound management;
 - (ii) Management of permits, appeals and notices;
 - (iii) Management of pay and display services, including machine maintenance, the purchase and installation of new machines, and management of ticket stocks; and,
 - (iv) Payment collection and banking.

2.24 The Parties state that on-street enforcement services “...do [...] *not involve the provision of spaces instead it is a distinct support service*”.⁶⁷

2.25 As mentioned above, Car Parking Management Providers provide car parking management services to Car Park Owners via either: (i) a lease contract; (ii) a management contract; or (iii) a PAC contract. Depending on the type of contract between a Car Parking Management Provider and the Car Park Owner, the Car Parking Management Provider may directly control and monitor tariff prices, as discussed below. Each of these contract types is discussed in more detail below.

⁶⁷ Merger Notification Form, section 1.1, footnote 10.

Lease Contracts

- 2.26 Under a lease contract, a Car Parking Management Provider will pay a fee to a Car Park Owner to allow the Car Parking Management Provider to fully operate and control the car park. Under lease contracts, the Car Parking Management Provider usually has full control of the operation and management of the car park, with the Car Park Owner having little to no involvement in day-to-day operations or commercial decisions, such as pricing and maximum stay restrictions.
- 2.27 The Car Parking Management Provider receives the car park's revenue and is fully exposed to financial and commercial risks associated with the car park. This is a significant benefit for Car Park Owners to operate by a lease contract, as they are guaranteed to receive a fixed income regardless of the revenue generated by the car park.
- 2.28 While there is no uniform lease contract, lease contracts tend to be long term agreements which last between 10-15 years.⁶⁸
- 2.29 The fee which is paid by a Car Parking Management Provider to the Car Park Owner *"may be a fixed amount, or a sum comprised of both a fixed component and a variable component calculated based on the turnover generated by the car park"* and *"[w]hen a lease contract is up for renewal, the rent is typically adjusted in line with prevailing market conditions"*.⁶⁹ On this basis, the Commission considers that there are three broad types of lease contracts: *"(i) a fixed rent contract; (ii) a combination of high fixed-rent and a low percentage turnover rate; or (iii) a combination of low-fixed rent and a high percentage turnover rate"*, although landlords generally prefer fixed rent contracts to ensure their rent is guaranteed.⁷⁰
- 2.30 Regarding the awarding of lease contracts, [REDACTED] noted the following:

⁶⁸ See APCOA/NCPS, paragraph 16.

⁶⁹ See [REDACTED] response to Question 2(a) of the Competitor Questionnaire.

⁷⁰ See page 3 of Call Note with [REDACTED] dated 4 October 2022.

“[i]n the case of lease contracts, it is typical for the landlord to award the lease contract to the incumbent rather than going to tender. There are very few tender opportunities for lease contracts [sic].”⁷¹

“The incumbent’s interest is in securing a renewal instead of having to tender for the lease. Therefore, the prospect of a tender ... acts as a constraint on the incumbent’s ability and incentive to negotiate materially lower rents with landlords.”⁷²

“In the case of lease contracts, reputation and pre-existing relationships between the supplier and the lessor are also highly relevant since lessors tend to award contracts to established lessees who have demonstrated the ability to pay the landlord.”⁷³

“Several suppliers in the market would not have the financial stability to take on property leases and, for this reason, leases are mainly pursued by the larger international suppliers in the market. Again, for car park owners the strength of the covenant offered by suppliers in lease deals, which reflects the supplier’s ability to pay the landlord, is an important consideration for car park owners.”⁷⁴

- 2.31 For these reasons, Car Parking Management Providers with a larger number of lease contracts tend to be larger operators who have a strong knowledge of the industry.⁷⁵ [REDACTED] estimated that there are approximately 3-4 players in the State competing for these contracts.⁷⁶
- 2.32 Moreover, for the reasons outlined above, there appears to be little opportunity for newer or other smaller providers of car park management services to bid for or secure lease contracts, as the Car Park Owner usually renews such contracts

⁷¹ See [REDACTED] response to Question 2(a) of the Competitor Questionnaire.

⁷² See [REDACTED] response to Question 2(a) of the Competitor Questionnaire.

⁷³ See [REDACTED] response to Question 2(c) of the Competitor Questionnaire.

⁷⁴ See [REDACTED] response to Question 2(e) of the Competitor Questionnaire.

⁷⁵ See page 4 of Call Note with IPáirc, dated 6 March 2023.

⁷⁶ See page 3 of Call Note with [REDACTED] dated 4 October 2022.

with the existing Car Parking Management Provider.⁷⁷ For example, the Commission understands, from the information provided by a Third Party, that the most recent tender for a lease contract took place in 2017 and the contract was ultimately retained by the incumbent.⁷⁸

Management Contracts

2.33 A management contract is an arrangement under which a Car Park Owner pays a Car Parking Management Provider a management fee to operate and manage the relevant car park. Under a management contract, the Car Parking Management Provider will generally provide car parking management services (as described at paragraph 2.33 above).

2.34 Management contracts are generally short-term, lasting approximately 3 to 7 years.⁷⁹ These contracts are usually renewed with the existing Car Park Management Provider before their expiry, so rarely go to tender,⁸⁰ with *Euro Car Parks* noting that “it can be difficult to shift an incumbent in the case of management contracts”.⁸¹ However, in its Written Response, Tazbell claimed that

[REDACTED]

[REDACTED]⁸² In the Written Response, Tazbell states that:

“... [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁷⁷ See page 3 of Call Note with *Euro Car Parks* dated 2 March 2023; See page 1 of Call Note with The Point Car Park Owner dated 29 March 2023.

⁷⁸ See page 2 of Call Note with [REDACTED], dated 4 October 2022.

⁷⁹ See paragraph 16 of APCOA/NCPS Determination.

⁸⁰ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

⁸¹ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023. Further, *Euro Car Parks* has had contracts with Tesco since 1998 (see paragraph 2.58). The Point Car Park Owner noted how they kept *Euro Car Parks* when they took over as they had no reason to switch (see Page 1-2 of Call Note with the Point Car Park Owner, dated 29 March 2023).

⁸² Tazbell Written Response, page 45.

- [REDACTED]
- [REDACTED]”⁸³
- 2.35 Tazbell further states in its Written Response that “[REDACTED]
- [REDACTED]
- [REDACTED]”⁸⁴
- 2.36 Car Parking Management Providers who primarily operate through management contracts tend to be smaller operators in comparison to lease contract operators, who tend to be larger. [REDACTED] estimated that there are approximately 6-7 players in total in the State competing for management contracts.⁸⁵ As discussed in sections 3 and 5 below, many smaller Car Parking Management Providers will opt to bid for management contracts, as they may not have the sufficient financial capacity to operate via a lease contract and bear the associated financial risks. Management contracts, therefore, are typically less lucrative than lease contracts for Car Park Management Services Providers.⁸⁶
- 2.37 Management contracts may be appealing for Car Park Owners, as they still retain some control of the car park, and they are in receipt of the car park’s revenues, subject to bonuses and additional revenue targets being incorporated into the contract.⁸⁷ The Parties also stated in the Merger Notification Form that “[a] car parking management services provider may often receive a portion of the car park’s revenues in addition to an annual management fee from the asset owner for its services”. Commercial decisions, such as pricing, remain with the Car Park Owner. However, Car Parking Management Providers make proposals to Car Park Owners on recommended tariffs to maximise profits, and therefore have significant influence on the pricing of car parks under their management. This point concerning Car Parking Management Providers possessing significant

⁸³ Tazbell Written Response, page 45, para 99

⁸⁴ Tazbell Written Response, paragraph 401.

⁸⁵ See page 3 of Call Note with [REDACTED], dated 4 October 2022.

⁸⁶ See page 4 of Call Note with IPáirc, dated 6 March 2023.

⁸⁷ See page 32 of the Merger Notification Form. See page 5 of Call Note with DCC, dated 20 April 2023.

influence as it relates to pricing is contested by the Parties,⁸⁸ and these concerns will be addressed further in Sections 3 and 6 of the Determination.

2.38 The Car Parking Management Provider may also provide regular reporting to, and hold meetings with, the Car Park Owner. In relation to pricing, Car Park Owners stated the following:

- The Grand Canal Car Park Owner in Dublin, stated that they set prices “*in collaboration with Q-Park,*” but that they have the ultimate say on pricing.⁸⁹ They further stated that Q-Park often suggested keeping prices lower, and that they make pricing recommendations annually.⁹⁰
- The Convention Centre Dublin Car Park Owner stated that *Euro Car Parks*, who operate their car park, will “*make a proposal to the [Convention Centre Dublin] board as to what the price should be*” and that the Board decide on pricing “*in consultation with*” *Euro Car Parks*.⁹¹ This occurs “*once or twice a year but it is dependent on [Euro Car Parks] recognising that there is a need to increase the price*”.⁹²
- The Smithfield Market Car Park Owner in Dublin, stated that “*Park Rite guides [them] on pricing*” and they that are “*in regular dialogue with Park Rite over pricing,*” but that they make final decisions on pricing.⁹³
- The Trinity Street Car Park Owner⁹⁴ stated that “*APCOA will provide a view on pricing as it is within their obligations under the management contract*” and that they “*take [APCOA’s] advice on board given that APCOA are specialists in the area of car park operation.*”⁹⁵

⁸⁸ For example, see pages 31-32 of Q-Park Oral Response

⁸⁹ See page 2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

⁹⁰ See page 2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

⁹¹ See page 2 of Call Note with the Convention Centre Dublin Car Park Owner, dated 3 April 2023.

⁹² See page 2 of Call Note with the Convention Centre Dublin Car Park Owner, dated 3 April 2023.

⁹³ See page 2 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

⁹⁴ Trinity Street Car Park Owner.

⁹⁵ See page 2 of Call Note with the Trinity Street Car Park Owner, dated 31 March 2023.

- The owner of the Usher's Quay car park⁹⁶ stated that pricing decisions are *"always mutual and that that [they rely] [sic] on Q-Park management for assistance in price setting,"* but that the Car Park Owner has the final say.⁹⁷

2.39 Additionally, Car Parking Management Providers have made the following statements as regards to management contracts.

2.40 [REDACTED] noted that under a management contract, *"the company which has obtained the contract can make recommendations to the owner of the carpark in terms of tariffs, but does not set these tariffs itself"*⁹⁸ and that *"the setting of tariffs etc is a shared decision, and that contracts of these nature are more comparable [to] partnership contracts"*, although the final decision on tariff levels is with the Car Park Owner.⁹⁹

2.41 IPáirc also noted that under management contracts they provide Car Park Owners with *"a strong indication of what price to set,"* although the Car Park Owner has the final say.¹⁰⁰ The Car Parking Management Provider may also provide regular reporting to and meetings with the Car Park Owner.¹⁰¹

2.42 Best Car Parks stated that they *"consult and advise owners on pricing and hourly tariffs as they have knowledge of car parks in the area, car parking deals or special rates in the area etc."* and they *"advise the owner on the optimal price"* to set.¹⁰²

2.43 Euro Car Parks stated that it *"is common for car parking companies to discuss prices with owners when they have a management contract."*¹⁰³ ECP further noted that *"it reviews the prices of all its car parks twice a year and will do price comparisons in order to make suggestions to owners to either maintain, increase, or decrease the price."*¹⁰⁴ ECP may also recommend special rates and that it would

⁹⁶ Ushers Quay Car Park Owner.

⁹⁷ See page 2 of Call Note with the Usher's Quay Car Park Owner, dated 23 March 2023.

⁹⁸ See page 1 of Call Note with [REDACTED], dated 4 October 2022.

⁹⁹ See page 2 of Call Note with [REDACTED], dated 4 October 2022.

¹⁰⁰ See page 2 of Call Note with IPáirc, dated 6 March 2023.

¹⁰¹ See page 2 of Call Note with IPáirc, dated 6 March 2023.

¹⁰² See page 6 of Call Note with Best Car Parks, dated 6 March 2023.

¹⁰³ See page 3 of Call Note with Euro Car Parks, dated 2 March 2023.

¹⁰⁴ See page 3 of Call Note with Euro Car Parks, dated 2 March 2023.

do this “once a year at a minimum”, but that “the owner has ultimate control of the price”.¹⁰⁵

Comparison of Management and Lease Contracts

2.44 There are some differences between the operation of management and lease contracts, demonstrated in Table 1 below.

Table 1: Comparison of Management and Lease Contracts

Characteristic	Management	Lease
Duration	Short-term (3-7 years)	Long-term (10-15 years)
Decision-maker in respect of parking tariff levels prices	Car Park Owner, possibly with tariff proposals from the Car Parking Management Provider	Car Parking Management Provider
Recipient of car park revenues and bearer of financial risk	Car Park Owner	Car Parking Management Provider

Source: The Commission

Switching Between Contract Types

2.45 Car Park Owners have expressed the following views on the differences between lease and management contracts:

2.46 The Grand Canal Car Park Owner in Dublin stated that they chose to operate via management contract as they expected the car park to have high revenues, and wanted to receive them, as opposed to earning a fixed fee with a lease contract.¹⁰⁶ They also noted that Car Parking Management Providers in lease contracts suffered due to COVID, as they were financially exposed, and are “defensive” as a result.¹⁰⁷ The Commission understands that this may mean Car Parking Management Providers are more apprehensive about entering lease contracts, and have less risk appetite. In its Written Response, Tazbell highlighted this [REDACTED], stating that “[REDACTED]”¹⁰⁸ Q-Park has 17 sites

¹⁰⁵ See page 3 of Call Note with Euro Car Parks, dated 2 March 2023.

¹⁰⁶ See pages 1-2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

¹⁰⁷ See page 2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

¹⁰⁸ The Commission notes that [REDACTED]

*and 6,894 spaces under management. Tazbell has 24 sites (owning just one) and has 12,352 spaces under management.”*¹⁰⁹

2.47 The Usher’s Quay Car Park Owner explained that under a lease contract a Car Park Owner must *“hand over control of the car park to a third-party,”* but they do not have to do this with a management contract.

2.48 Car Parking Management Providers have expressed the following views on the differences between lease and management contracts:

- *IPáirc* stated that the operation of lease contracts can be challenging as Car Park Owners may have high expectations and can take the Car Parking Management Provider to court if they do not receive their rent.¹¹⁰
- According to *Best Car Parks*, management contracts are [REDACTED] for Car Parking Management Providers because “[REDACTED]” and they do not bear any of the financial risk associated with the car park.¹¹¹
- [REDACTED] contended that: *“the competitions for both contracts are quite different, and that the implications of obtaining either contract are substantially different also. [REDACTED] explained, for example, that over the last 5 years any companies which had obtained lease contracts had been hurt significantly by the pandemic, as they assumed all the financial risk. [REDACTED] explained that as a result of this risk, smaller operators do not often tender for lease contracts, and are much more likely to tender for management contracts”*.¹¹²
- *Euro Car Parks* also stated that Car Parking Management Providers *“are wary of lease contracts owing to the level of commercial risk and rent involved... management contracts are preferred owing to the reduced*

¹⁰⁹ Tazbell Written Response, para 108, page 47.

¹¹⁰ See page 4 of Call Note with IPáirc, dated 6 March 2023.

¹¹¹ See page 6-7 of Call Note with *Best Car Parks*, dated 6 March 2023.

¹¹² See page 2 of Call Note with [REDACTED], dated 4 October 2022.

risk... the preferred lease contract would be a lease-turnover contract, whereby turnover is shared as opposed to rent being paid.”¹¹³

2.49 It is possible for Car Park Owners to switch from a management contract to a lease contract, or *vice versa*. However, from the evidence the Commission has obtained as part of its review of the Proposed Transaction, this is relatively uncommon — Car Park Owners will typically utilise the same contract type at the expiry of each contract. For instance, *IPáirc* note that a Car Park Owner [REDACTED]
[REDACTED]
[REDACTED].¹¹⁴

2.50 However, it should be noted that some of *Tazbell's* current [REDACTED]
[REDACTED].¹¹⁵ Additionally, *Euro Car Park's* current lease contract for the management of the Convention Centre car park was originally a management contract.¹¹⁶

PAC

2.51 PAC contracts are similar to management contracts; however, they involve the provision of mobile operation and supervision whereby the Car Parking Management Provider is responsible for patrolling the car parks under their management regularly.¹¹⁷

2.52 PAC contracts involve a Car Parking Management Provider patrolling and supervising the car parks under its management by providing mobile vehicle operation and supervision. PAC contracts are generally 1 to 3 years long and have an annual rolling clause.¹¹⁸

2.53 As PAC services are relatively easier to start-up, as opposed to entering into the market for large lease and management contracts, smaller Car Parking

¹¹³ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

¹¹⁴ See *IPáirc* response to Question 2(e) of the Competitor Questionnaire.

¹¹⁵ See slide 11 of internal document “[REDACTED]” dated March 2022 (MD5 Hash: [REDACTED], provided in response to the [REDACTED] Phase 1 RFI Response.

¹¹⁶ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

¹¹⁷ See *APCOA/NCPS*, paragraph 18.

¹¹⁸ See *APCOA/NCPS*, paragraph 18.

Management Providers are better able to compete for contracts for the provision of PAC services than for full-scale Car Parking Management Providers.

Firms Active in the Provision of Car Park Management Services

2.54 There are several Car Parking Management Providers active in the State, and the main players are discussed below.

Q-Park

2.55 Q-Park is primarily active in the provision of management services to off-street car parks. It also owns a number of off-street car parks.

2.56 Q-Park operates 17 car parks in the State, in Dublin, Cork, Galway, Limerick and Wicklow. ■ of these car parks are operated under lease contracts,¹¹⁹ ■ is operated under a management contract,¹²⁰ and ■ are operated under freehold which Q-Park owns.¹²¹

2.57 Q-Park's parent company, Q-Park Holding BV also provides other car park related services in the State, including Premier Cards, Top-up Cards, Easy Trip Tags, Q-Park Apps and Q-Park Rewards.¹²²

Tazbell

2.58 Tazbell, trading as *Park Rite*, provides car parking management services, on-street parking enforcement services, toll operations services and parking consulting services in the State, with Tazbell mainly operating in Dublin, Galway, Limerick, Kilkenny, and Offaly.¹²³

¹¹⁹ These car parks are located in: ■

¹²⁰ This car park is located in ■.

¹²¹ Car parks located at ■

¹²² Merger Notification Form, page 4.

¹²³ Merger Notification Form, page 4.

- 2.59 Tazbell currently operates 24 off-street car parks in the State, [REDACTED] of which are operated under lease contracts,¹²⁴ with the remaining [REDACTED] operated under management contracts.¹²⁵
- 2.60 Tazbell's wholly-owned subsidiary Dublin Street Parking Limited¹²⁶ ("DSPS") provides enforcement and related customer services (including correspondence, payment management appeals and complaint management) to on-street car park spaces owned by DCC.
- 2.61 In addition, Tazbell's business Toll Collection Services provides toll operation services on the M3 and M4 toll-roads.

APCOA¹²⁷

- 2.62 APCOA manages [REDACTED]
[REDACTED].¹²⁸ With regard to car park management services, APCOA provides car park management services to [REDACTED]
[REDACTED] by lease, management, [REDACTED].¹²⁹ In Dublin city, APCOA operates car parks at [REDACTED]
[REDACTED].¹³⁰ APCOA also operates several car parks in Galway city, namely at the [REDACTED]
[REDACTED].¹³¹

¹²⁴ These are: [REDACTED] (see page 21 of Merger Notification Form).

¹²⁵ These are: [REDACTED]

¹²⁶ Dublin Street Parking Limited, also known as DSPS. CRO number 393009.

¹²⁷ APCOA Parking Ireland Limited ("APCOA"), CRO number 282652.

¹²⁸ See [REDACTED] response to Question 1(b) of the Competitor Questionnaire.

¹²⁹ See [REDACTED] response to Question 1(a) of the Competitor Questionnaire.

¹³⁰ [REDACTED].

¹³¹ [REDACTED].

2.63 In 2019, APCOA acquired *NCPs*¹³², another Car Parking Management Provider operating in the State.¹³³ [REDACTED]
has stated the following:

[illegible]

Euro Car Parks

2.64 *Euro Car Parks* is a provider of car park management and enforcement services, with [REDACTED].¹³⁶ *Euro Car Parks* provides car parking management services to the Car Park Owners of the following car parks: (i) the Point Square, Dublin; (ii) the Convention Centre, Dublin; (iii) the Mater Hospital, Dublin; (iv) Exchange Street, Waterford; (v) Whitewater Shopping Centre in Newbridge, Kildare; and (vi) Athlone Town Centre, Westmeath.¹³⁷ It has also been operating the majority of car parks for *Tesco*¹³⁸ since 1998, and for *Dunnes Stores*¹³⁹ since 2000.¹⁴⁰ *Euro Car Parks* are due to take over the Navan Shopping Centre car park from APCOA.¹⁴¹ *Euro Car Parks* [REDACTED]

¹³² Nationwide Controlled Parking System Limited, CRO number 299040. Dissolved post-merger in 2019 after being acquired by APCOA.

¹³³ See Determination: [M/19/012 APCOA/NCPS](#) (“APCOA/NCPS”).

¹³⁴ See [REDACTED] response to Question 8 of the Competitor Questionnaire.

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¹³⁶ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹³⁷ See Euro Car Parks Website, available here <https://www.eurocarparks.ie/parking-booking>

¹³⁸ Tesco Ireland Limited. CRO number 19542.

¹³⁹ Dunnes Stores Unlimited Company, CRO number 317228.

¹⁴⁰ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹⁴¹ See page 2 of Call Note with *Euro Car Parks*, dated 2 March 2023.

[REDACTED]¹⁴² *Euro Car Parks* also has
[REDACTED]¹⁴³.

2.65 *Euro Car Parks*' primary areas of activity are in the management of multi-storey and retail car parks.¹⁴⁴ It identified *RFC Security* as a potentially close competitor, as *RFC Security* is also seeking to obtain contracts for the management of retail car parks.¹⁴⁵

2.66 *Euro Car Parks* notes that it is seeking to expand into the on-street car parking market, but it is not seeking to expand into the provision of PAC.¹⁴⁶ It has attempted to expand recently, having bid for the management of the car parks in UHG and St. Vincent's Hospital.¹⁴⁷ These contracts were ultimately won by *Park Rite* and *APCOA*, respectively.¹⁴⁸

Bidvest Noonan

2.67 *Bidvest Noonan* was formed in 2017, when *Bidvest Group Limited*,¹⁴⁹ a conglomerate based in South Africa, purchased *Noonan Services*,¹⁵⁰ a company providing cleaning and facilities management services in the State. *Bidvest Noonan* began offering car park management services in the State that same year.¹⁵¹

2.68 *Bidvest Noonan* operates six car parks located in: (i) Dundrum Town Centre, Dublin; (ii) the Pavilions Shopping Centre in Swords, Dublin; (iii) Blanchardstown Shopping Centre, Dublin; (iv) the Square Shopping Centre in Tallaght, Dublin; (v) Jervis Street

¹⁴² See page 2 of Call Note with *Euro Car Parks*, dated 2 March 2023.

¹⁴³ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹⁴⁴ See pages 3-4 of Call Note with *Euro Car Parks*, dated 2 March 2023.

¹⁴⁵ See page 2 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹⁴⁶ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹⁴⁷ See page 2 of Call Note with *Euro Car Parks*, dated 16 November 2022.

¹⁴⁸ See response to Question 8 of Tazbell's Phase 1 RFI Response.

¹⁴⁹ The Bidvest Group Limited, a South African services, trading, and distribution company.

¹⁵⁰ Noonan Cleaning Group Limited, CRO number 905924.

¹⁵¹ Merger Notification Form, page 25.

Shopping Centre, Dublin; and (vi) Mahon Point Shopping Centre, Cork.¹⁵² Each car park is operated via a management contract.¹⁵³

2.69 *Bidvest Noonan* offers overall facilities management including cleaning and security to shopping centres. *Bidvest Noonan* only offers car parking management services as part of a package in general facilities management for the shopping centres they contract with.¹⁵⁴ *Bidvest Noonan* are not seeking to enter the market for the provision of car park management services alone.¹⁵⁵

Best Car Parks

2.70 *Best Car Parks* was founded in 2013 and provides car park management, enforcement, and clamping services across 47 locations to both public and private car parks.¹⁵⁶ *Best Car Parks* operates the car parks in Arnotts, Henry Street, Dublin; the Fitzwilliam Hotel, St. Stephen's Green, Dublin, and Grand Canal, Dublin.¹⁵⁷

IPáirc

2.71 *IPáirc* provides car parking management services through a combination of [REDACTED].¹⁵⁸ It entered the market in 2015.

2.72 *IPáirc* [REDACTED]:

- [REDACTED];
- [REDACTED];
- [REDACTED];

¹⁵² See page 1 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

¹⁵³ See page 4 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

¹⁵⁴ See page 4 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

¹⁵⁵ See page 4 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

¹⁵⁶ See page 2 of Call Note with *Best Car Parks*, dated 6 March 2023.

¹⁵⁷ See page 2 of Call Note with *Best Car Parks*, dated 6 March 2023.

¹⁵⁸ See *IPáirc* response to Question 1(a) of the Competitor Questionnaire.

- [REDACTED]; and,
- [REDACTED].¹⁵⁹

2.73 IPáirc is seeking to [REDACTED] in the State, and in particular to [REDACTED] [REDACTED].¹⁶⁰ It stated that it is [REDACTED] [REDACTED] brings economies of scale, resulting in increased revenue in car parks operated under management contracts.¹⁶¹ [REDACTED] [REDACTED]

RFC Security

2.74 *RFC Security* entered the market for car parking management services in 2011, operating in the State and Northern Ireland.

2.75 *RFC Security's* business in Northern Ireland consists of the operation of 15 Lidl car parks.¹⁶³ In the State, it operates 600-700 sites, with approximately 75% of this involving the management of residential car parks.¹⁶⁴ Approximately 500 of its sites are in Dublin, with the remaining sites in Cork, Galway, Limerick and Donegal. *RFC Security* also provide management services to private Car Park Owners, such as shopping centres like *Lidl* and *Aldi*.¹⁶⁵ *RFC Security* do not provide any management services for on-street car parking. *RFC Security* note that they are open to providing a wider range of services on-site, such as security and cleaning.¹⁶⁶

¹⁵⁹ [REDACTED].

¹⁶⁰ See IPáirc response to Question 1(c) of the Competitor Questionnaire.

¹⁶¹ See page 1 of Call Note with IPáirc, dated 6 March 2023.

¹⁶² See IPáirc response to Question 8 of the Competitor Questionnaire.

¹⁶³ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁶⁴ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁶⁵ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁶⁶ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

- 2.76 The majority of *RFC Security's* contracts are management contracts, and mostly involve the operation of PAC services.¹⁶⁷ *RFC Security* also operates clamping contracts in the State.
- 2.77 *RFC Security* noted that it has grown over the last few years, estimating that it is gaining 3-4 new sites every week under PAC contracts.¹⁶⁸ It gained a significant number of contracts following *APCOA's* acquisition of *NCPS*.¹⁶⁹ *RFC Security* have submitted a number of bids for the management of other car parks, including the *Irish Rail* contract, some multi-storey car parks, and two hotel car parks, but it was not successful in any of these tender processes.¹⁷⁰
- 2.78 In the future, *RFC Security* is open to providing services for larger car parks, including multi-storey and for corporate clients, but currently cannot provide the necessary investment required to provide these services.¹⁷¹ To achieve this, they would likely need to hire someone more familiar with large car parks, car park leasing and corporate owners.¹⁷²

Car Park Services Ltd

- 2.79 *Car Park Services* primarily provides car park management and enforcement services in Northern Ireland.¹⁷³
- 2.80 It previously held an enforcement contract with Donegal County Council.¹⁷⁴

*Munster Car Park Services*¹⁷⁵

- 2.81 *Munster Car Park Services* provides car park management services including mobile patrol, call outs, pay & display machine management, provision of on-site parking officers, cash collection and counting, banking, wheel-clamping, vehicle

¹⁶⁷ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁶⁸ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁶⁹ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁷⁰ See page 2-3 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁷¹ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁷² See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁷³ See: [Parking | Car Park Services Ltd | Belfast](#).

¹⁷⁴ See page 1 of Call Note with *Car Park Services*, dated 19 October 2022.

¹⁷⁵ *Munster Car Park Services Limited* ("*Munster Car Park Services*"), CRO number 481060.

removal, parking permit tickets and signing and lining of car parks and consultation services.¹⁷⁶

- 2.82 It offers these services to car parks in a range of sectors, including local authorities, healthcare, retail, commercial, education, residential and hospitality in Munster.¹⁷⁷

CityPark

- 2.83 *CityPark* provides car park management services in five car parks, located at: Fairgreen Road, Galway City Centre; Coach Station, Galway City Centre; Market Street, Galway City Centre; Church Street, Portlaoise, Co. Laois; and Market Square, Ennis, Co. Clare.¹⁷⁸

Irish Parking Association

- 2.84 The majority of the players described above are members of the Irish Parking Association (the “IPA”). The IPA was founded in 1995 and facilitates engagement and discussion between market players active in all sectors of the car parking industry.¹⁷⁹ The IPA is a member of the European Parking Association.

How Car Park Owners Source Car Parking Management Services

- 2.85 There are two main ways in which Car Park Owners outsource the running of their car park: (i) through formal tenders; and (ii) informally, through direct contact with Car Parking Management Providers.

Formal Tenders: State Entities

- 2.86 The Office of Government Procurement (the “OGP”) has a framework in place regarding the procurement of car parking management services for public bodies that are within the remit of the public procurement regulations (the “OGP Framework”). This does not include semi-state or commercial entities, such as airports, railways and bus stations.¹⁸⁰ This framework is segmented into: (i) the

¹⁷⁶ See: [Introduction: Munster Car Park Services Ltd \(mcps-ireland.com\)](#).

¹⁷⁷ *Ibid.*

¹⁷⁸ See: [City Park](#).

¹⁷⁹ See: [Mission Statement - Irish Parking Association - Ireland's Parking Industry Representative \(parkingireland.ie\)](#).

¹⁸⁰ See page 1 of Call Note with OGP, dated 22 November 2022.

management of parking services off-street; (ii) the management of parking services on-street, and; (iii) a combination of on-street and off-street parking management services.¹⁸¹

- 2.87 The OGP Framework only relates to the procurement of car park management services under management contracts, which are further detailed at paragraphs 2.33 to 2.43 above.
- 2.88 There are currently seven entities included on the OGP Framework for management services for off-street car parks. These are: *APCOA, Q-Park, Tazbell, Euro Car Parks, Bidvest Noonan, Car Park Services* and *Egis Projects*.¹⁸² Becoming a member of the OGP Framework involves meeting suitability requirements, including having “*substantial experience and relevant qualifications*” in the car parking management industry.¹⁸³
- 2.89 The other two segments of the OGP Framework, i.e., (i) the provision of management services to on-street car parks, and; (ii) the provision of management services to both on-street and off-street car parks, each have three members: *Tazbell, APCOA* and *Egis Projects*.¹⁸⁴
- 2.90 Since 2017, the OGP Framework has facilitated 17 mini-competitions, of which three did not result in a contract being awarded.¹⁸⁵ The OGP informed the Commission that the number of bids received for these mini-competitions is relatively low, although tendering is competitive.¹⁸⁶ The OGP noted that this number may be low due to (i) existing contracts being renewed or rolling over, or; (ii) facilities managers in organisations that are seeking car park management services having sufficient knowledge of the industry, and not requiring use of the OGP Framework.

Formal Tenders: Private Car Parks

¹⁸¹ See: [gov.ie - Managed parking services \(www.gov.ie\)](http://gov.ie - Managed parking services (www.gov.ie)).

¹⁸² See page 1 of Call Note with OGP, dated 22 November 2022.

¹⁸³ See page 2 of Call Note with OGP, dated 22 November 2022.

¹⁸⁴ See page 2 of Call Note with OGP, dated 22 November 2022.

¹⁸⁵ See page 2 of Call Note with OGP, dated 22 November 2022.

¹⁸⁶ See page 2 of Call Note with OGP, dated 22 November 2022.

- 2.91 Private Car Park Owners can also outsource the running of their car park by conducting a formal tender process. Private Car Park Owners can conduct their own tender process or engage a property management company (“Property Management Companies”) or consultant to conduct the tender on their behalf.¹⁸⁷
- 2.92 As mentioned above, some private Car Park Owners will contract Property Management Companies to procure a Car Parking Management Provider on their behalf. Examples of such Property Management Companies include *Bannon*, [REDACTED].¹⁹⁰ In a call with the Commission, *Bannon* described that it will typically contact three or four Car Parking Management Providers, specifically those with whom it has worked with previously, and who have a good reputation, and ask them to submit tenders.¹⁹¹ *Bannon* stated that *Q-Park*, *Park Rite*, *APCOA* and *Euro Car Parks* are the primary Car Parking Management Providers it would approach and deal with in relation to the provision of car parking management services.¹⁹²
- 2.93 *Bannon* noted that it is [REDACTED]
[REDACTED].¹⁹³
Bannon noted that it is [REDACTED]
[REDACTED]
[REDACTED].”¹⁹⁴
- 2.94 Both public and private tender responses are evaluated by the Car Park Owner, who considers factors including price, health & safety, operational ability, service offering, customer service, innovation and quality standards.¹⁹⁵

Direct Contact

¹⁸⁷ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

¹⁸⁸ [REDACTED]. CRO number [REDACTED].

¹⁸⁹ [REDACTED] CRO number [REDACTED].

¹⁹⁰ [REDACTED]. CRO number [REDACTED].

¹⁹¹ See page 1 of Call Note with *Bannon*, dated 10 November 2022.

¹⁹² See page 1 of Call Note with *Bannon*, dated 10 November 2022.

¹⁹³ See page 1 of Call Note with *Bannon*, dated 10 November 2022.

¹⁹⁴ See page 2 of Call Note with *Bannon*, dated 10 November 2022.

¹⁹⁵ See [REDACTED] response to Question 2(c) of the Competitor Questionnaire.

- 2.95 Many private Car Park Owners award lease or management contracts by direct contact or personal relationships with Car Parking Management Providers, as opposed to conducting a formal tender.¹⁹⁶
- 2.96 For instance, *Best Car Parks* noted that when they entered the market, [REDACTED] [REDACTED] also stated that contracts can be awarded following “a direct deal between the supplier and car park owner without the knowledge of other competing suppliers.”¹⁹⁸ *Euro Car Parks* further stated that “tenders are not common for private car parks, and contracts for such car parks are [sic] usually agreed based on relationships and engagement with the owners”.¹⁹⁹
- 2.97 [REDACTED] also stated that contracts which are tendered are generally more competitively priced.²⁰⁰

The Supply of Car Parking to Customers

Pricing and Services

Off-street

- 2.98 Off-street car parks are generally operated through entry and exit barriers, and customers pay for their parking at ticket terminals. The price of off-street parking in the State varies depending on location, car park provider, length of stay and ticket type. Most off-street car park providers offer standard hourly rates as well as promotional rates (for example, during evenings and weekends) and seasonal tickets which allow a customer to avail of the car park for a certain number of hours each month for a set price.²⁰¹

¹⁹⁶ See page 1 of Call Note with *Bannon*, dated 10 November 2022.

¹⁹⁷ See page 5 of Call Note with *Best Car Parks*, dated 6 March 2023.

¹⁹⁸ See [REDACTED] response to Question 2(a) of the Competitor Questionnaire.

¹⁹⁹ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

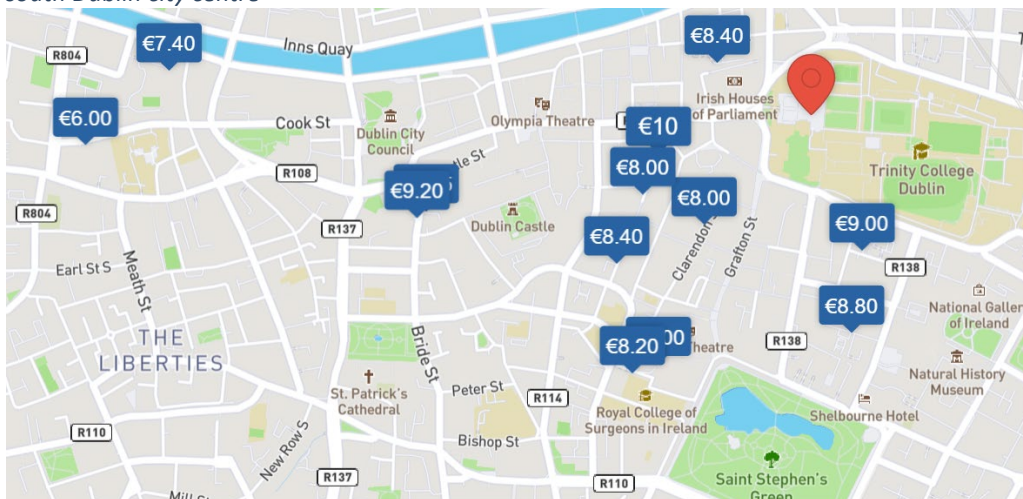
²⁰⁰ See [REDACTED] response to Question 2(a) of the Competitor Questionnaire.

²⁰¹ See, for example: [Season Ticket \(apcoa.ie\)](#); [Weekly & Monthly Parking \(parkrite.ie\)](#); [Premier Card Products \(q-park.ie\)](#).

- 2.99 Depending on the Car Parking Management Provider, some off-street car parks offer additional services, such as valet and car washing through agreements with the Car Parking Management Provider.

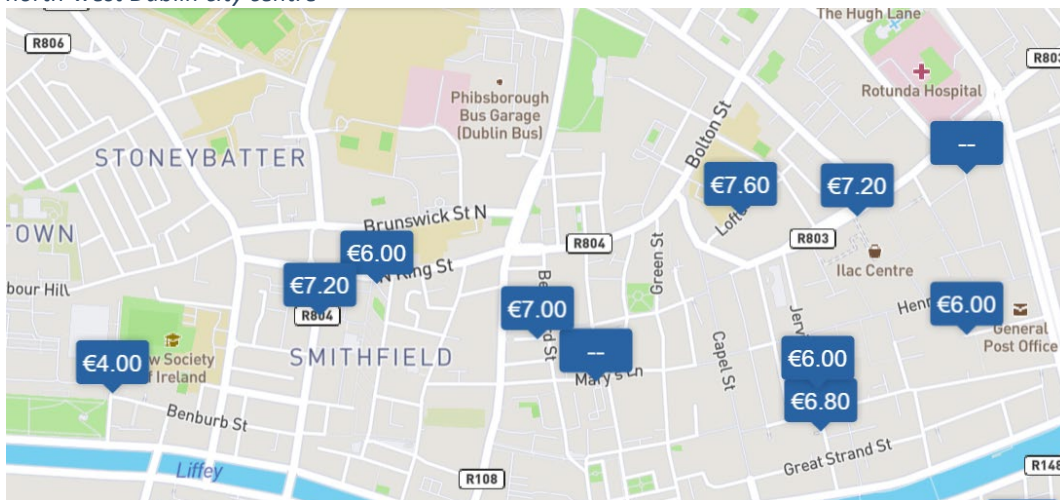
- 2.100 Figures 3, 4 and 5 below show different prices of parking in Dublin City.²⁰²

Figure 3: Pricing of off-street parking from 14:00 – 16:00 (i.e. a 2-hour period) on a weekday in south Dublin city centre



Source: Parkopedia

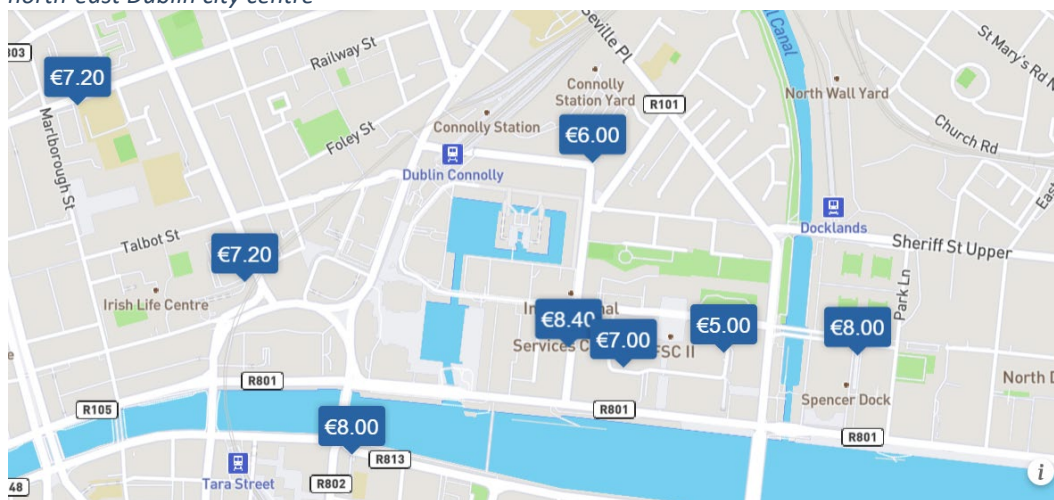
Figure 4: Pricing of off-street parking from 14:00 – 16:00 (i.e. a 2-hour period) on a weekday in north-west Dublin city centre



Source: Parkopedia

²⁰² These prices are those displayed on *Parkopedia*, which can be found at the following link: https://www.parkopedia.ie/parking/locations/trinity_college_college_green_dublin_d02_ireland_fb3ggc7x3x51js0ech/?arriving=202304131400&leaving=202304131600, accessed 25 May 2023.

Figure 5: Pricing of off-street parking from 14:00 – 16:00 (i.e. a 2-hour period) on a weekday in north-east Dublin city centre



Source: Parkopedia

2.101 As shown in Figures 3, 4 and 5, pricing of off-street parking in Dublin city centre varies depending on the location and the provider. Table 2 below provides further details of the prices outlined above.

Table 2: Pricing of off-street parking from 14:00 – 16:00 on a weekday in Dublin city centre

Car Park	Car Parking Management Provider	Price (2 hours)
South Dublin City		
Grand Canal Square	Q-Park	€11.80
Christchurch	Q-Park	€9.20
Setanta	Q-Park	€9
Dawson Street	Q-Park	€8.80
Stephen's Green	Q-Park	€8.20
Four Courts	Q-Park	€7.40
Fleet Street	Park Rite	€8.40
Drury Street	Park Rite	€8.40
City Quay	Park Rite	€8
Trinity Street	APCOA	€10
Werburgh	APCOA	€5.45
Fitzwilliam Hotel	Best Car Parks	€8

Drury Street	Croftville Property Company	€8
Grafton Street	Grafton Car Park	€8
Thomas Street	Thomas Street Car Park	€6
Grand Canal	<i>Best Car Parks</i>	€35 ²⁰³
North Dublin City		
The Spire	Q-Park	€7.20
IFSC	Park Rite	€8.40
Parnell Centre	Park Rite	€7.60
Irish Life	Park Rite	€7.20
ILAC Centre	Park Rite	€7.20
Smithfield Market	Park Rite	€7.20
Jervis Street	APCOA	€6.80
Connolly Train Station	APCOA	€6
Arnotts	<i>Best Car Parks</i>	€6
Point Square	<i>Euro Car Parks</i>	€8
Convention Centre	<i>Euro Car Parks</i>	€8
Clarion Quay (Spencer Hotel Dublin)	RFC Security	€7
Jervis Shopping Centre	Jervis Shopping Centre	€6
National College of Ireland	National College of Ireland	€5
9 Father Matthew Square	DCC	€7
King Street North	DCC	€6

Source: *Parkopedia*

2.102 Figure 6 below shows different prices of parking in Galway city.²⁰⁴

²⁰³ Day and evening rates only available at this car park. See: [Location Details – Best Car Parks](#).

²⁰⁴ These prices are those displayed on *Parkopedia*, which can be found at the following link: [Eyre Square Shopping Centre Eyre Sq Galway H9– Ireland parking - Car Parks, Street Parking, Private Garages \(parkopedia.ie\)](#), accessed 25 May 2023.

Figure 6: Pricing of off-street parking from 14:00 – 16:00 (i.e. a 2-hour period) on a weekday in Galway city centre



Source: Parkopedia

2.103 As shown in Figure 6, pricing of off-street parking in Galway city varies depending on the location and the provider. Table 3 below provides further details of the prices outlined above.

Table 3: Pricing of off-street parking from 14:00 – 16:00 on a weekday in Galway city

Car Park	Car Parking Management Provider	Price (2 hours)
Eyre Square Centre	Q-Park	€5.80
Hynes Yard	Park Rite	€5.80
Ceannt Train Station	APCOA	€6.50
Headford Road	APCOA	€4
Galway Cathedral	APCOA	€3.50
Galway Shopping Centre	<i>Euro Car Parks</i>	Free ²⁰⁵
Market Street	City Park	€5.40
Coach Station	City Park	€5.40
City Centre	City Park	€5.40

²⁰⁵ Free up to a maximum stay of 3 hours.

Cathedral Square	GCC	€6.50
The Greyhound Track	GCC	€6.50
Dyke Road	GCC	€6.50
Bowling Green	GCC	€4
Mill Street	GCC	€4
Harbour	Galway Harbour Company	€4
Port of Galway – Docks	Galway Harbour Company	€4
Galway Retail Park	Positive Parking Services	Free
Corrib Shopping Centre	Corrib Shopping Centre	€4.80
The Galmont Hotel & Spa	The Galmont Hotel & Spa	€5
Harbour Hotel	Harbour Hotel	€4.40
Spanish Arch	Claddagh Car Parks	€5.20

Source: Parkopedia

On-street

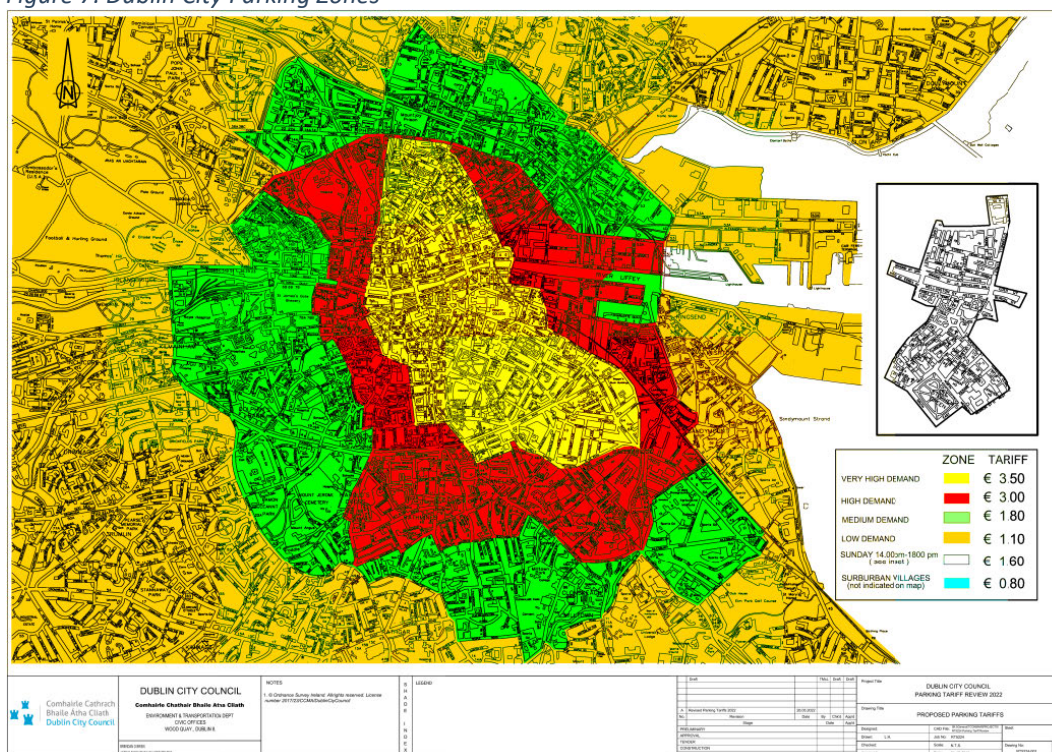
2.104 As stated in paragraph 2.9 above, the majority of on-street car parking is provided by local authorities, and customers pay for the parking via tickets bought at ‘Pay & Display’ machines, or through mobile apps.²⁰⁶

2.105 The price of on-street car parking varies depending on the location, time of day and availability of spaces. In most cases, prices will be reduced or free in the evenings and on Sundays. Local authorities may also have further restrictions in place for on-street car parking, such as maximum length of stay or prohibitions on any parking at certain times of day.²⁰⁷ DCC operates several different price zones, as shown in Figure 7 below.

²⁰⁶ See page 2 of Call Note with Galway City Council, dated 16 March 2023.

²⁰⁷ See: <https://www.dublincity.ie/residential/parking-dublin-city-centre/pay-and-display-parking>; See: [GalwayCity – Parking in Galway City](#).

Figure 7: Dublin City Parking Zones



Source: DCC²⁰⁸

2.106 On-street car park spaces are also subject to enforcement, involving clamping or fines being issued to vehicles who have not displayed a valid parking ticket, stayed beyond the permitted time, or have not paid by mobile.²⁰⁹ These enforcement services may be carried out by local authorities²¹⁰ or Car Parking Management Providers on behalf of local authorities.²¹¹

Customer Choice between On-street and Off-street Parking

2.107 Parking customers consider a number of factors before deciding to park on or off-street. These include price, weather, walking distance, location, security, availability of spaces, journey purpose and duration of stay.²¹² *Bidvest Noonan* noted that on-street parking is more popular on Sundays in Dublin City, when it is

²⁰⁸ See: <https://www.dublincity.ie/residential/parking-dublin-city-centre/pay-and-display-parking>.

²⁰⁹ See page 4 of Call Note with *Best Car Parks*, dated 6 March 2023.

²¹⁰ See page 1 of Call Note with Galway City Council, dated 16 March 2023; See page 2 of Call Note with DCC, dated 20 April 2023.

²¹¹ See page 1 of Call Note with Galway City Council, dated 16 March 2023; See page 2 of Call Note with DCC, dated 20 April 2023.

²¹² See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

generally free.²¹³ *Euro Car Parks* also noted that on-street parking can be more accessible, although it is usually harder to find spaces.²¹⁴ Customers who are only parking for a short amount of time also tend to favour on-street parking.²¹⁵ *Ipáirc* stated that on-street parking is generally preferable to customers as it is more accessible and convenient.²¹⁶ Throughout the Commission's assessment of the Proposed Transaction, the Parties have argued that the consumer's preference is always to avail of on-street if available,²¹⁷ although the Commission notes that there appears to be no research or data available which corroborates this perspective from the Parties, and no research or data was provided in this regard.

Types of Customers

2.108 Customers use car parking for a number of different purposes, including retail/shopping, leisure, or for work.

Retail

2.109 Retail car park users park their vehicles to go shopping. They will often avail of the car park attached to a shopping centre, retail park or within a short walking distance from a shopping district.²¹⁸ In cities, these customers may not be as constrained in terms of having to park directly beside a shopping centre, as there is generally more parking available nearby.²¹⁹ The Consumer Survey found that 30% of customers of the car parks surveyed were retail car park users.²²⁰

2.110 The IPA 2010 Market Report highlighted the following:

"Parking charges at shopping centres vary widely from location to location, with some centres providing unlimited free customer car parking (e.g. Douglas Village, Liffey Valley); limited free parking (up

²¹³ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

²¹⁴ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

²¹⁵ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

²¹⁶ See page 3 of Call Note with *Ipáirc*, dated 6 March 2023.

²¹⁷ See Q-Park Written Response, pages 10-11; See Tazbell Written Response, pages 112-113.

²¹⁸ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March.

²¹⁹ See pages 1-2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

²²⁰ See response to Q4 of the Consumer Survey.

to 3 hours free e.g. in Pavilions Shopping Centre); special offers (3 hours for the price of 1, e.g. in Dundrum Town Centre) up to €3 per hour for shopping centre car parks in Dublin city centre.”²²¹

Leisure

2.111 Customers may also use car parking to avail of leisure activities such as socialising, going to restaurants or the cinema and attending concerts or sporting events.

2.112 According to the Consumer Survey, 36% of car park users park for these reasons.

Workers

2.113 The Consumer Survey (discussed further below) found that 26% of customers surveyed parked for work purposes.

2.114 While some workplaces offer free, private car parking to their employees, others may have deals in place with nearby Car Park Owners or service providers to reserve a certain number of places for their employees.²²² Additionally, due to the shift in many workplaces to hybrid and remote working post-Covid, fewer commuters are driving into larger cities for work.²²³ On this point, in its Written Response, Tazbell stated the following:

“The trends towards internet shopping and home working were accelerated during the Covid-19 pandemic. [...] These trends have meant that car parking spaces (including car parks) [REDACTED] [REDACTED] and the move towards cycling/ public transport/ away from cities will accentuate that trend. There is, and will be, reduced demand for parking leading to spare capacity.”²²⁴

2.115 IPáirc observed that workers tend to look for cheaper parking and can be mobile in response to higher prices.²²⁵

²²¹ See page 13 of the IPA 2010 Market Report.

²²² For example, [REDACTED].

²²³ See page 4 of Call Note with IPáirc, dated 6 March 2023.

²²⁴ Tazbell Written Response, page 59-60.

²²⁵ See page 3 of Call Note with IPáirc, dated 6 March 2023.

Overnight

- 2.116 Many Car Park Owners and Car Parking Management Providers have deals in place with nearby hotels, providing discounts to customers of those hotels. For instance, the Gibson Hotel has an offer on overnight rates in place with the Point Square car park, which is operated by *Euro Car Parks*.²²⁶ The Grafton Hotel and Harcourt Hotel provide their guests with discounted car parking for the Stephen's Green car park operated by Q-Park, and the Drury Street car park operated by Tazbell.^{227,228} Similarly, in Galway City, the House Hotel provides discounted parking to its guests at the Hynes Yard Car Park, operated by Tazbell.²²⁹
- 2.117 The IPA 2010 Market Report also stated that while most hotels offer free parking to guests; others, particularly in busy urban areas, will still charge for parking.²³⁰

Recent Market Trends

- 2.118 There have been a number of new developments in the car parking sector in recent years. Private and public Car Park Owners and Car Parking Management Providers have installed charging stations for electric cars.²³¹ Parking apps have also become increasingly popular, allowing users to reserve and pay for their parking on a mobile rather than purchasing physical tickets from pay and display machines.²³² These apps include *Park Magic*²³³, *Parking Tag*²³⁴, and *ParkPNP*²³⁵.
- 2.119 The majority of Car Parking Management Providers now also offer their own apps, such as Q-Park and [REDACTED]. They may also offer loyalty cards to larger clients, allowing them to avail of discounted parking fares.

²²⁶ See: <https://www.thegibsonhotel.ie/about-us/parking-at-the-gibson-hotel/>.

²²⁷ See: <https://www.thegraffon.ie/location-parking/>.

²²⁸ See: <https://www.harcourthotel.ie/parking.html>.

²²⁹ See: <https://www.thehousehotel.ie/frequently-asked-questions/>.

²³⁰ See page 14 of IPA 2010 Market Report.

²³¹ See page 2 of Call Note with Galway City Council, dated 16 March 2023.

²³² The Parties have argued that this trend has both significantly increased the appeal of on-street parking, and reduced the differences between on-street and off-street parking. Q-Park Oral Response, pages 33-34 and Tazbell Written Response, pages 28-30.

²³³ Park Magic Mobile Solutions Limited, CRO number 398851.

²³⁴ Payzone Ireland Limited, CRO number 310110.

²³⁵ Parknp Limited, CRO number 572503.

- 2.120 However, according to some Third Parties, overall the sector has been static,²³⁶ other than a small amount of consolidation.²³⁷ The COVID-19 pandemic negatively impacted players who bear the risk of their car parks, i.e., Car Park Owners who primarily operate under management contracts, and Car Parking Management Providers who primarily operate under lease contracts.²³⁸
- 2.121 Some Car Parking Management Providers view the sector as further segmented by the type of service they provide, or the contract types they have. For instance, *Euro Car Parks* maintains that each player has its own niche, with “*Euro Car Parks in retail car parks, RFC in clamping, Q-Park in multi-story, etc.*”.²³⁹ *Bidvest Noonan* does not perceive itself a competitor of Q-Park or Tazbell, as it operates in a more niche area of the market (namely, security and cleaning for shopping centres, with car park management provided as part of the package).²⁴⁰

Public Transport

- 2.122 Public transport fares have been decreasing in recent years. In 2022, fares for public transport were reduced by an average of 20%, and a young adult travel card was introduced for people aged 19-23, offering half-priced fares for public transport networks.²⁴¹
- 2.123 Parking at transport hubs is used to allow for consumers to avail of an additional form of travel. It includes parking at airports, ferry ports, rail stations and park and ride.²⁴² Park and ride facilities are found at various bus, train and Luas stops, and were implemented to encourage increased use of public transport instead of cars in urban areas.²⁴³ In particular, additional park and ride facilities at transport hubs have been introduced since 2020 to improve access to public transport and

²³⁶ See page 2 of Call Note with [REDACTED], dated 4 October 2022.

²³⁷ See page 1 of Call Note with *Euro Car Parks*, dated 16 November 2022.

²³⁸ See page 2 of Call Note with [REDACTED], dated 4 October 2022.

²³⁹ See page 2 of Call Note with *Euro Car Parks*, dated 16 November 2022.

²⁴⁰ See page 4-5 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

²⁴¹ See: <https://www.transportforireland.ie/news/reduced-public-transport-fares-to-roll-out-from-april/#:~:text=Customers%20purchasing%20annual%20or%20monthly,the%20cost%20of%20their%20ticket> and <https://luas.ie/young-adult-tfi-leap-card.html>.

²⁴² See page 12 of IPA 2010 Market Report.

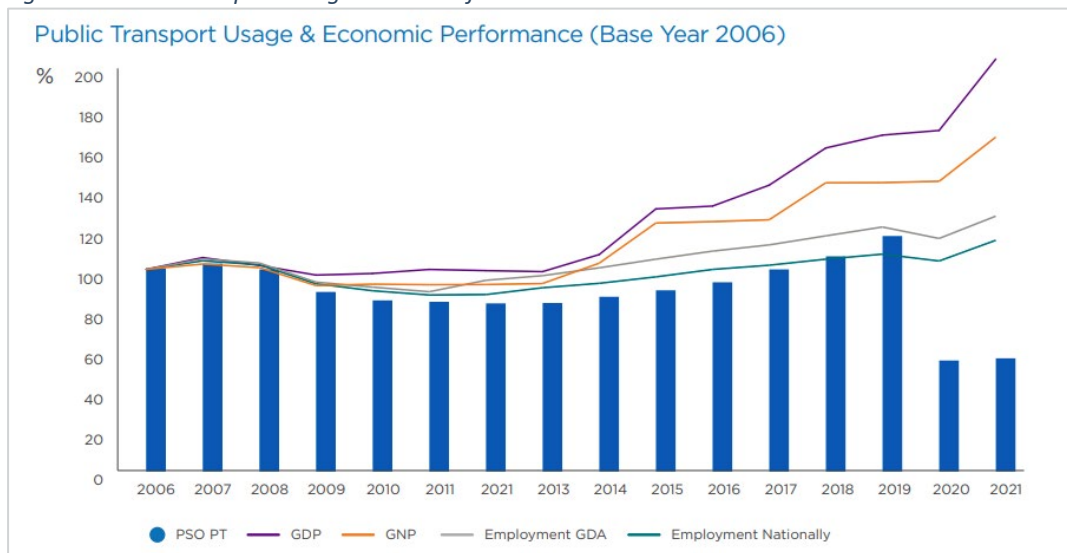
²⁴³ See page 2: <https://www.nationaltransport.ie/wp-content/uploads/2021/11/Park-and-Ride-Strategy.pdf>.

encourage commuters into Dublin city to avail of public transport rather than driving.²⁴⁴ *Best Car Parks* noted that the service provided by public transport, in particular in Dublin, is not sufficient to have a strong impact on car use,²⁴⁵ with GCC expressing a similar sentiment as it pertains to Galway.²⁴⁶ However, Tazbell has claimed that [REDACTED]

[REDACTED]²⁴⁸

2.124 The National Transport Authority reported in 2021 that public transport usage had been steadily growing from 2013 until 2019.²⁴⁹ In 2020 and 2021, those numbers dropped significantly due to the COVID-19 pandemic, as demonstrated in Figure 8 below.

Figure 8: Public Transport Usage in Ireland from 2006 to 2021



Source: National Transport Authority

2.125 As of February 2023, bus, Luas and *LocalLink*²⁵⁰ passenger numbers have recovered to pre-COVID numbers, with approximately 249 million passenger

²⁴⁴ See: <https://www.nationaltransport.ie/wp-content/uploads/2021/11/Park-and-Ride-Strategy.pdf>.

²⁴⁵ See page 5 of Call Note with *Best Car Parks*, dated 6 March 2023.

²⁴⁶ See page 2 of Call Note with Galway City Council, dated 16 March 2023

²⁴⁷ [REDACTED]

²⁴⁸ Tazbell Written Response, page 57, para 166.

²⁴⁹ See page 3: <https://www.nationaltransport.ie/wp-content/uploads/2022/09/Bus-and-Rail-Statistics-2021.pdf>.

²⁵⁰ LocalLink refers to the Local Link bus service operated in rural Ireland.

journeys being provided on public transport in 2022.²⁵¹ *Irish Rail* passenger numbers have not yet returned to full pre-COVID levels, but have reached 85% of pre-COVID numbers.²⁵² The extent to which public transport impacts on car parking is considered in the context of market definition in Section 3. .

The Supply of Car Parking Spaces

2.126 Driving remains a popular mode of transport in Ireland, with the number of privately-owned vehicles steadily increasing.²⁵³ In May 2022 there were approximately 2,459,172 private cars owned in Ireland.²⁵⁴ An increase in car ownership may, in turn, result in an increased demand for parking spaces.

2.127 Despite the growing number of cars in Ireland, recent government policy has focused on encouraging the use of public transport rather than driving.²⁵⁵ As such, it is difficult to obtain planning permission to build a car park, as this would be contrary to many local authorities' goals.²⁵⁶ This means that the supply of public car parking spaces is, for the most part, limited to existing on and off-street spaces, with little new car parking spaces being added to the market.²⁵⁷ *IPáirc* also noted that the number of on-street car parking spaces and off-street car parks is reducing, and that any new car parks are now being built in suburbs rather than cities.²⁵⁸ However, this trend is disputed by the Parties, where they noted the development of the Dyke Road car park in Galway City as an example of new off-street spaces being created.²⁵⁹

The Provision of Car Parking Management Services

²⁵¹ See: <https://www.nationaltransport.ie/news/bus-passenger-numbers-return-to-pre-pandemic-levels-nla/#:~:text=Over%20249%20million%20passenger%20journeys,-While%20the%20249m&text=Bus%20Eireann%20PSO%20services%20have,compared%20to%2039.9%20in%202019.>

²⁵² Ibid.

²⁵³ See: <https://www.cartell.ie/2022/06/car-ownership-in-ireland/>.

²⁵⁴ See: <https://www.completecar.ie/car-news/article/11752/Private-vehicle-fleet-hit-new-record-last-August.>

²⁵⁵ See page 2 of Call Note with *Euro Car Parks*, dated 2 March 2023; See page 4 of Call Note with *IPáirc*, dated 6 March 2023; See page 3 of Call Note with DCC, dated 20 April 2023; See page 2 of Call Note with DCC 15 March 2023.

²⁵⁶ See page 2 of Call Note with *Euro Car Parks*, dated 2 March 2023.

²⁵⁷ See page 1 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

²⁵⁸ See pages 3-4 of Call Note with *IPáirc*, dated 6 March 2023.

²⁵⁹ See Q-Park Written Response, paras 141-145 and Tazbell Written Response, pages 95-99

2.128 There have been a number of new Car Parking Management Providers entering the market in recent times, and these are outlined below. However, these players, and smaller players in general, often struggle to gain new contracts from incumbents.

Recent/Potential Entrants

2.129 *Bidvest Noonan* entered the market in 2017. As mentioned in paragraph 2.67 – 2.69 above, it offers car park management services as a part of a package of overall facilities management.²⁶⁰ It is not seeking to provide car park management services as a standalone service, with [REDACTED] noting that it is “*not regarded as a player*” in the market.²⁶¹

2.130 *IPáirc* also entered in 2015, [REDACTED]
[REDACTED].²⁶²

2.131 *City Park* entered the market in 2018, providing car parking management services in Galway, Clare and Laois.

Exits

2.132 There have been few exits from the supply of car park management services in recent years. The only notable exit was from NCPS, which was acquired by APCOA in 2019. At the time of the acquisition, NCPS was one of the largest Car Parking Management Providers in the State, managing approximately 1,100 car parks in the country.²⁶³

²⁶⁰ See page 1 of Call Note with *Bidvest Noonan*, dated 16 November 2022; See pages 1,3,5 of Call Note with *Bidvest Noonan* dated 1 March 2023.

²⁶¹ See page 3 of Call Note with [REDACTED], dated 4 October 2022.

²⁶² See IPáirc response to Question 1(b) of the Competitor Questionnaire.

²⁶³ See Tazbell’s response to Question 18 of the Second Phase 2 RFI Response; See Q-Park’s response to Question 19 of the Second Phase 2 RFI Response.

3. RELEVANT PRODUCT AND GEOGRAPHIC MARKETS

Introduction

- 3.1 In this section, the Commission identifies the product and geographic markets that are relevant for the assessment of the likely effects of the Proposed Transaction. This section sets out the general principles that apply to market definition; the overlaps in the activities of the Parties; the views of the Parties and third parties; and then sets out the Commission's conclusion on the relevant product and geographic markets.
- 3.2 Market definition provides a framework for assessing the competitive effects of a merger; it is a means to an end. The boundaries of a market do not in themselves determine the range of competitive effects to be assessed by the Commission in its merger review, as there may be competitive constraints on the merging parties from outside the relevant market segmentation within the relevant market or other ways in which some constraints will be more significant than others.²⁶⁴ The Commission has taken such factors into account in its assessment of the competitive effects of the Proposed Transaction, where relevant.

Relevant principles

- 3.3 The role of market definition is explained in the Commission's Merger Guidelines as follows:

*"Market definition is a conceptual framework within which relevant information can be organised for the purposes of assessing the competitive effect of a merger. Identifying the precise relevant market involves an element of judgement. It is often not possible or even necessary to draw a clear line around the fields of rivalry. Indeed, it is often possible to determine a merger's likely impact on competition without precisely defining the boundaries of the relevant market."*²⁶⁵

²⁶⁴ Commission's Merger Guidelines, paragraphs 2.1 and 2.3.

²⁶⁵ Commission's Merger Guidelines, paragraph 2.3.

“Market definition depends on the specific facts, circumstances, and evidence of the particular merger under investigation. Decisions relating to market definition in previous merger investigations by the Commission may provide only limited guidance.”²⁶⁶

3.4 According to the Commission’s Merger Guidelines:

“The relevant product market is defined in terms of products rather than producers. It is the set of products that customers consider to be close substitutes. In identifying the relevant product market, the Commission will pay particular attention to the behaviour of customers, i.e., demand-side substitution. Supply-side substitution (i.e., the behaviour of existing and/or potential suppliers in the short term) may also be considered.”²⁶⁷

3.5 The relevant market contains the most significant alternatives available to the customers of the merging parties. Identifying the precise relevant market involves an element of judgement, with appropriate weight being given to factors on both the demand and supply-side.²⁶⁸

3.6 The Commission’s Merger Guidelines note that:

“Whether or not a product is a close substitute of a product supplied by one or more of the merging parties will depend on the willingness of customers to switch from one product to the other in response to a small but significant and non-transitory increase in price (or an equivalent decrease in quality). This will involve an assessment of the characteristics and functions of the products in question”.²⁶⁹

3.7 The standard economic test for defining the relevant market is the small but significant non-transitory increase in price (“SSNIP”) test. The SSNIP test seeks to identify the smallest group of products and geographic areas within which a hypothetical monopolist could profitably impose a SSNIP without a sufficient

²⁶⁶ Commission’s Merger Guidelines, paragraph 2.6.

²⁶⁷ Commission’s Merger Guidelines, paragraph 2.8.

²⁶⁸ Commission’s Merger Guidelines, paragraph 2.3.

²⁶⁹ Commission’s Merger Guidelines, paragraph 2.9.

number of consumers/service purchasers switching to alternative products to render the price increase non-profitable. However, the Commission notes that the SSNIP test is just one of the tools used in defining the relevant product market, and its applicability varies depending on pricing practices in the market. A substantial emphasis should also be placed on product characteristics, price and intended use as well as observed substitution patterns between various products that can potentially be included in the same product market.

3.8 The Commission's Merger Guidelines also note that:

*"Market definition should not restrict the range of competitive effects to be assessed by the Commission in its merger review. The Commission may consider segmentation within the relevant product or geographic market or factors outside the relevant market which impose competitive constraints on firms in the relevant market."*²⁷⁰

3.9 Ultimately, the Commission's definition of the relevant market or markets *"depends on the specific facts, circumstances, and evidence of the merger under investigation"*.²⁷¹

Horizontal and Vertical Overlap

Horizontal overlaps

3.10 In the Merger Notification Form, the Parties have addressed the horizontal overlaps between their respective activities as follows:

*"The Proposed Transaction involves a limited horizontal overlap between the parties regarding the provision of car parking spaces to the public, and more specifically (i) car park ownership and price setting, and (ii) car park operations."*²⁷²

"Both parties are active, to some extent, in the provision of car parking services, however, the services provided by each of the parties are

²⁷⁰ Commission's Merger Guidelines, paragraph 2.1.

²⁷¹ Commission's Merger Guidelines, paragraph 2.6.

²⁷² Merger Notification Form, section 4.1.

differentiated and complementary to one another. To the limited extent there is any direct overlap between the activities of the parties, this arises in the ownership and operation of car parks.”²⁷³

“There is no overlap in the public enforcement of on-street parking services, advice to investors/others on car parking etc because only Tazbell/Park Rite provides these services to local authorities and Q-Park does not.”²⁷⁴

- 3.11 The Commission agrees with the Parties’ view that their activities overlap in the provision of car parking spaces to the public.
- 3.12 In addition, while not identified as a horizontal area of overlap by the Parties in the Merger Notification Form, the Commission has identified that the Parties are both active in the provision of car parking management services in the State.²⁷⁵ These services are provided to Car Park Owners and are discussed in detail in paragraph 2.23. Car parking management services are provided at the upstream level to Car Park Owners, while the car parking spaces to the public are provided at the downstream level to motorists.
- 3.13 Therefore, the Commission considers the following horizontal overlaps to be relevant for its assessment of the Proposed Transaction:
- (a) The provision of car parking management services; and,
 - (b) The provision of car parking spaces to the public.
- 3.14 The Commission agrees with the Parties that there is no horizontal overlap in the provision of on-street parking enforcement services in the State. For this reason, the Commission does not need to come to a definitive view on the boundaries of

²⁷³ Merger Notification Form, section 1.1.

²⁷⁴ Merger Notification Form, section 4.1. The Commission understands “advice to investors/others on car parking” as referring to Tazbell’s consultancy services as referred to in section 3.3 of the Merger Notification Form. Tazbell provides these consultancy services in respect to the feasibility and planning phases of parking projects and investment in and renewal of car parks. On its website, Tazbell states (under the heading of consultancy) that its clients “utilise our services to test the commercial viability of the project”, see <https://www.tazbell.com/business-solutions/parking-consulting>”.

²⁷⁵ The provision of car park management services was considered by Professor Francis O’Toole, “The Proposed Acquisition by Q-Park of Tazbell: An Economics of Competition Policy Report”, dated 4 August 2022 at Annex 8 to the Merger Notification Form (the “First Francis O’Toole Report”).

a potential market for the provision of on-street enforcement services in this Determination.

Vertical overlaps

3.15 With respect to vertical overlaps between their respective activities, the Parties stated in the Merger Notification Form that:

“The Proposed Transaction does not give rise to any vertical relationship between the parties.”²⁷⁶

3.16 The Commission acknowledges that there is no current vertical relationship between the Parties, nor does the Proposed Transaction give rise to one. However, the Commission has identified a potential vertical relationship. Both Parties own car parks, as well as providing car parking management services to Car Park Owners. Therefore, Q-Park could provide car parking management services to Tazbell, and vice versa.

3.17 Therefore, the Commission considers this vertical overlap to be relevant for its assessment of the Proposed Transaction and will consider a potential market for the provision of car parking management services to Car Park Owners.

Relevant Product Markets

Previous Commission, European Commission and other Competition Authority decisions

3.18 The Commission researched previous merger decisions by the Commission²⁷⁷, the European Commission²⁷⁸ and other NCAs²⁷⁹ in the car parking sector when assessing the Proposed Transaction. Ultimately, the Commission has not relied on any of these decisions in its assessment of the Proposed Transaction. The Commission considers these previous decisions to be of limited use to its

²⁷⁶ Merger Notification Form, section 4.2.

²⁷⁷ M/19/012 – APCOA Parking/NCPS.

²⁷⁸ M.2825 - Fortis AG SA/Bernheim-Comofi SA; M.4613 - Eurazeo S.A./ Apcoa Parking Holdings GmbH; M.7398 - Mirael/ Ferrovial/ NDH1; and M.9367 - Mirova/Predica/Indigo.

²⁷⁹ Wilson Parking New Zealand Limited: Investigation Closure Report [2015]. Available at https://comcom.govt.nz/__data/assets/pdf_file/0032/94379/Wilson-Parking-Limited-Investigation-closure-report-20-March-2015.pdf ; and Avis n°01-A-08 du Conseil de la concurrence du 5 juin 2001 relatif à l'acquisition du groupe GTM par la société Vinci.

assessment of the Proposed Transaction as the facts and circumstances of the previous decisions are not directly applicable to the Proposed Transaction.

Views of the Parties

- 3.19 The Parties set out their views on product market definition at various stages of the merger review process, including in the Merger Notification Form, responses to RFIs and in Written and Oral Responses following the issuing of the Assessment.

Merger Notification Form

- 3.20 In the Merger Notification Form, the Parties identified the “*the provision of car parking spaces to the public*” as the relevant product market.²⁸⁰

- 3.21 The Parties stated that the provision of car parking spaces, in their view, “*encompasses on-street and off-street (covered and uncovered) as well as parking lots of various types.*”²⁸¹

- 3.22 With respect to the provision of car parking spaces to the public, the First Francis O’Toole Report proposed the following product market definition:

“In summary, from a competition policy perspective, the relevant product market is [sic] provision of parking spaces and it encompasses, on-street and off-street (covered and uncovered) as well as parking lots and on some occasions, fields (e.g. Leopardstown, music festivals).”²⁸²

- 3.23 The Parties did not identify the provision of car parking management services as a relevant market in the Merger Notification Form.

- 3.24 In relation to the provision of car parking management services, the First Francis O’Toole Report identified several distinct segments:

“Off-street provision of car parking management services where the provider is also the owner and hence generally has control over the final price charged to the public. Ownership of, or possession of a long-term

²⁸⁰ Merger Notification Form, section 5.1.

²⁸¹ Merger Notification Form, section 4.4.

²⁸² See page 8 of the First Francis O’Toole Report.

lease over, a large city centre car park provides some examples in the present context;

Off-street provision of car parking management services where the provider is not the owner and has in effect no control over the final price charged to the public. A short-term lease/management contract with a local authority such as DCC provides some examples in the present context;

Off-street provision of car parking management services where the provider is not the owner but has some significant control over the final price charged to the public. There appears to be no obvious example involving either of the parties in the present context;

Off-street provision of enforcement of parking services where the provider simply provides basic enforcement services, e.g. patrolling a University car park or The Park, Carrickmines, Dublin 18; and,

On-street provision of enforcement of parking services where the provider simply provides basic enforcement services to the relevant local authorities (e.g. DCC or DLRCC)."²⁸³

- 3.25 The First Francis O'Toole Report also indicated that certain of these segments of the provision of car parking management services have many of the attributes of bidding markets; nonetheless, the First Francis O'Toole Report did not state that all these segments (or any specific one) are idealised bidding markets.²⁸⁴
- 3.26 In summary, the First Francis O'Toole Report discussed a potential upstream product market for the provision of car parking management services and a potential downstream product market for the provision of car park spaces.²⁸⁵

²⁸³ See page 8-9 of the First Francis O'Toole Report; Dún Laoghaire Rathdown County Council ("DLRCC").

²⁸⁴ See page of the First Francis O'Toole Report.

²⁸⁵ See page 9 of the First Francis O'Toole Report.

Responses to RFIs

- 3.27 Both Parties provided further information on their views of the relevant product markets in their responses to the various RFIs. In Q-Park's Phase 1 RFI Response, it stated that:

*"the market for the provision of car parking management services to car park owners in the State may be considered to comprise of a number of distinctive segments. However, supply-side substitution considerations likely point towards the existence of one broad upstream product market."*²⁸⁶

- 3.28 Q-Park stated that should the Commission intend to analyse the Proposed Transaction by reference to the three narrow possible product markets referred to in *APCOA Parking/NCPS*, the relevant product markets identified for the purposes of the Commission's assessment of the Proposed Transaction should be broader than those identified in *M/19/012 – APCOA Parking/NCPS*.²⁸⁷

- 3.29 Expanding this view, Q-Park proposed an alternative understanding of lease contracts to that which was set out in *M/19/012 – APCOA Parking/NCPS*, noting that lease contracts may be of a longer or shorter duration than the 10-15 years set out in that determination.²⁸⁸ Furthermore, Q-Park stated that:

*"the level of commercial freedom to set the terms and conditions on which access to the car park is provided (i.e., rates, maximum stays, etc.) may be limited [in certain lease contracts] and the lessee may not also be fully exposed to the revenue risk."*²⁸⁹

- 3.30 Q-Park also stated, contrary to the description provided in *M/19/012 – APCOA Parking/NCPS*, that in respect of management contracts, providers of car parking

²⁸⁶ See response to Question 4 of Q-Park Phase 1 RFI Response.

²⁸⁷ See response to Question 4 of Q-Park Phase 1 RFI Response.

²⁸⁸ See response to Question 4 of Q-Park Phase 1 RFI Response.

²⁸⁹ See response to Question 4 of Q-Park Phase 1 RFI Response.

management services may often receive a portion of the car park's revenue, in addition to an annual management fee from the car park owner.²⁹⁰

3.31 Tazbell also provided information regarding the relevant product market.²⁹¹

Tazbell stated that short-term leases, management contracts and PAC contracts

[REDACTED]

[REDACTED]

[REDACTED]²⁹² Expanding on this view,

Tazbell stated that

[REDACTED]

[REDACTED]

[REDACTED]²⁹³.

3.32 Tazbell also described, in its view, the relative rarity of tenders for lease contracts, stating that *"where opportunities for long term leases do arise, this is generally*

[REDACTED]

[REDACTED]²⁹⁴

3.33 With respect to the provision of car parking management services, Tazbell also stated that:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]²⁹⁵

²⁹⁰ See response to Question 4 of Q-Park Phase 1 RFI Response.

²⁹¹ See Tazbell Phase 1 RFI Response.

²⁹² See response to Question 3 of Tazbell Phase 1 RFI Response.

²⁹³ See response to Question 3 of Tazbell Phase 1 RFI Response. Tazbell stated that the landlord (Car Park Owner) receives [REDACTED] of revenues as the landlord as rent.

²⁹⁴ See response to Question 12 of Tazbell Phase 1 RFI Response.

²⁹⁵ See response to Question 3 of Tazbell Phase 1 RFI Response.

3.34 Tazbell also noted that there is a high degree of supply-side substitutability in relation to the provision of car parking management services, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]”²⁹⁶

3.35 Tazbell stated that the provision of car parking management services has many of the attributes of a bidding market.²⁹⁷

3.36 Tazbell classified the provision of car parking spaces to the public as [REDACTED]

[REDACTED] with each other and “ [REDACTED]

[REDACTED]”²⁹⁸

Written and Oral Submissions

3.37 Both Parties commented at length in their Written Responses and Oral Responses on market definition in the Commission’s Assessment. A detailed consideration of the Parties’ points is set out in the relevant sections of the Determination below. In summary, the Parties raised issues about the Commission’s approach to market definition; disagreed with some elements of the Commission’s interpretation of survey results; and did not agree with some aspects of the Commission’s preliminary views set out in the Assessment.

Views of Third Parties

3.38 As noted in Section 1, the Commission received a number of third party submissions in relation to the Proposed Transaction. Furthermore, the Commission engaged with a number of Third Parties in relation to the relevant market definition.

²⁹⁶ See response to Question 3 of Tazbell Phase 1 RFI Response.

²⁹⁷ See response to Question 3 of Tazbell Phase 1 RFI Response.

²⁹⁸ See response to Question 3 of Tazbell Phase 1 RFI Response. Tazbell used the term ‘car parking services’.

3.39 [REDACTED], in its third party submission, expressed concerns about the impact of the Proposed Transaction on: (i) [REDACTED]; and (ii) [REDACTED].²⁹⁹

3.40 Elaborating on its concerns regarding the [REDACTED], [REDACTED] distinguished between management contracts and lease contracts owing to differences in duration, control over prices to end customers and commercial risk.³⁰⁰ [REDACTED] further distinguished between both contract types, noting that:

[REDACTED]
[REDACTED]
[REDACTED],³⁰¹

[REDACTED] *stated that the competitions for both contracts are quite different, and that the implications of obtaining either contract are substantially different also*”,³⁰² and

[REDACTED] *explained that a lessor [sic] tends to ‘hands off’ whereas management contracts involve regular reporting, meetings etc., with the car park owners. [REDACTED] noted that the latter category of carpark owner will usually have some industry knowledge, and are typically based in Ireland in order to stay more involved in the management aspects. On the other hand, a lessor might have sparse knowledge of the market in comparison.*”³⁰³

3.41 With respect to [REDACTED] to the public, [REDACTED] stated that the Commission should assess the Proposed Transaction by reference to [REDACTED]
[REDACTED]

²⁹⁹ See page 1 of [REDACTED] submission to the CCPC, dated 22 August 2022.

³⁰⁰ See page 1-2 of Call Note with [REDACTED], dated 4 October 2022.

³⁰¹ See page 3 of [REDACTED] submission to the CCPC, dated 22 August 2022.

³⁰² See page 2 of Call Note with [REDACTED], dated 4 October 2022.

³⁰³ See page 2 of Call Note with [REDACTED], dated 4 October 2022.

[REDACTED]³⁰⁴ [REDACTED] provided the following reasons supporting this view:

- [REDACTED];
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED];
- [REDACTED]
[REDACTED]; and
- [REDACTED]
[REDACTED]³⁰⁵

3.42 The Fleet Street Car Park Owner expressed concerns about the Parties' combined market share following the implementation of the Proposed Transaction in "*off-street car parking in Dublin City*."³⁰⁶

3.43 The views expressed by other Third Parties as they relate to market definition are incorporated in the Commission's analysis below.

Commission's analysis of relevant product markets

3.44 As noted above, the Commission has identified two core horizontal overlaps between the activities of the Parties in the State. These are:

- The provision of car parking management services; and
- the provision of car parking spaces to the public.

3.45 The Commission has taken each of the core horizontal overlaps between the activities of the Parties in turn as the starting point for identifying the scope of the

³⁰⁴ See [REDACTED] Submission to the CCPC, dated 22 August 2022.

³⁰⁵ See page 5 of [REDACTED] submission to the CCPC, dated 22 August 2022.

³⁰⁶ See the Fleet Street Car Park Owner email to CCPC, dated 13 January 2023.

appropriate product markets for the purposes of assessing the competitive effects of the Proposed Transaction.

The market for the provision of car parking management services

3.46 In Section 2 of this Determination, the Commission has discussed the range of services offered by Car Parking Management Providers to Car Park Owners (paragraph 2.23), which include the management of the car park, its signage, payment collection, and customer service.

Demand-side substitution

3.47 In accordance with the Commission's Merger Guidelines, the Commission begins by considering demand-side substitution, that is whether a purchaser of car parking management services would consider alternative services to be a close substitute for car parking management services, such that they would switch to an alternative service and render a price increase in car parking management services unprofitable.

3.48 The market would be wider than the provision of car parking management if it could be shown that there are sufficient demand-side substitutes for car parking management services. This would be the case where a customer would consider other services to have sufficiently similar characteristics, functionality, and pricing such that they would be willing to switch to alternatives in response to a SSNIP or equivalent decrease in quality of service.

3.49 In considering the boundaries of the relevant product market, the Commission has assessed the following:

- (a) Are facilities management services part of a potential car parking management services market?
- (b) Is self-supply part of a potential car parking management services market?
- (c) Should the provision of car parking management services be segmented by contract type?

Are facilities management services part of a potential car parking management services market?

- 3.50 The Commission has considered the extent to which a Car Park Owner would switch to facilities management services in response to a SSNIP or equivalent decrease in quality of service in car parking management services.
- 3.51 Facilities management services can include cleaning, security, equipment, and infrastructure maintenance. The nature of these services will vary depending on the relevant facility and the terms of the specific agreement.³⁰⁷ Car parking management services can be seen as a sub-set of facilities management services. Consequently, non-car park related facilities management services, that is, services that are not relevant to car parks, would not be a substitute for car parking management services.
- 3.52 Tazbell, in its Written Response, pointed to the entry of providers such as *Bidvest Noonan* and claimed that there were low switching costs for facilities management providers to enter the car parking management market.³⁰⁸ However, the Commission has seen no evidence indicating actual switching by Car Park Owners to facilities management services in response to a SSNIP in car parking management services. The Commission further considers the likely behaviour of facilities management providers in paragraph 3.75-3.78 below.
- 3.53 Therefore, the Commission is of the view that Car Park Owners would not switch to facilities management services in response to a SSNIP or equivalent decrease in quality of service in car parking management services.

Is self-supply part of a potential car parking management services market?

- 3.54 The Commission considers the extent to which a Car Park Owner would switch to self-supplying car parking management services in response to a SSNIP or equivalent decrease in quality of service in car parking management services.
- 3.55 In the Merger Notification Form, the Parties stated that:

³⁰⁷ While there is no universally accepted definition of facilities management, IBM define facilities management as “the tools and services that support the functionality, safety, and sustainability of buildings, grounds, infrastructure, and real estate”. Available at: <https://www.ibm.com/topics/facilities-management>.

³⁰⁸ Tazbell Written Response, para 134-135.

“self-supply is also a method for new competitors to enter the market and compete. Self-supply is a realistic option, both in a macro/commercial sense or even micro/individual sense (where an individual resident can apparently rent out their own parking space(s)) ... It would be relatively easy for the owner of a facility, such as a local pub, to self-supply car parking management services.”³⁰⁹

- 3.56 Similarly, the First Francis O’Toole Report also identified self-supply of car parking management services as an option, noting:

“In addition, self-supply is a realistic option, both in a macro/commercial sense or even micro/individual sense (where an individual resident can apparently rent out their own private parking space(s)).”³¹⁰

- 3.57 Q-Park provided switching data in relation to where Car Park Owners switched to when they ceased sourcing car parking management services from Q-Park.³¹¹ Out of the [REDACTED] Car Park Owners which ceased sourcing these services from Q-Park after 1 January 2010, [REDACTED] switched to self-supply.³¹² [REDACTED] Car Park Owners switched from Q-Park to self-supply between 2018 and 2021 (inclusive).³¹³

- 3.58 Tazbell also provided switching data in relation to where Car Park Owners switched to when they ceased sourcing car parking management services from Tazbell.³¹⁴ Out of [REDACTED] Car Park Owners which ceased sourcing these services from Tazbell after 1 January 2010, [REDACTED] switched to self-supply.³¹⁵ [REDACTED] Car Park Owner switched from Tazbell to self-supply between 2018 and 2021 inclusive.³¹⁶

- 3.59 The Commission also engaged with Car Park Owners regarding the option of self-supply during its investigation into the Proposed Transaction. Most of these Car

³⁰⁹ Merger Notification Form, section 4.4, page 28.

³¹⁰ See page 6 of the First Francis O’Toole Report.

³¹¹ See response to Question 5(c) of Q-Park Second Phase 2 RFI Response.

³¹² See response to Question 16(iv) of Q-Park Phase 1 RFI Response.

³¹³ See response to Question 5(c) of Q-Park Second Phase 2 RFI Response.

³¹⁴ See response to Question 15 of Tazbell Phase 1 RFI Response, and response to Question 5 of Tazbell’s Second Phase 2 RFI Response.

³¹⁵ See response to Question 15 of Tazbell Phase 1 RFI Response.

³¹⁶ See response to Question 5 of Tazbell Second Phase 2 RFI Response.

Park Owners indicated that they do not consider self-supply as a credible alternative to sourcing car parking management services.³¹⁷

- 3.60 The Grand Canal Car Park Owner stated that he uses a Car Parking Management Provider as it is convenient and not particularly expensive.³¹⁸ When asked what challenges he would face if he decided to run the car park himself, the owner stated that:

“he would not consider running the car park himself. [Grand Canal Car Park Owner] stated that he could hire people to run the car park, but it would not be economically viable given the need for economies of scale and the need to invest in staff, equipment and a website”.³¹⁹

- 3.61 The Smithfield Market Car Park Owner also stated that he did not consider self-supply to be a credible alternative, stating:

“it would cost far more to run the car park himself than to get Park Rite to manage the car park. [Smithfield Market Car Park Owner] stated that he pays Park Rite [REDACTED] to manage the Smithfield car park [REDACTED]. [Smithfield Market Car Park Owner] stated that if he was to manage the Smithfield car park himself, he would have to take on a HR function and manage day-to-day issues. [Smithfield Market Car Park Owner] stated that it would cost far more to run the car park himself than to pay Park Rite to run it. [Smithfield Market Car Park Owner] stated that, for that reason he would not consider running the car park himself”.³²⁰

- 3.62 The Convention Centre Car Park Owner currently sources car parking management services from a Car Parking Management Provider. When asked what would be required for the Convention Centre Car Park Owner to operate its own car park, the Convention Centre Car Park Owner stated it would need to “start from the very

³¹⁷ For example, see Call Note with the Grand Canal Car Park Owner, dated 21 March 2023; See Call Note with the Smithfield Market Car Park Owner, dated 23 March.

³¹⁸ See page 1 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

³¹⁹ See page 3 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

³²⁰ See page 2 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

*beginning, as it is not a car park operator.”*³²¹ The Convention Centre Car Park Owner also noted that it would need to invest in technology and staff, and explained that it would need to change its business model as it currently has no dedicated car parking resources or expertise.³²²

- 3.63 The Grafton and Thomas Street Car Park Owner does not source car parking management services and operates its two car parks in-house. The Grafton and Thomas Street Car Park Owner stated that it has no interest in outsourcing the running of its car parks.³²³ To the Commission’s knowledge the Grafton and Thomas Street Car Park Owner has not previously sourced car parking management services. Consequently, its views are unlikely to be representative of Car Park Owners that source car parking management services.
- 3.64 The Ushers Quay Car Park Owner stated that, should circumstances change with its current provider of car parking management services, it would consider switching provider, or it could operate the car park itself.³²⁴
- 3.65 In its Written Response, Tazbell stated that the Commission’s preliminary exclusion of self-supply from the provision of car parking management services in the Assessment was incorrect. Tazbell claimed that: (i) the Commission only relied on evidence from Car Park Owners that already source car parking management services from Car Parking Management Providers; (ii) that its interview sample of Car Park Owners was too small; and (iii) that most Car Park Owners in the State self-supply.³²⁵
- 3.66 However, as noted in paragraph 3.62 above, the Commission did include evidence from the Grafton and Thomas Street Car Park Owner, who does self-supply car parking management services. The Commission notes that, for the purpose of considering whether self-supply is part of the potential market for the provision of car parking management services, the key question is whether those already

³²¹ See page 1 of Call Note with the Convention Centre Car Park Owner, dated 3 April 2023.

³²² See page 1 of Call Note with the Convention Centre Car Park Owner, dated 3 April 2023.

³²³ See page 1 of Call Note with the Grafton and Thomas Street Car Park Owner, dated 22 March 2023.

³²⁴ See page 2 of Call Note with the Ushers Quay Car Park Owner, dated 23 March 2023.

³²⁵ Tazbell Written Response, para 132.

sourcing car parking management services from Car Parking Management Providers would switch to self-supply in the event of an SSNIP. For this reason, the views of those who do not currently self-supply are important.

- 3.67 Therefore, taking into account the views of Third Parties set out above, the Commission considers that for a significant number of Car Park Owners self-supply of car park management services is not a viable option.³²⁶ As discussed in Section 2, services typically provided by car park management firms include management, cleaning, maintenance and payment collection.

Should the provision of car parking management services be segmented by contract type?

- 3.68 The Commission notes that Q-Park consider that the services supplied under the contract types identified in *APCOA Parking/NCPS* as constituting a single upstream market for the provision of car parking management services.³²⁷
- 3.69 As detailed above, the Commission, while ultimately leaving the precise market definition open, has previously distinguished between car parking management services supplied under management contracts, car parking management services supplied under lease contracts and car parking management services supplied under PAC contracts in *APCOA/NCPS*.³²⁸
- 3.70 The Commission notes that neither the European Commission nor the New Zealand NCA has previously distinguished between contract types when defining the relevant product market.³²⁹
- 3.71 Tazbell states that the services provided to Car Park Owners by Car Parking Management Providers under these contract types do not vary in any meaningful way and can be considered as part of one upstream market.³³⁰
- 3.72 As outlined in Section 2, and as noted by other Car Parking Management Providers, there are certain differences between PAC contracts, management contracts and

³²⁶ Self-supply may be option for a minority of Car Park Owners.

³²⁷ See response to Question 4 of Q-Park Phase 1 RFI Response.

³²⁸ M/19/012 – *APCOA Parking/NCPS*.

³²⁹ See paragraphs 3.18-3.28 above.

³³⁰ See response to Question 3 of Tazbell Phase 1 RFI Response.

lease contracts. The Commission also recognises that in the context of a management contract, the Car Park Owner purchases a service from a Car Parking Management Provider whereas in the context of a lease contract it is the car park operator which purchases a good/service (the car park) from the Car Park Owner. The Commission notes that this affects whether the economic risk of operating the car park is borne by the Car Park Owner or the Car Parking Management Provider. The Commission recognises that risk appetite will differ between Car Park Owners with this, in turn, influencing that entity's preference between lease and management contracts. However, at the most basic level, all the contract types provide a way for a Car Park Owner to outsource the running of their car park. The Commission does not see any strong reasons why, in principle, a Car Park Owner could not substitute between seeking to procure a management contract or a lease contract in response to a SSNIP.

- 3.73 In light of the above, the Commission agrees with the Parties that the car parking management services supplied under each contract type can be treated as one single upstream market and that the market for the provision of car parking management services should not be segmented by contract type.

Supply-side substitution

- 3.74 While the boundaries of the relevant product market are generally determined by reference to demand-side substitution alone,³³¹ for completeness the Commission has considered the extent to which a supplier not currently offering car parking management services would switch to offer such services in response to a SSNIP in car parking management services. For the purposes of market definition, the Commission considers that supply-side substitution would involve a supplier responding to a price increase in car parking management services promptly and without significant costs to switch its supply to provide car parking management services.³³²

- 3.75 The Commission collected evidence from providers of facilities management services and providers of car parking enforcement services to assess possible

³³¹ The Commission's Merger Guidelines, paragraphs 2.15-2.16.

³³² The approach to supply-side substitution in market definition is distinct from the approach to the analysis of potential competition carried out in section 5.

supply-side substitution in the market for the provision of car parking management services.

Evidence from providers of facilities management services

- 3.76 Certain providers of car parking management services, such as *Bidvest Noonan* and *RFC Security*, also provide facilities management services. In the case of *Bidvest Noonan*, its provision of car parking management services is only offered as part of its provision of facilities management to customers. For example, it will offer car parking management services to shopping centres when it also manages the shopping centre itself.³³³ *Bidvest Noonan* described its activities regarding car parking management services as an “add on” to its core business of cleaning, security and facilities management.³³⁴ When asked by the Commission if there were any potential barriers to entry, *Bidvest Noonan* stated that it would be “incredibly difficult” and cited the lack of staff and infrastructure as two factors affecting potential entry.³³⁵ *Bidvest Noonan* informed the Commission that it is “not involved in carpark services outside of this, and ha[s] no intention in entering this market”.³³⁶
- 3.77 *RFC Security* provides car parking management services, having originally been established as a security company.³³⁷ *RFC Security* noted that it is predominately active in managing residential car parks, but also provides car parking management services to private Car Park Owners and shopping centres.³³⁸ *RFC Security* stated that most of the services it supplies entails PAC contracts with *RFC Security* vehicles patrolling the relevant area 2 to 3 times per day.³³⁹ *RFC Security* can also provide car park attendants and install and maintain pay and display machines.³⁴⁰ *RFC Security* stated that it would require more investment to secure

³³³ See page 1 of Call Note with *Bidvest Noonan*, dated 16 November 2022.

³³⁴ See page 1 of Call Note with *Bidvest Noonan*, dated 16 November 2022; See page 3 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³³⁵ See page 3 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³³⁶ See page 1 of Call Note with *Bidvest Noonan*, dated 16 November 2022.

³³⁷ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

³³⁸ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

³³⁹ See page 1 of Call Note with *RFC Security*, dated 18 November 2022.

³⁴⁰ See *RFC Security*'s website, at https://www.rfc-security.ie/services/?page_id=106

contracts to provide car parking management services to owners of large car parks, such as corporate clients and multi-storey car parks.³⁴¹

- 3.78 The Commission has obtained no evidence to suggest that providers of facilities management could, quickly and without significant investment, enter the provision of car parking management services in response to a SSNIP. The two facilities management providers discussed above—which are the only ones which the Commission is aware which have entered the provision of car park management services—have done so in a limited way. One has done so in a manner that is incidental and wholly complementary to its facilities management offering (and it does not provide these services on a standalone basis) and the other explicitly informed the Commission that it could not expand beyond a narrow provision of these services absent significant investment.
- 3.79 The Commission’s view is that while providers of facilities management services can provide car parking management services, the Commission has not been provided with any evidence to suggest that they will switch promptly to providing such services in response to a SSNIP.

Evidence from providers of car parking enforcement services

- 3.80 As outlined in more detail in Section 2, car parking enforcement services can include clamping, impounding, and the issuing of parking permits, among other services.
- 3.81 Certain aspects of on-street parking enforcement services, such as ticketing and payment collection, are also provided as part of car parking management services. However, the Commission has not found examples of companies active in the provision of on-street parking enforcement services which are not also active in the provision of car parking management services.³⁴²
- ~~3.82~~ In light of the above, the Commission considers that: (i) a provider of car parking enforcement services may be able to switch promptly and without significant costs

³⁴¹ See page 2 of Call Note with *RFC Security*, dated 18 November 2022.

³⁴² For example, Tazbell and [REDACTED] both provide on-street car parking enforcement services to local authorities. For an overview of [REDACTED] on-street enforcement activities. Available at: [REDACTED]

to supply car parking management services; and (ii) there is no provider of car parking enforcement services that is not currently active in the provision of car parking management services in the State.

Conclusion on a market for the provision of car parking management services

3.83 The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, with respect to the provision of car parking management services, it is not necessary for the Commission to define the precise boundaries of a relevant market because doing so will not alter the Commission's assessment of the likely competitive effects of the Proposed Transaction.

3.84 However, for the purposes of assessing the likely competitive effect of the Proposed Transaction, the Commission has considered a potential relevant product market for the provision of car parking management services, which will be analysed in section 5.

The market for the provision of car parking spaces to the public

3.85 The second area of horizontal overlap in the Parties activities identified by the Commission is for the provision of car parking spaces to the public.³⁴³ The narrowest market for the provision of car parking spaces to the public is the provision of off-street car parking spaces, as both Parties provide off-street car park spaces to the public. The Commission considers this as the starting point for considering the relevant product market for purposes of assessing the likely competitive effects of the Proposed Transaction.

Demand-side substitution

3.86 In considering the boundaries of the relevant product market, the Commission has assessed the following:

- (a) Is the provision of on-street car parking part of the same market as the provision of off-street car parking?

³⁴³ As noted in Section 2, it is assumed throughout this Determination that the car park spaces are paid for.

- (b) Is public transport in the same market as the provision of off-street car parking?
- (c) Should the market for the provision of off-street car parking be segmented by customer type?

Is the provision of on-street car parking part of the same market as the provision of off-street car parking?

3.87 Applying the principles of the Commission's Merger Guidelines, the Commission begins by considering demand-side substitution. The Commission considers whether a purchaser of off-street car parking would switch to on-street car parking and render a small but significant and non-transitory price increase in off-street car parking unprofitable. In addition, off-street and on-street parking would be in the same market if customers consider both services to have sufficiently similar characteristics, functionality, and pricing such that they would be willing and able to switch between them in response to a SSNIP or equivalent decrease in quality in off-street car parking.

3.88 In its Assessment, the Commission reached the preliminary view that on-street parking was not part of a potential market for the provision of off-street car parking to the public.³⁴⁴ The Commission collected evidence from a number of sources, including the Parties, the Consumer Survey, site visits to the Parties' car parks, and obtained the views of Car Park Owners and Car Parking Management Providers. The evidence and the Commission's reasoning is set out below.

3.89 The Parties submitted that on-street car parking belongs in the same market as off-street car parking. For example, the Commission notes that the First Francis O'Toole Report's view that the relevant market is the provision of parking spaces, which includes on-street parking.³⁴⁵

3.90 Tazbell stated that:

³⁴⁴ The Commission also noted, notwithstanding this preliminary view, that it considered on-street parking as a potential competitive constraint from outside the potential relevant product market in relation to the provision of off-street car parking to the public in Section 5 of its Assessment.

³⁴⁵ See page 8 of the First Francis O'Toole Report.

“There is a choice between on-street and off-street parking. Even if someone intends using on-street parking but if every on-street space was full, they are unlikely to go home again without considering the off-street option.”³⁴⁶

- 3.91 Q-Park stated that on-street parking exerts a significant competitive constraint on the Parties and is [REDACTED].³⁴⁷ Tazbell further submitted that customers decide whether to park on-street or off-street, and view both options as substitutable.³⁴⁸
- 3.92 The Commission considers that there are functional differences between on-street and off-street car parking. Off-street parking usually offers customers a higher level of certainty regarding availability of a space than on-street parking – this is due to higher capacity at a given location,³⁴⁹ and the ability to pre-book a car parking space.³⁵⁰ Securing on-street parking is to some extent more opportunistic in that the driver does not know in advance whether parking in a desired on-street location will be available. Searching for an on-street space is not the same as searching for a space in a defined off-street car park and is likely to be limited by the driver’s willingness to search.
- 3.93 The Q-Park Written Response argued that some functional differences between off-street and on-street parking have become less significant. For example, the Parties noted that the increasing use of parking apps, which allow the on-street parking time to be extended remotely without the customer having to return to their vehicle, weakens the relevance of a limited time period applied to on-street parking.³⁵¹ The Commission accepts this point, but notes that DCC sets out that the maximum time allowed is 3 hours and that a motorist must not return to the same street for 1 hour.³⁵² It is unclear to the Commission the extent to which this

³⁴⁶ See page 23 of Tazbell’s Presentation to the CCPC, dated 9 May 2023.

³⁴⁷ See page 2 of Q-Park submission, dated 12 May 2023.

³⁴⁸ Tazbell Written Response, para 53.

³⁴⁹ See page 1 of Call Note with [REDACTED], dated 6 March 2023; See page 1 of Call Note with Euro Car Parks, dated 2 March 2023.

³⁵⁰ For example, see Q-Park’s website in relation to pre-booking. Available at: <https://www.q-park.ie/en-gb/pre-book/>

³⁵¹ Q-Park Written Response pages 10-11.

³⁵² See: [Pay and Display Parking | Dublin City Council](#)

restriction is enforced, and the Commission accepts that it is feasible, on at least some apps, to remotely extend parking times beyond 3 hours. The Commission also maintains that functional differences remain between off-street and on-street parking, such as the higher level of availability of off-street parking and the ability to stay for longer in an off-street car park without any requirement to purchase another ticket via a ticket machine or app.

- 3.94 The Commission has considered the extent to which a lack of availability of on-street parking would mean that a customer would not switch from off-street to on-street parking. In such a circumstance, the customer would not have the choice of responding to a SSNIP in the price of off-street parking by switching to on-street, because that would not be possible, or would be significantly limited.³⁵³ Tazbell has noted that where on-street parking is busy, nearby off-street car parks have a better chance of increasing occupancy because of the ‘over-spill’ of customers into the respective off-street car park.³⁵⁴
- 3.95 The Commission notes that capacity of on-street parking is likely to be further reduced because of local authority policy, as outlined in Section 2 above and Section 6 below.
- 3.96 In its Written Response, Q-Park questioned the Commission’s approach to market definition:

“it is the “willingness” of customers to switch from one product to another which is determinative of the perimeters of the relevant product market, not whether there will be sufficient capacity of the latter product to meet the switching demand. Capacity may become relevant, after the relevant product market has been defined, in assessing competition within the defined market, in particular in respect of the ability of the merged entity to unilaterally raise prices.”³⁵⁵

³⁵³ For example, see the National Transport Authority’s (“NTA”) *Greater Dublin Area Transport Strategy 2022- 2042*, which outlines the NTA’s approach to encouraging “local authorities to review on-street parking in urban areas with a view to its reallocation to other modes; or the use of parking charges to ensure spaces are turned over regularly rather than being used by commuters” (page 192).

³⁵⁴ See page 25 of Tazbell Presentation to Commission, dated 9 May 2023.

³⁵⁵ Q-Park Written Submission paragraph 66.

3.97 The Commission, in accordance with its Merger Guidelines,³⁵⁶ agrees that the willingness of customers to switch is a key consideration within the context of defining relevant product markets. However, the Commission does not agree with the Parties' statement that sufficient capacity of the latter product to meet the switching demand is not relevant in defining the relevant product market.³⁵⁷ The Commission considers that even if customers are willing to switch, they would not be able to switch if on-street parking does not have the capacity to meet the switching demand. Indeed, the Commission's Merger Guidelines note:

*"The SSNIP test asks whether a hypothetical monopolist of this product, say product A, would find it profitable to impose a small but significant non-transitory increase in price (usually 5- 10%). If a sufficient number of customers **would respond to the price increase by purchasing another product**, say product B, such that the hypothetical monopolist would find it unprofitable to impose such a price rise, then it is appropriate to include product B in the same relevant product market as product A."*³⁵⁸ (Emphasis added)

3.98 Even though on-street and off-street parking spaces may in principle be substitutable from the perspective of users, their willingness to switch in response to an increase in the price of off-street parking would be limited by their ability to carry out such a switch. This would be exacerbated by the lack of interest of those in control of on-street parking to accommodate the switching demand. In fact, the evidence provided by local authorities, as outlined in paragraphs 2.9 - 2.13 above, shows a wish to continue to remove on-street car parking spaces. Furthermore, as outlined above, there are functional differences between on-street and off-street parking, as off-street parking is often considered more secure and offers a greater certainty of availability than on-street parking, while on-street parking is time limited. The Commission therefore does not agree with the Parties' view that in

³⁵⁶ Commission's Merger Guidelines, paragraph 2.6.

³⁵⁷ Q-Park Written Submission paragraph 66.

³⁵⁸ Commission's Merger Guidelines, paragraph 2.10.

principle capacity constraints should not be considered in the process of defining the relevant market for the purpose of assessing the Proposed Transaction.

Evidence from the Consumer Survey

3.99 As outlined in Section 1, the Commission engaged IPSOS to conduct a Consumer Survey to explore private vehicle owners' usage of car parking.³⁵⁹

3.100 IPSOS interviewed customers at different car parks in Dublin city³⁶⁰ and Galway city,³⁶¹ and the Consumer Survey included the following two questions which are of relevance for defining the market³⁶²:

Question 8: Imagine that, before you started your trip you knew that this car park was closed for refurbishment for 6 months. Thinking of all the options open to you, which of these would be your preferred option instead of using this car park?

- Park in another off-street car park;
- Use on street-parking;
- Take public transport, (train, Luas, Dart, bus, taxi, etc.);
- Walk or cycle;
- Other (please specify);
- Don't know.

3.101 1,313 customers in Dublin city responded to question 8 of the Consumer Survey. Of these respondents:

- 64% of respondents in Dublin city stated that they would park in another off-street car park if the car park they had parked at was closed for six months for refurbishment; and
- 13% of respondents in Dublin city stated that they would use on-street parking if the car park they had parked at was closed for six months for refurbishment.

³⁵⁹ See Consumer Survey.

³⁶⁰ The Consumer Survey was conducted in the following off-street car parks in Dublin city: Christ Church; City Quay; Drury Street; Four Courts, Grand Canal; IFSC; ILAC; Irish Life Centre; Parnell Street; Setanta; Smithfield; St. Stephen's Green; and the Spire.

³⁶¹ The Consumer Survey was conducted in the following off-street car parks in Galway city: Eyre Square; and Hynes' Yard.

³⁶² See question 8 of the Consumer Survey.

- When considered on the basis of each individual car park, between 4-20% of respondents would use on-street parking in the event of a six-month closure of the relevant car park.

3.102 204 customers in Galway city responded to question 8 of the Consumer Survey. Of these respondents:

- 74% of respondents in Galway city stated that they would park in another off-street car park if the car park they had parked at was closed for six months for refurbishment; and,
- 9% of respondents in Galway city stated that they would use on-street parking if the car park they had parked at was closed for six months for refurbishment.

3.103 Question 10 of the Consumer Survey asked the following:³⁶³

Question 10: Now a different scenario. Imagine that the price of parking in all off-street car parks in Dublin increased by roughly 30 cents per hour. Thinking of all the options open to you, which of these would be your preferred option:

- Park in another off-street car park;
- Use on street-parking;
- Take public transport, (train, Luas, Dart, bus, taxi, etc.);
- Walk or cycle;
- Other (please specify);
- Don't know.

3.104 1,313 customers in Dublin city also responded to question 10 of the Consumer Survey. Of these respondents:

- 58% of respondents in Dublin city stated that they would continue to use off-street parking if the price of all off-street car parks in Dublin were to increase by roughly 30 cent per hour; and

³⁶³ Question 10 of the script used by IPSOS when conducting the Consumer Survey in Galway read as “Now a different scenario. Imagine that the price of parking in all off-street car parks in Dublin increased by roughly 30 cents per hour. Thinking of all the options open to you, which of these would be your preferred option”. However, IPSOS confirmed to the Commission that Question 10 was asked so as to refer to Galway city, as opposed to Dublin city.

- 11% of respondents in Dublin city stated that they would use on-street parking if the price of all off-street car parks in Dublin were to increase by roughly 30 cent per hour.
- When considered on the basis of each individual car park, between 6-20% of respondents in Dublin city would use on-street parking in the event that off-street car parks in Dublin were to increase their prices by roughly 30 cent per hour.

3.105 204 customers in Galway city also responded to question 10 of the Consumer Survey. Of these respondents:

- 41% of respondents in Galway stated that they would continue to use off-street parking if the price of all off-street car parks in Galway were to increase by roughly 30 cent per hour; and
- 15% of respondents in Galway stated that they would use on-street parking if the price of all off-street car parks in Galway were to increase by roughly 30 cent per hour.

3.106 The Commission notes that, in their Written Responses and Oral Responses, the Parties raised several concerns regarding the Consumer Survey. In particular, the Parties were critical of several aspects of the methodology and proposed alternative interpretations of results. For example:

- (a) The Parties raised issues regarding the formulation of some of the survey questions, for example, that asking respondents what their next closest substitute would be in the event the relevant off-street car park was closed is not relevant to market definition;³⁶⁴
- (b) Q-Park stated that the Commission excessively relied on responses to the Consumer Survey which it maintained were of limited relevance to the question of market definition;³⁶⁵

³⁶⁴ Q-Park Written Response, paragraphs 84-94 and Tazbell Written Response, paragraph 370.

³⁶⁵ Q-Park Written Response, paragraph 1(e).

- (c) The Parties stated the Commission failed to take account of responses which it maintained showed consumers would switch to options the Commission omitted from the relevant market,³⁶⁶ and
- (d) Q-Park also carried out further analysis of survey results and suggested that its analysis showed a greater diversion from off-street parking to other options than had been indicated in the Assessment.³⁶⁷

3.107 The Commission disagrees with the Parties views regarding the Consumer Survey's methodology, particularly with respect to asking consumers what they would do if the relevant car park closed. The Commission considers that the responses to Question 8 of the Consumer Survey are informative to understanding consumer preferences. The Commission also notes that Question 10 of the Consumer Survey asked consumers what they would do in the event of a price rise in all off-street car parks. Responses to both questions were considered by the Commission.

3.108 The Commission considers that it placed appropriate weight on the responses to the Consumer Survey and, furthermore, that it did take account of responses which indicated a willingness to switch to non-off-street car park options.

3.109 Finally, the Commission notes that the views of respondents in a consumer survey during the course of a merger review are not determinative in themselves. Rather, a consumer survey is one element of the qualitative and quantitative information relied upon by the Commission when defining a relevant product market, and its significance should not be overstated. It is important to consider the outputs of a survey alongside the statistical significance of those outputs, and alongside other evidence collected as part of the merger review.

Evidence from Third Parties

Car Parking Management Providers

3.110 The Commission engaged with a range of Car Parking Management Providers throughout the course of its investigation, most of whom were of the view that location rather than whether the parking is on-street or off-street is the

³⁶⁶ Q-Park Written Response, paragraph 1(f) and Tazbell Written Response, paragraph 48.

³⁶⁷ Q-Park Written Submission, paragraphs 94-105.

determinative factor that customers consider when deciding where to park. With the respect to the differences between off-street and on-street parking they noted the following:

- [REDACTED] stated that *“if an on-street space is available, customers would rather take that space rather than entering a multi-storey car park, as on-street parking is quicker, more accessible and more convenient.”*³⁶⁸ However, [REDACTED] noted that availability is more reliable in multi-storey off-street car parks. [REDACTED] stated that the price of on-street parking is considered when setting off-street parking prices but would not materially influence the pricing of a multi-storey car park, while noting that multi-storey car parks charge higher prices than on-street parking.³⁶⁹ Lastly, [REDACTED] stated that it had not experienced customer fluctuations between on-street and off-street parking in response to price changes to any noticeable extent.
- *Best Car Parks* stated that the customer’s choice of parking location is determined by their respective destination.³⁷⁰ With respect to the customers’ sensitivity to on-street parking price changes, *Best Car Parks* stated that *“as soon as DCC put on-street parking tariffs up, tariffs for off-street parking goes up”*.³⁷¹
- *Bidvest Noonan* stated that on-street parking *“is very relevant on a Sunday as its free and so consumers have an economic advantage when parking on-street.”*³⁷² *Bidvest Noonan* noted that on-street parking is relevant (regarding competition with *Bidvest Noonan*’s off-street car parks) to off-street parking on Sundays (as it is free), but not as much on other days.³⁷³ *Bidvest Noonan* stated that people make the decision whether to park on-

³⁶⁸ See page 1 of Call Note with [REDACTED], dated 6 March 2023.

³⁶⁹ See page 2 of Call Note with [REDACTED], dated 6 March 2023.

³⁷⁰ See page 3 of Call Note with *Best Car Parks*, dated 6 March 2023.

³⁷¹ See page 4 of Call Note with *Best Car Parks*, dated 6 March 2023.

³⁷² See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³⁷³ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

street or off-street based on the weather and walking distance.³⁷⁴ Bidvest Noonan also identified that on-street parking may be more attractive to customers parking for a short time period, but that it can be difficult to secure an on-street space.³⁷⁵ Lastly, *Bidvest Noonan* stated that issues regarding paying the meter and clamping do not arise for customers when parking off-street.³⁷⁶

- *Euro Car Parks* stated that on-street parking is much easier than parking off-street and that elderly people tend to prefer on-street parking.³⁷⁷ However, *Euro Car Parks* also noted that elderly customers can worry about paying the machine and clamping.³⁷⁸ *Euro Car Parks* also stated that parking choice depends on location, and that customers parking for a short time tend to prefer on-street parking.³⁷⁹ When asked about whether the price of on-street and off-street parking affect one another, *Euro Car Parks* noted that customers are not price sensitive and generally unaware of the price.³⁸⁰
- *IPáirc* stated that: (i) it considers the price of on-street parking when setting recommending prices; (ii) no VAT is charged for on-street parking; and (iii) that there is a limited number of on-street parking spaces, which is positive for off-street car parks.³⁸¹

3.111 In summary, most Car Parking Management Providers identified location as the key factor which determines where a customer parks. Furthermore, several Car Parking Management Providers stated that the price of on-street parking is considered when setting off-street prices, and that customers tend to prefer on-street parking to off-street parking. Therefore, evidence provided by Car Parking

³⁷⁴ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³⁷⁵ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³⁷⁶ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

³⁷⁷ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

³⁷⁸ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

³⁷⁹ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

³⁸⁰ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

³⁸¹ See page 3 of Call Note with *IPáirc*, dated 6 March 2023.

Management Providers indicates that on-street and off-street parking are substitutable.

Car Park Owners

3.112 The evidence provided to the Commission by Car Park Owners as to whether they consider the price of on-street parking when setting prices for off-street parking is not conclusive.

3.113 Car Park Owners expressed the following views in relation to on-street parking:

- The Grand Canal Car Park Owner stated that it benchmarks its pricing against DCC's parking prices (which are on-street spaces);³⁸²
- The Convention Centre Car Park Owner stated that it considers the price of on-street parking, along with other factors, when determining the price it charges its customers.³⁸³
- The Grafton and Thomas Street Car Park Owner stated that it does not consider the price of on-street parking when setting its prices, as only DCC can operate on-street parking;³⁸⁴ and
- The Smithfield Market Car Park Owner stated it does not consider on-street parking during pricing discussions.³⁸⁵

Commission's conclusion on whether the provision of on-street car parking is in the same market as the provision of off-street car parking

3.114 In assessing whether the provision of on-street car parking is in the same market as the provision of off-street car parking, the Commission notes that in terms of the overall functionality and characteristics of on-street car parking and off-street car parking, the proximity of car parking to an end destination is a primary factor in a customer's selection of where to park, and that on-street and off-street car

³⁸² See page 2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

³⁸³ See page 2 of Call Note with the Convention Centre Dublin Car Park Owner, dated 3 April 2023.

³⁸⁴ See page 2 of Call Note with the Grafton and Thomas Street Car Parks Owner, dated 22 March 2023.

³⁸⁵ See page 2 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

parking, are, in principle, readily substitutable as long as they are close enough to the journey destination.

3.115 However, there are functional differences between on-street and off-street car parking. Off-street car parking tends to be more secure than on-street car parking. On-street car parking can be more time-limited than off-street car parking as there may be strict time limits for parking or a requirement to regularly extend parking validation. Finally, while on-street car parking tends to be spread more widely around urban areas than off-street car parks, off-street car parks generally offer a very high chance of finding available spaces, which may not be the case with on-street car parks.

3.116 In terms of the views of customers and third parties:

- In response to questions in the Consumer Survey in Dublin relating to a hypothetical closure (Question 8) or a price increase (Question 10) in off-street car parks, the proportions of customers who said they would use on-street parking ranged from 6%-20% for customers who had parked in Dublin and 15% for customers who had parked in Galway.
- Car Parking Management Providers gave varying views to the Commission in relation to on-street car parking. All appear to consider on-street car parking to some extent, but its stated importance varied from “[the price of on-street car parking] *does not materially influence the pricing of a multi-storey car park*” to “*as soon as DCC put on-street parking tariffs up, tariffs for off-street parking goes up.*”³⁸⁶
- Evidence from Car Park Owners also varied in terms of their views as to the competitive importance of on-street car parking. Two owners said they do not consider the on-street parking price when setting their prices, while two said that they do.

³⁸⁶ See page 4 of Call Note with *Best Car Parks*, dated 6 March 2023.

- 3.117 The Commission considers that the evidence available indicates that on-street parking and off-street parking may be substitutable. Furthermore, the Commission considers that the level of substitutability between off-street car parking and on-street car parking is likely to vary, possibly significantly, between different areas. This is supported by the variance between the different car parks surveyed in the Customer Survey, which showed varying numbers of customers who would switch to on-street car parking in the event of a closure or SSNIP.
- 3.118 Therefore, in this case, the Commission has decided to leave the precise product market definition open. This does not alter the Commission's assessment of the competitive effects of the Proposed Transaction. The Commission has assessed the competitive effects of the Proposed Transaction with reference to the narrowest market of the provision of off-street car parking. The Commission has also considered the competitive effects of on-street parking with respect to the Proposed Transaction.
- 3.119 The Commission will give further consideration on the competitive constraint exerted by on-street parking in Section 6, in particular:
- the extent of customer willingness to switch between off-street and on-street car parking;
 - whether sufficient on-street parking capacity exists and will continue to exist to constrain price increases by providers of off-street car parking; and
 - the objectives of providers of on-street car parking (namely, DCC and Galway City Council) and the extent to which they are actively competing for parking customers.

Should the potential market for the provision of off-street car parking be segmented by customer type?

- 3.120 The Commission has considered whether a potential market for off-street car parking should be segmented by customer type. This could arise, for example, where there are differences within the potential market for off-street car parking in demand or supply by different customer groups, or if the conditions of demand

and supply differ for different services within the potential market for off-street car parking to the public.

3.121 As outlined at paragraphs 2.108-2.117 in Section 2, car park customers can be separated into different categories. There is no uniform categorisation used within the industry. However, there are three general types of customers: (i) short-term customers; (ii) long-term customers; and (iii) Corporate Customers.

3.122 Short-term customers are customers who park for a short time. While there is no universally accepted definition of a short-term customer, the Commission understands that short-term customers as those that park for 3 or less hours. Long-term customers are those who park for a longer time period than short-term parkers. While there is no universally accepted definition of a long-term customer, the Commission understands long-term customers as those that park for more than 3 hours.

Corporate Customers

3.123 Corporate Customers are local businesses or organisations, such as hotels and employers, that purchase car park spaces (or secure discounts for such spaces) for their customers or employees. Tazbell distinguished Corporate Customers from car parking customers, noting that they have:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]”³⁸⁷

3.124 Furthermore, Corporate Customers are generally unable to purchase or secure on-street parking for their customers or employees, and particularly not to the extent of spaces that may be available off-street.³⁸⁸

³⁸⁷ See response to Question 26 of Tazbell Second Phase 2 RFI Response.

³⁸⁸ See page 2 of the Rehab Group Call Note, dated 12 April 2023.

Consideration of segmentation by customer type

3.125 As noted above, question 8 of the Consumer Survey asked customers what they would do if the car park they had parked at was closed for 6 months for refurbishment. Question 10 asked customers what they would do if the car park they had parked at increased its price by roughly 30 cent per hour.

3.126 The findings of the Consumer Survey were that:

- In terms of duration of stay, for both question 8 and question 10, customers' responses to these questions did not vary significantly by different stay durations, except for the case of overnight parkers. A greater proportion of overnight parkers in both questions would continue to use off-street-parking (81.25% for question 8 vs 65.19% for all surveyed customers, and 71.25% for question 10 vs 56.03% for all surveyed customers). This may indicate that, for overnight customers, alternatives such as on-street parking or public transport are less viable alternatives. However, the sample sizes involved are small (only 80 surveyed customers said they were parking overnight).
- In terms of trip reason, for each of question 8 and question 10, customers' responses to these questions did not vary significantly by different stated trip reasons.
- In terms of the frequency with which customers use that particular car park, there was no statistically significant differences in customers' responses to these questions based on the stated frequency of car park usage. It is worth noting that, overall, the majority of surveyed customers were infrequent users, with 1,112 using the car park less than once per week (73%), and only 51 surveyed customers (3%) using the car park 5 days per week or more frequently.

3.127 In its engagement with the Parties and third parties, there were no suggestions that the market should be segmented by customer type. Therefore, the Commission is of the view that the potential market for off-street parking should not be segmented by customer types. Nonetheless, and as noted above, the

Commission considers, to the extent that they are relevant, the differences between different customer types in its discussion of competitive effects in Section 6 – in particular, the extent to which on-street car parking may simply not be a viable option for some customer cohorts (for example, Corporate Customers).

Is public transport in the same market as the provision of off-street car parking?

3.128 The Commission notes that the Parties did not identify public transport as constituting part of the same market as the provision of car parking spaces to the public in the Merger Notification Form.³⁸⁹ Nonetheless, subsequently, the Parties have identified public transport as exerting a competitive constraint on car parking, depending on a car park's location.³⁹⁰ The Parties noted in the Merger Notification Form that the “*move towards cycling/ public transport/ away from cities*” has played a role in the reduced use of car parks.³⁹¹

3.129 Q-Park stated in its response to the First Phase 2 RFI that “*car parks are subject to market forces and vigorous competition (as it is in the other 21 car parks) and those forces include on-street parking, off-street parking, public transport, taxis and so on.*”³⁹² In Q-Park's Response to the Second Phase 2 RFI, Q-Park stated that while competition is ultimately determined by the location of the car park in question, competition:

“may come from another car park operator such as Park Rite (Tazbell), Apcoa, Euro, Best Car Parks, IPáirc etc; but also from on-street spaces (as much if not more than those operators listed) and also from alternative modes of transport including public transport, taxis etc. Of course, the very noticeable trend is that these types of competitors (i.e. alternative modes of transport) have become larger with more options for customers. For example, competition no longer comes from just taxi ranks but also from “Uber-style” taxi apps (for example “Free Now” in Dublin); equally, for

³⁸⁹ As detailed above, the Parties have not identified the provision of off-street car parking as a relevant product market.

³⁹⁰ See: (i) response to Question 6 of Tazbell Phase 1 RFI Response; (ii) response to Q-Park Second Phase 2 RFI Response; (iii) Q-Park Written Response; and (iv) Tazbell Written Response.

³⁹¹ Merger Notification Form, section 4.4, p 27. The Parties also noted that the impact of the pandemic, the local authorities plans and the growth in remote working are also factors driving change in the car parking sector.

³⁹² See response to Question 3 of Q-Park First Phase 2 RFI Response.

*public transport there is now the Luas etc. of course you can very much argue as well that “on-line” is another competitor”.*³⁹³

3.130 Similarly, Tazbell highlighted that customers could decide to avail of public transport in response to a material price rise in the price of car parking in urban areas with strong public transport connections.³⁹⁴ Tazbell also noted that public transport *“is part of the initial decision –particularly for younger and more environmentally-conscious consumers – increasing and significant degree of substitution”.*³⁹⁵ In Tazbell’s Response to the Second Phase 2 RFI issued on 30 January, Tazbell notes that looks at considerations relevant to each car park, which includes public transport options and its catchment area.³⁹⁶ Tazbell also stated that:

*“[i]n practical terms, public transport is the biggest competitor to Tazbell, particularly in Dublin city centre. A majority of journeys into/out of Dublin city centre are made by public transport. Consumers could also decide to use public transport were pricing to rise materially as those areas are urban areas with strong public transport connections. Public transport pricing has also reduced in recent times and remote working is more prominent. The biggest challenge is to get people to come to a car park.”*³⁹⁷

*“Generally speaking, public transport is, in practical terms, one of the biggest competitive constraint on car parks operators, and a significant and non-transitory increase in the hourly rates of car parks, would lead to more customers switching to using public transport.”*³⁹⁸

3.131 Tazbell also stated that:

³⁹³ See response to Question 3 of Q-Park Second Phase 2 RFI Response.

³⁹⁴ See response to Question 6 of Tazbell Phase 1 RFI Response.

³⁹⁵ See page 26 of Tazbell’s Presentation, dated 9 May 2023.

³⁹⁶ See response to Question 13 of Tazbell Second Phase 2 RFI Response.

³⁹⁷ See response to Question 16 of Tazbell Second Phase 2 RFI Response.

³⁹⁸ See response to Question 23 of Tazbell Second Phase 2 RFI Response.

[REDACTED]

[REDACTED]

[REDACTED] ” 399

3.132 Tazbell also noted that, in its experience, ‘long-stay customers’ are more heavily influenced by price than short-term customers and may therefore consider public transport as an alternative in the event of a SSNIP.⁴⁰⁰

3.133 Q-Park, in its Written Response,⁴⁰¹ stated that the Commission failed to take proper account of the evidence in respect of public transport, namely in relation to the Consumer Survey and the views of local authorities⁴⁰² when considering that public transport was not part of a potential market for the provision of off-street car parking to the public. The Alix Report noted that respondents to the Consumer Survey stated that they would switch to public transport in the event of a SSNIP in off-street parking.

3.134 Tazbell, in its Written Response,⁴⁰³ disagreed with the Commission’s preliminary view that public transport was not part of a potential market for the provision of off-street car parking to the public. Tazbell’s key points were:

- (a) The Commission adopted too narrow a product market by excluding public transport;
- (b) The Consumer Survey indicated that public transport should be in the same market as off-street car parking to the public;
- (c) Public transport is Tazbell’s biggest competitor, particularly in Dublin city centre; and,

³⁹⁹ See response to Question 16 of Tazbell Second Phase 2 RFI Response.

⁴⁰⁰ See response to Question 16 of Tazbell Second Phase 2 RFI Response. Tazbell did not define what constitutes a ‘long-stay customer’.

⁴⁰¹ Q-Park also submitted a report by Alix Partners with its Written Response. The views outlined in the AlixPartners Report are similar to the views outlined in the Q-ParkWritten Response.

⁴⁰² The Commission disagrees with the Parties that it did not take proper account of the views of local authorities when considering if public transport was in the same potential market as off-street car parking. Local authorities indicted they want to incentives public transport use instead of car parking.

⁴⁰³ Tazbell also submitted a report by Francis O’Toole with its Written Response. The views outline in the Francis O’Toole Report are similar to the views outlined IN Tazbell Written Response.

- (d) The Commission erred in the conclusion it drew from its analysis of the public fare reductions in 2022.

3.135 Tazbell also stated that public transport was located close to its car parks, and outlined future public transport improvements, namely Busconnects.⁴⁰⁴

3.136 In its Assessment, the Commission reached the preliminary view that public transport was not part of a potential market for the provision of off-street car parking to the public.⁴⁰⁵ During the course of the merger review, the Commission obtained evidence from a number of sources, including the Consumer Survey; site visits to the Parties' car parks; and calls with Car Park Owners and Car Parking Management Providers. The Commission also analysed the available evidence from an actual reduction in the price of public transport in order to assess any effect this may have had on the pricing and/or use of car parking. The evidence and the Commission's reasoning is set out below, where the Commission considers functional differences between off-street car parking and public transport and the different factors which impact on a consumer's decision to use public transport or drive and park their car.

3.137 The Commission considers that there are functional differences between public transport and off-street car parking. The most obvious differences are associated with the use of a private vehicle and the ability to be in control of time of travel and location compared with the use of public transport. Furthermore, the decision to drive to one's location (or a car park) or take public transport is influenced by factors beyond the cost of parking, including, but not limited to, convenience, reliability, frequency of transport options, journey time, fuel prices and availability.

3.138 The Commission has analysed the effect of an actual decrease in the price of public transport on car parking. Public transport fares were reduced during 2022 as part of government efforts to ease the cost of living crisis and incentivise public transport use.⁴⁰⁶ From May 2022, fares were reduced by 20%, with greater

⁴⁰⁴ Tazbell Written Response, paragraphs 66-67.

⁴⁰⁵ The Commission also noted, notwithstanding this preliminary view, that it considered on-street parking as a potential competitive constraint from outside the potential relevant product market in relation to the provision of off-street car parking to the public in Section 5 of its Assessment.

⁴⁰⁶ See: <https://www.irishexaminer.com/news/arid-40868732.html>

reductions offered to young adults. This represented the first fare reduction in the State’s public transport system in 75 years.

3.139 The Commission sought data from the Parties of: (i) any changes to their car parking prices; and, (ii) car parking space utilisation during the period when public transport prices were reduced to demonstrate any customer switching from use of the car park to use of public transport.

3.140 Q-Park provided pricing information regarding its 9 off-street car parks in Dublin city in response to its Phase 1 RFI, as outlined in Table 4 below.

Table 4: Price increases in Q-Park owned or operated off-street car parks in Dublin city in 2022

Q-Park	Increase in 2022
Beaumont Hospital	■
Bloomfields	■
Bray	■
Christchurch	■
Dawson St	■
Four Courts	■
Setanta	■
St. Stephens Green	■
The Spire	■

Source: Commission analysis of evidence provided by the Parties, Q-Park’s Phase 1 RFI Response RFI⁴⁰⁷

3.141 As shown above, 8 of Q-Park’s owned or operated car parks increased their prices during 2022, and most of them increased their prices by ■ that would be considered in a SSNIP. In general, the majority of these car parks also increased their prices ■⁴⁰⁸

⁴⁰⁷ See response to Question 17 of Q-Park Phase 1 RFI Response, entitled “Q-Park Current Pricing & Price Increases 2018 - 2022.xlsx”.

⁴⁰⁸ See response to Question 17 of Q-Park Phase 1 RFI Response, entitled “Q-Park Current Pricing & Price Increases 2018 - 2022.xlsx”.

3.142 Tazbell also provided pricing information regarding several of its off-street car parks in Dublin city in response to its Phase 1 RF1, as outlined in Table 5 below.

Table 5: Price increases in Tazbell owned or operated off-street car parks in Dublin city in 2022

Tazbell	Increase to hourly rate	Month of increase
IFSC	€0.20	July
Parnell	€0.20	July
ILAC	€0.20	January
Irish Life	€0.20	March
Fleet Street	€0.20	January
Drury Street	€0.20	January
Smithfield Market	€0.10	January
City Quay	No increase	No increase

Source: Commission analysis of evidence provided by the Parties, Response⁴⁰⁹

Tazbell Phase 1 RFI

3.143 Tazbell also provided pricing information for its non-hourly rates, such as overnight rates.

3.144 [REDACTED]
[REDACTED]
[REDACTED].

3.145 Therefore, over the period when public transport fares were reduced, [REDACTED]
[REDACTED]. This indicates, and which was confirmed by most Car Park Owners and Car Parking Management Providers, that the price of public transport is not a significant consideration when setting the price of off-street car parking.⁴¹⁰ While the Commission acknowledges that multiple factors will affect pricing decisions, [REDACTED]
[REDACTED] during a period when public transport fares were

⁴⁰⁹ See response to Question 6 of Tazbell First Phase 2 RFI Response, entitled "Response to question 6(a).xls".

⁴¹⁰ See paras 3.154-3.156 below.

reduced does not indicate that public transport is a competitive constraint on off-street parking such that they can be considered to be in the same market.

3.146 If public transport were to be considered as part of the same market as car parking, a reduction (which is a multiple of a SSNIP reduction) in the price of public transport would be expected to result in a significant number of customers of off-street parking switching to the use of public transport.

3.147 The Commission analysed utilisation data with respect to Q-Park owned or operated car parks in 2022 to determine if customers levels changed as public transport fares were lowered. Figure 9 below illustrates customer levels at 7 of the Q-Park owned or operated off-street car parks in Dublin city in 2022.



Source: Commission analysis of occupancy data provided by Q-Park.

3.148 Public transport fares were reduced from Week 20 of 2022. [REDACTED]
[REDACTED]
[REDACTED].

3.149 If public transport exerted a competitive constraint on off-street car parking such that it was in the same market, one would have expected that a reduction in the price of public transport would have led to customers switching from using off-street car parking. [REDACTED]
[REDACTED]
[REDACTED].

3.150 The Commission's analysis of the impact of the significant reduction in public transport prices in 2022 is that the reduction had no impact on the price setting behaviour of car parks (and in fact the car parks increased their prices) and no impact on the behaviour of customers, as the Commission has not obtained any evidence of customers switching from car parking to public transport. The Commission also notes that [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁴¹¹

Evidence from the Consumer Survey^c

3.151 As noted above, question 8 of the Consumer Survey stated that the car park the respondents had parked at was closed for six months and asked them what their preferred option would be instead of using that car park, and listed several options.

(a) 1,313 customers in Dublin city responded to question 10 of the Consumer Survey:

- (i) 17% of respondents stated that they would take public transport if the car park they had parked at was closed for six months.⁴¹²
- (ii) When considered on the basis of each individual car park, between 7-24% of customers would use public transport in the event of a six-month closure of the relevant car park.

(b) 204 customers in Galway city responded to question 8 of the Consumer Survey.

- (i) 7% of respondents in Galway stated that they would use public transport if the car park they had parked at was closed for six months.

⁴¹¹ Tazbell Written Response, paragraph 279.

⁴¹² For clarity, this refers to the car park at which the respondent parked and completed the Consumer Survey.

3.152 As noted above, question 10 of the Consumer Survey asked respondents what their preferred option would be if the prices of all off-street car parks in Dublin or Galway increased by roughly 30 cents per hour, and listed several options.⁴¹³

(a) 1,313 customers in Dublin city responded to question 10 of the Consumer Survey:

- (i) In the event of an increase of roughly 30 cent in the price of all off-street car parking in Dublin, 23% of respondents stated that they would switch to using public transport.
- (ii) When considered on the basis of each individual car park, between 8-33% of respondents in Dublin would switch to using public transport in the event of such a price increase.

(b) 204 customers in Galway city responded to question 10 of the Consumer Survey.

- (i) 23% of respondents in Galway also stated that they would switch to using public transport in the event of 30 cent price increase in all off-street car parking in Galway.

3.153 As the Commission has noted above, in their Written Responses and Oral Responses, the Parties raised several concerns regarding the Consumer Survey. In particular, the Parties were critical of several aspects of the methodology and proposed alternative interpretations of results.

3.154 As noted in paragraph 3.108 above, the Commission's use of a consumer survey is not determinative. Rather, a consumer survey is one element of the qualitative and quantitative information relied upon by the Commission when defining a relevant product market, and its significance should not be over-estimated.

⁴¹³ Question 10 of the script used by IPSOS when conducting the Consumer Survey in Galway read as "*Now a different scenario. Imagine that the price of parking in all off-street car parks in Dublin increased by roughly 30 cents per hour. Thinking of all the options open to you, which of these would be your preferred option*". However, IPSOS confirmed to the Commission that Question 10 was asked so as to refer to Galway city, as opposed to Dublin city.

Evidence from Car Parking Management Providers

3.155 The Commission also engaged with a range of Car Parking Management Providers throughout the course of its investigation. These Car Parking Management Providers expressed differing views on the impact of public transport has on car parking:

- [REDACTED] stated, when asked if it accounts for the availability and/or price of public transport when setting prices in its car parks, that it *“never considers public transport when looking at prices.”*⁴¹⁴
- *Best Car Parks* stated that Ireland does not have a sufficient public transport system that allows the general public to utilise public transport, and that this in turn incentivises people to utilise car parks.⁴¹⁵
- *Bidvest Noonan* stated that the expansion of the new Luas Line has seen a reduction in car park use, and that changes in Luas routes and extensions of its service has had a significant impact on car parking. Furthermore, *Bidvest Noonan* also stated that increased public transport use was due to the lack of available car park spaces for employees.⁴¹⁶
- *Euro Car Parks*, when asked if the availability and/or price of public transport affects the price of car parking, stated that public transport had little effect on its pricing decisions or recommendations. *Euro Car Parks* also noted that despite questions about what impact the Luas would have on car parking when it was created, public transport has little impact on car parking.⁴¹⁷ When asked about the future of the car parking sector, *Euro Car Parks* indicated that public transport may have more of an impact in the future than it does now, and cited the MetroLink project as potentially impacting journeys between Dublin airport and Dublin city centre.⁴¹⁸

⁴¹⁴ See page 2 of Call Note with [REDACTED], dated 6 March 2023.

⁴¹⁵ See page 5 of Call Note with *Best Car Parks*, dated 6 March 2023.

⁴¹⁶ See page 2 of Call Note with *Bidvest Noonan*, dated 1 March 2023.

⁴¹⁷ See page 1 of Call Note with *Euro Car Parks*, dated 2 March 2023.

⁴¹⁸ See page 2 of Call Note with *Euro Car Parks*, dated 2 March 2023.

- IPáirc indicated that people are “mov[ing] towards using public transport rather than driving”.⁴¹⁹

3.156 In summary, most Car Parking Management Providers indicated that there is a general, long-term, industry-wide trend away from both driving and car parking toward public transport. However, most Car Parking Management Providers indicated that they do not consider the price or availability of public transport when setting their prices. This indicates that in general, Car Parking Providers do not consider that a significant amount of their customers would switch to public transport if they were to increase their prices.

Evidence from Car Park Owners

3.157 The Commission also engaged with Car Park Owners during its investigation into the Proposed Transaction.

- The Grand Canal Car Park Owner stated that it does not consider public transport prices when setting its prices. The owner also noted that the public transport system is insufficient, and that public transport is not a major consideration for the Grand Canal Car Park due to the car park’s location; many theatre goers (a key customer demographic for the car park) do not want to use public transport when going to the theatre.⁴²⁰
- The Grafton and Thomas Street Car Park Owner stated that it considered public transport as a competing product, but that it was not the biggest factor when setting prices.⁴²¹
- The Smithfield Market Car Park Owner stated that public transport is not considered when prices (for off-street car parking) are discussed, but that over time more people will use public transport due to congestion and parking charges. The owner was of the opinion that public transport pricing does not really impact parking charges.⁴²²

⁴¹⁹ See page 3 of Call Note with IPáirc, dated 6 March 2023.

⁴²⁰ See page 2 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

⁴²¹ See page 2 of Call Note with the Grafton and Thomas Street Car Park Owner, dated 22 March 2023.

⁴²² See page 2 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

Commission's conclusion on whether public transport is in the same market as the provision of off-street car parking

3.158 On the basis of the evidence available, the Commission is of the view that public transport is not in the same market as off-street parking. The effect of the real-life reduction in the price of public transport is instructive. The Parties' car parks increased their prices rather than responding to the public transport price reduction by decreasing car park prices and the reduction did not result in a decline in the use of car parking. There are clear functional differences, and while there may be a broad similarity in that each offers a means of reaching a destination, there are qualitative differences in the method employed to get there.

3.159 While the Consumer Survey suggested that some customers would switch to public transport in the event of a 30-cent price increase in the price of off-street parking, this is contradicted by the analysis of an actual event. Most of the Parties' car parks which were surveyed increased their prices by the amount which would be considered in a SSNIP, and customers did not switch to public transport, even although public transport fares were reduced by 20% at the same time.

3.160 While the Commission does not consider that public transport is part of the same market as off-street car parking, it further considers public transport as a potential competitive constraint in relation to the provision of off-street car parking to the public in the discussion of competitive effects in Section 6.

Supply-side substitution

3.161 While the boundaries of the relevant product market are generally determined by reference to demand-substitution alone,⁴²³ for completeness the Commission has considered the extent to which a supplier not currently offering car parking to the public would switch to offer such services in response to a SSNIP in car parking. For the purposes of market definition, the Commission considers that supply-side substitution would involve a supplier responding to a price increase in car parking promptly and without significant costs to switch its supply.⁴²⁴

⁴²³ Commission's Merger Guidelines, paragraph 2.15.

⁴²⁴ The approach to supply-side substitution in market definition is distinct from the approach to the analysis of potential competition carried out in section 5.

- 3.162 An owner of an off-street car park that does not currently provide car parking to the public (i.e., a private car park) is unlikely to switch to supplying off-street car parking to the public in the event of a SSNIP for the following reasons. Such Car Park Owners usually own private car parks, such as those operated for residents or employees. In order to start supplying off-street car parking to the public, these Car Park Owners would need to either construct or procure new spaces or stop providing car parking to those currently using the car park. They may also need to erect facilities for controlling entry and charging for use of the car park (such as ticket machines). [REDACTED], while discussing entry into the provision of public car parking to the public, stated that *“from time to time in locations outside Dublin, such as in Naas or Navan, someone may have between 30 to 50 spaces and [REDACTED] would advise them on how to commercialise these spaces. [REDACTED] stated that in this market car parking management companies rarely find somewhere new with greater than 100 spaces.”*⁴²⁵
- 3.163 The Commission considers that the scope for such entry is likely extremely limited and a private Car Park Owner would not be able to switch promptly and without significant costs to supply car parking to the public.

Conclusion on the relevant product markets

- 3.164 In defining the relevant product markets, the Commission has considered two potential product markets: (i) the provision of car parking management services; and (ii) the provision of off-street car parking spaces to the public.
- 3.165 The Commission concludes that there is a relevant product market for the provision of car parking management services. The Commission does not need to determine the precise boundaries of this market.
- 3.166 The Commission concludes that there is a potential relevant product market for the provision of off-street car parking spaces to the public. This market does not include public transport and is not segmented by customer type. The Commission has left open the inclusion or not of on-street car parking, and will further consider

⁴²⁵ See page 2 of Call Note with [REDACTED], dated 6 March 2023.

the extent to which on-street car parking may exercise a constraint on off-street car parking in its competitive assessment.

Relevant geographic markets

3.167 Having identified two relevant product markets, the Commission now assesses the geographic dimension of each of these markets.

Relevant principles

3.168 The role of market definition is explained in the Commission's Merger Guidelines as follows:

"The product market(s) affected by a merger may be geographically bounded if geography limits some customers' willingness or ability to switch products or some suppliers' willingness or ability to supply to customers. The relevant geographic market is usually defined in terms of the location of suppliers and it includes those suppliers that customers consider to be feasible substitutes. The relevant geographic market may be local, regional, national or wider."⁴²⁶

"The approach to defining the relevant geographic market is similar to that of product market definition. Both can use the SSNIP test as an analytical tool."⁴²⁷

3.169 According to the Commission's Merger Guidelines:

"The relevant geographic market consists of all supply locations that would have to be included for the hypothetical monopolist to find it profitable to impose a small but significant non-transitory increase in price. Beginning with the location of each of the merging parties, the SSNIP test is applied by considering what would happen if a hypothetical monopolist of the relevant product at that location imposed a small but significant non-transitory increase in price. If a sufficient number of customers switch to suppliers in other locations, the next closest location

⁴²⁶ Commission's Merger Guidelines, paragraph 2.19.

⁴²⁷ Commission's Merger Guidelines, paragraph 2.20.

where customers can purchase the relevant product is included. The SSNIP test is thus iteratively applied until a hypothetical monopolist could profitably increase the price of the relevant product in a location or group of locations by a small but significant non-transitory amount. This location or group of locations is thus defined as the relevant geographic market.”⁴²⁸

Market for the provision of car parking management services

3.170 As noted above, the Parties did not identify the provision of car parking management services as a relevant product market in the Merger Notification Form, nor in subsequent Written Responses or Oral Responses.

3.171 The Commission previously considered the provision of car parking management services on a national basis in *M/19/012 – APCOA Parking/NCPS*.

3.172 Most Car Parking Management Providers active in the provision of car parking management services are active across the State.

3.173 The Commission has seen no evidence to suggest that a finding of narrower, subnational markets would be warranted, and so the Commission considers the market for the provision of car management services is a national market.

Market for the provision of off-street car parking

Relevant principles

3.174 The role of market definition is explained in the Commission’s Merger Guidelines as follows:

“The product market(s) affected by a merger may be geographically bounded if geography limits some customers’ willingness or ability to switch products or some suppliers’ willingness or ability to supply to customers. The relevant geographic market is usually defined in terms of the location of suppliers and it includes those suppliers that customers

⁴²⁸ Commission’s Merger Guidelines, paragraph 2.21.

consider to be feasible substitutes. The relevant geographic market may be local, regional, national or wider.”⁴²⁹

“The approach to defining the relevant geographic market is similar to that of product market definition. Both can use the SSNIP test as an analytical tool.”⁴³⁰

Views of the Parties

3.175 The Parties set out their views on geographic market definition at various stages of the process, including in the Merger Notification Form, responses to RFIs and in Written Responses and Oral Responses following the Assessment.

Merger Notification Form

3.176 In the Merger Notification Form, the Parties stated that:

“The horizontal overlap between the parties with respect to the provision of car parking spaces to the public occurs in the Ireland, and more particularly, the following urban areas in Ireland: Dublin county, Galway city and Limerick city.”⁴³¹

and

“from a demand-side perspective, the market [for the provision of car parking spaces to the public] can be defined on a national basis as the provision of car parking spaces to customers. On a conservative basis, the parties consider that the narrowest potential geographic markets on which to assess the Proposed Transaction would be local markets, based on parking customers’ demand for car parking space in particular areas.”⁴³²

3.177 Furthermore, the Parties also noted that:

⁴²⁹ Commission’s Merger Guidelines, paragraph 2.19.

⁴³⁰ Commission’s Merger Guidelines, paragraph 2.20.

⁴³¹ Merger Notification Form, section 4.3

⁴³² Merger Notification Form, section 5.1, page 32.

“The competitive constraint provided by a local competitor decreases with ‘distance’ from that local competitor and in the case of the customer of a car parking space, that distance will be what is considered an ‘acceptable walking distance’ from a particular car park to the customer’s ultimate destination.”⁴³³

3.178 Drawing from two third-party reports,⁴³⁴ and on a conservative basis, the Parties considered *“that a general metric of 10 minutes walking (i.e. approximately 800 meters) from a relevant car park within is an appropriate radius which to assess local markets, based on parking customers’ demand for car parking space in particular areas.”⁴³⁵*

3.179 The First Francis O’Toole Report stated the following with respect to the relevant geographic market:

“Within the present context, it seems reasonable to address the provision of car parking spaces product market from a national, county and perhaps even local geographic perspective. This latter local geographic perspective is appropriate as we are focusing initial and particular attention on the relevant downstream product market.”⁴³⁶

“Of course, it is clear that from an individual final consumer’s point of view that a car parking space in Galway does not provide a very good substitute (at all) for a car parking space in Dublin. As such, it is necessary to augment the above national market share analysis with county market share analysis.”⁴³⁷

“Indeed, but more locally, and notwithstanding perhaps a very solid chain of substitution type argument, a car parking space in one part of Dublin 1 may not necessarily be in the same local geographic market as a car

⁴³³ Merger Notification Form, section 5.1, page 32.

⁴³⁴ *Cycling and Walking: The Grease In Our Mobility chain*, (Kim Netherlands Institute for Transport Policy Analysis, 2015), pages 21-23; and *Guidelines for Providing for Journeys on Foot*, (The Institution for Highways & Transportation, 2000), pages 48-49.

⁴³⁵ Merger Notification Form, section 5.1, page 33.

⁴³⁶ See page 11 of the First Francis O’Toole Report.

⁴³⁷ See page 12 of the First Francis O’Toole Report.

parking space in other parts of Dublin 1, despite being contiguous. As such, it may be appropriate to augment the above national and county/city market share analysis with consideration of various local markets of possible competition policy interest.”⁴³⁸

Parties’ Responses to RFIs

3.180 The Commission asked Tazbell in the Second Phase 2 RFI to provide a description of when and how Tazbell monitors, or has monitored, its downstream competitors.⁴³⁹ In response, Tazbell explained that insofar as it monitors its downstream competitors, this is done [REDACTED]. Tazbell continued that:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].⁴⁴⁰ (emphasis added)

3.181 Tazbell also stated that “*the relevant market downstream is always the* [REDACTED]
[REDACTED]⁴⁴¹ and how “ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁴⁴²

3.182 Nonetheless, Tazbell stated that:

[REDACTED]
[REDACTED]
[REDACTED]⁴⁴³

⁴³⁸ See page 15 of the First Francis O’Toole Report.

⁴³⁹ See response to Question 14 of Tazbell Second Phase 2 RFI Response.

⁴⁴⁰ See page 14 of the response to Tazbell Second Phase 2 RFI Response.

⁴⁴¹ See response to Question 16 of Tazbell Second Phase 2 RFI Response.

⁴⁴² See response to Question 14 of Tazbell Second Phase 2 RFI Response.

⁴⁴³ Tazbell Presentation, dated 9 May, page 34

[REDACTED]
[REDACTED]
[REDACTED]⁴⁴⁴

[REDACTED].”⁴⁴⁵

[REDACTED]
[REDACTED]).”⁴⁴⁶

3.183 Tazbell also stated that the relevant geographic market does not have to be “*any specific distance (as attractive as that might be), it can be locally-dependent (e.g., terrain and incline) and analysed on a case by case basis.*”⁴⁴⁷

The Commission’s preliminary view in the Assessment & the Parties’ Response to the Assessment

3.184 The Commission issued its Assessment to the Parties on 25 May 2023. In its Assessment, the Commission reached the preliminary view that the relevant geographic catchment comprised an 800-metre walking distance catchment area (approximately 10 minutes walking time) from each of the Tazbell’s off-street carparks.

3.185 As noted above, the Parties provided separate Written and Oral Responses to the Commission’s Assessment in which they outlined their views on the relevant geographic market.

3.186 Q-Park, in its Written Response,⁴⁴⁸ disagreed with several aspects of the Commission’s preliminary view on the relevant geographic market set out in the Assessment:

⁴⁴⁴ Tazbell Presentation, dated 9 May, page 34.

⁴⁴⁵ Tazbell Presentation, dated 9 May, page 34.

⁴⁴⁶ Tazbell Presentation, dated 9 May, page 34.

⁴⁴⁷ Tazbell Presentation, dated 9 May, page 35.

⁴⁴⁸ Q-Park also submitted a report by Alix Partners with its Written Response. The views outlined in the AlixPartners Report are similar to the views outlined in the Q-Park Written Response.

- (a) The Commission erred in treating car parks as customers' destinations. Any catchment area should be based on the customer's destination as opposed to a car park; and
- (b) The Commission has misunderstood/misinterpreted/failed to take into account the Consumer Survey. Q-Park contends that the Commission has included certain off-street car parks in certain catchment areas despite the Consumer Survey showing little to no diversion between the car parks in question by customers faced with a SSNIP.

3.187 Tazbell, in its Written Response,⁴⁴⁹ also commented on the potential geographic market set out in the Assessment:

- (a) The Commission erred in using walking distance when determining the relevant geographic market;
- (b) The 800m catchment area is too narrow.

Commission's analysis of the relevant geographic market

3.188 The Commission's approach to assessing geographic markets is set out in the Merger Guidelines, as noted in paragraph 3.173 above.

3.189 As noted above, the Parties considered that the provision of car parking to the public can be considered on a national basis, but also noted that the competitive constraint imposed by a competitor decreases as the distance from the relevant car park increases.⁴⁵⁰ Therefore, the Parties also provided information in the First Francis O'Toole Report on local competitors within varying walking distances (ranging from 2-20 minutes) from certain car parks, namely Q-Park's off-street car parks: (i) at the Spire; (ii) at Stephen's Green; and (iii) in Dun Laoghaire.⁴⁵¹

3.190 The Commission notes the Parties' view in the Merger Notification Form that a catchment of 800 metres walking distance is an appropriate catchment area within

⁴⁴⁹ Tazbell also submitted a report by Francis O'Toole with its Written Response. The views outlined in the Second Francis O'Toole Report are similar to the views outlined in Tazbell Written Response.

⁴⁵⁰ Merger Notification Form, section 5.1.

⁴⁵¹ See pages 19-22 of the First Francis O'Toole Report.

which to assess relevant local markets.⁴⁵² While a car park is obviously not a customer's final destination, a customer is likely to park in a car park that is judged by the customer to be convenient for its final destination.

3.191 Q-Park suggested in its Written Response that the catchment area should be measured in terms of walking distance from the final destination, and not from the car park.⁴⁵³ While there would be some logic in considering a radius from the customer's final destination, it is not practical nor feasible to map catchment areas based on individual customers' final destinations.

3.192 In its Written Response, Tazbell proposed that, in contrast to the view expressed in the Merger Notification Form, drive time and driving radius should be used rather than walking time.⁴⁵⁴ While such an approach may mirror the behaviour of the customer, who would drive to an alternative car park, it does not take into account the fact that the car park is not the customer's eventual destination, and that there will be a multitude of final destinations within a radius of a car park.

3.193 Most Car Parking Management Providers that engaged with the Commission were of the view that location is the key factor which influences customers' parking choices. The Commission asked *Euro Car Parks* if there is a set distance or catchment area within which it assesses competition. *Euro Car Parks* stated that it *"considers the area to be how far extra a customer will be willing to walk in the rain. ECP [Euro Car Parks] stated that the walk from the IFSC to the convention centre is just about tolerable, but that the IFSC to the Point Village is a 10-minute walk which is too long to be considered. ECP stated that the catchment area will vary due [sic] depending on the destination."*⁴⁵⁵

⁴⁵² Merger Notification Form, section 5.1; See page 16 of the First Francis O'Toole Report.

⁴⁵³ Q-Park Written Response, paragraphs 111-114

⁴⁵⁴ Tazbell Written Response, paragraphs 116-119

⁴⁵⁵ See page 5 of Call Note with *Euro Car Parks*, dated 2 March 2023. This is approximately 550 metres, or 7 minutes walking distance.

- 3.194 IPáirc noted that “an acceptable walking distance from a car park to destination is 220-320 metres. IP stated that the 100m variance is bought in due to commuter parking stating that commuters will walk a bit more for a cheaper price.”⁴⁵⁶
- 3.195 The Consumer Survey asked customers what their preferred options would be in the event of a car park closure. The respondents that stated that they would park in another off-street car park were presented a map that listed alternative off-street car parks in the surrounding area and asked to identify where they would park.
- 3.196 Of those respondents in Dublin city that stated they would continue parking in an off-street car park in the event of a closure and identified a specific car park, 77% of these respondents identified car parks within 800 metres from the car park they had parked at.
- 3.197 The evidence outlined above indicates that the appropriate distance in which to assess competition for car parking spaces is likely to be a few hundred metres from the relevant car park, with some Third Parties indicating that car parks need to be closer than 800 metres to be notable competitors.⁴⁵⁷
- 3.198 Applying an 800 metres walking distance, Q-Park does not provide off-street car parking spaces to the public within 800 metres walking distance of the Tazbell car parks set out in Table 6 below.

Table 6: Local areas within which there is no horizontal overlap between Q-Park and Tazbell

Tazbell car park	Nearest Q-Park owned or operated car park	Approximate distance
Dublin		
Parnell Centre Car Park	The Spire	900 metres
The IFSC, Commons Street	Grand Canal	1 km
The City Quay	The Spire	1 km

⁴⁵⁶ See page 4 of Call Note with IPáirc, dated 6 March 2023.

⁴⁵⁷ See paragraphs 3.189-3.190.

St. James Hospital	Christ Church	2 km
Tallaght Hospital	Christ Church	10.7 km
Beacon South Quarter, Sandyford	Bloomfields, Dun Laoghaire	6.7 km
Swords Central Shopping Centre	Beaumont Hospital	10.4 km
Belgard Square North	Christ Church	10.5km
Dalkey Church	Bloomfields, Dun Laoghaire	3 km
Raheny Church	Beaumont Hospital	5.1 km
Church of Our Lady of the Rosary Harold's Cross Road	Christ Church	2.7km
Irish Museum, Kilmainham	Christ Church	2.2 km
Tallaght Stadium	St. James Hospital	9.4 km
Galway		
University Hospital Galway	Eyre Square Shopping Centre	1.3 km
Kilkenny		
MacDonagh Junction SC car park	Harvey's Quay Limerick	106 km
Offaly		
The Bridge Shopping Centre, Tullamore	Christ Church	92.6 km

Source: Commission analysis of evidence provided by the Parties, Q-Park Response to Phase 1 RFI⁴⁵⁸

3.199 This indicates that there is no overlap between the Parties around the car parks identified in the table above. Consequently, the Commission is of the view that the Proposed Transaction will not be to substantially lessen competition in any geographic market which would be constituted around those car parks. The Commission concludes that it is not necessary to further consider any of these areas containing the car parks identified in Table 6 further during the remainder of this Determination.

⁴⁵⁸ See response to Question 7 of Q-Park Phase 1 RFI Response.

- 3.200 On the basis of the evidence available, the Commission's conclusion on the geographic scope of the market for off-street car parking spaces is that there will be individual markets consisting of an 800 metre walking distance radius around car parks where the Parties overlap.
- 3.201 While the Commission has identified a relevant market of an 800-metre walking distance catchment from each of Tazbell's off-street car parks, it is overly simplistic to treat any party within 800m of Tazbell's off-street car parks as equally important competitors. As noted above, geographic proximity is an important parameter of competition in certain markets. Therefore, the Commission, in its analysis in Section 6, also considers a narrower, 400-metre walking distance catchment area, when estimating market shares and market concentration. This enables the Commission to consider, as a heuristic, the structure of the market by reference to a (geographically) closer set of competitors. The Commission also considers a wider 1.2km radius, as a sensitivity test. Nonetheless, 800 metres from each of Tazbell's car parks remains the relevant geographic catchment.

Overall conclusion on relevant market definition

- 3.202 Having regard to the evidence available to it, the Commission's conclusion is that the relevant markets ("Relevant Markets") for the competitive assessment of the Proposed Transaction are:
- The provision of car parking management services in the State;
 - The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Queen's Road, Dún Laoghaire, Dublin (Dún Laoghaire Relevant Market);
 - The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Cruises Street, Limerick ("Limerick Relevant Market");
 - The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Hynes Yard, Merchants Road, Galway ("Galway Relevant Market");

- The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Drury Street, Dublin (“Drury Street Relevant Market”);
- The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Fleet Street, Dublin (“Fleet Street Relevant Market”);
- The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at the ILAC Centre, Parnell Street, Dublin (“ILAC Centre Relevant Market”);
- The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at the Irish Life Centre, Gardiner Street Lower, Dublin (“Irish Life Centre Relevant Market”); and,
- The provision of off-street car parking spaces to the public within 800 metres walking distance of the Tazbell operated car park at Queen Street, Smithfield, Dublin (“Smithfield Relevant Market”).

3.203 Each of the Relevant Markets which refer to the provision of off-street car parking spaces to the public are collectively referred to as the “Off-Street Car Parking Relevant Markets.” For ease of reference, the Drury Street Relevant Market, the Fleet Street Relevant Market, the ILAC Centre Relevant Market, the Irish Life Centre Relevant Market, and the Smithfield Relevant Market are referred to as a group as the “Dublin Relevant Markets.”

4. RELEVANT COUNTERFACTUAL

Introduction

4.1 The SLC test in section 22(3) of the Act requires an assessment of the effects of a merger or acquisition on the state of competition in a relevant market. In assessing the likely effects of a merger on competition, the Commission, as in the present case, typically compares the situation that may be expected to arise following the merger with that which would have prevailed without the merger. The market situation without the merger is often referred to as the “counterfactual”. The Commission generally adopts the prevailing conditions of competition as the counterfactual against which it assesses the impact of the merger.⁴⁵⁹

4.2 The Commission’s Merger Guidelines state that:

“The term ‘counterfactual’ refers to the state of competition without the merger or acquisition. In other words the “actual” situation is the merger being put into effect and the “counterfactual” is the situation in the absence of the merger being put into effect. The counterfactual provides the reference point, or the point of comparison, for assessing competitive effects arising from a merger.”⁴⁶⁰

4.3 Inevitably there is a degree of uncertainty as regards hypothetical future events, and the Commission will consider all the evidence adduced by the parties as to whether there is likely to be an SLC in the future. The Commission must ultimately ask itself whether it is satisfied on the balance of probabilities that there will be an SLC caused by the merger. The Commission is, however, not under an obligation to make findings of fact (whether on a balance of probabilities basis or otherwise) in respect of each item of evidence. Nor is it obliged to find that any particular potential event is more likely than not to occur before it can take it into account in its overall assessment of the probability of SLC.

4.4 Paragraph 1.15 of the Merger Guidelines states the following:

⁴⁵⁹ See paragraph 1.12 of the Commission’s Merger Guidelines.

⁴⁶⁰ See paragraph 1.12 of the Commission’s Merger Guidelines.

“[T]he Commission will expect the merging parties to substantiate any counterfactual they propose with objective evidence supported, where necessary, by independent expert analysis. Such evidence and analysis should obviously be consistent with the parties’ own internal pre-merger assessments of the likely counterfactual.”

Views of the Parties and Third Parties

- 4.5 No submission was made to the Commission by the Parties in the Merger Notification Form, in response to any of the Parties’ respective RFIs, in the Written Responses or the Oral Responses concerning the relevant counterfactual.
- 4.6 The Commission received no Third-Party views explicitly commenting on a counterfactual.

Views of the Commission

- 4.7 The Commission’s investigation has revealed no evidence to suggest that a relevant counterfactual other than the prevailing conditions of competition would be the appropriate catchment against which the Proposed Transaction should be assessed.

The Commission’s conclusion on the relevant counterfactual

- 4.8 Based on the above, for the purposes of assessing the Proposed Transaction, the Commission considers that the relevant counterfactual is that, absent the Proposed Transaction, Tazbell would remain in the market and the *status quo* would prevail. The prevailing conditions of competition would be maintained and Tazbell would remain an independent undertaking active in the Relevant Markets set out in Section 3.

5. COMPETITIVE ASSESSMENT

HORIZONTAL UNILATERAL EFFECTS - MARKET FOR THE PROVISION OF CAR PARK MANAGEMENT SERVICES IN THE STATE

Introduction

- 5.1 In this section, the Commission sets out its analysis of the likelihood of horizontal unilateral effects occurring from the implementation of the Proposed Transaction in the Relevant Markets for the provision of car parking management services in the State.
- 5.2 Unilateral effects, as explained in paragraph 4.8 of the Commission's Merger Guidelines, occur when "a merger results in the merged entity having the ability and the incentive to raise prices at its own initiative and without coordinating with its competitors."
- 5.3 In addition, the EC Horizontal Merger Guidelines state the following in respect of "Non-coordinated effects":

"A merger may significantly impede effective competition in a market by removing important competitive constraints on one or more sellers, who consequently have increased market power. The most direct effect of the merger will be the loss of competition between the merging firms. For example, if prior to the merger one of the merging firms had raised its price, it would have lost some sales to the other merging firm. The merger removes this particular constraint. Non-merging firms in the same market can also benefit from the reduction of competitive pressure that results from the merger, since the merging firms' price increase may switch some demand to the rival firms, which, in turn, may find it profitable to increase their prices. The reduction in these competitive constraints could lead to significant price increases in the relevant market.

...

*A number of factors, which taken separately are not necessarily decisive, may influence whether significant non-coordinated effects are likely to result from a merger. Not all of these factors need to be present for such effects to be likely”.*⁴⁶¹

- 5.4 In considering the likelihood of the implementation of the Proposed Transaction resulting in unilateral effects, the Commission assessed the arguments put forward by the Parties and the evidence collected from the Parties and Third Parties. Following that assessment, the Commission has not identified any theory of harm (i.e., how the Proposed Transaction is likely to result in a substantial lessening of competition SLC), for the reasons set out below.

Assessment of the Market

- 5.5 In this section, in considering the extent to which the Proposed Transaction is likely to raise unilateral effects concerns, the Commission sets out below:
- (a) Views of the Parties;
 - (b) Views of Third Parties;
 - (c) Impact of the Proposed Transaction on market structure and concentration;
 - (d) Assessment of horizontal unilateral effects:
 - (i) Whether the potential market for the provision of car parking management services in the State is a bidding market;
 - (ii) The closeness of competition between the Parties, and the competitive constraint imposed by Third Party competitors;

⁴⁶¹ See paragraphs. 24, 25, and 26 of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the “EC Horizontal Commission’s Merger Guidelines”). These factors include, but are not limited to: “merging firms have large market shares”; merging firms are close competitors; merged entity able to hinder expansion by competitors; and merger eliminates an important competitive force.

- (e) The Commission's conclusion in respect of horizontal unilateral effects in the potential market for the provision of car parking management services in the State.

Views of the Parties

5.6 In the Merger Notification Form, the Parties did not include the potential market for the provision of car parking management services in the State in their list of horizontal areas of overlap between the Parties.

5.7 The Parties argued that the Proposed Transaction will not give rise to an SLC in any market in the State for the following reasons:⁴⁶²

- *"it involves a minimal increase in market share of Q-Park";*
- *"the Parties are not particularly close competitors nationally and each pursues different and complementary activities";*
- *"there are many competitors to the parties including, for example, some who are much larger (e.g., the local authorities, APCOA and Euro Car Parks) while others are part of large groups or very nimble operators who have won significant contracts in this market characterised by bidding (e.g., Bidvest, Best Car Parks, IPáirc, RFC Security, Car Park Services., and Egis Projects)";*
- *"there are low barriers of entry to car park management and there is evidence of recent new entry into the market. For example, new entrants include Munster Car Park Services, CityPark, and YourParkingSpace";*
- *"there are relatively low barriers to expansion for competitors"; and,*
- *"[REDACTED]".*

5.8 The First Francis O'Toole Report stated the following:

⁴⁶² See pages 3-4 of the Merger Notification Form.

“Within the context of the provision of car parking management services, where the two parties do overlap, there appears to be a number of relevant but distinctive segments:

- Off-street provision of car parking management services where the provider is also the owner and hence generally has control over the final price charged to the public. Ownership of, or possession of a long-term lease over, a large city centre car park provides some examples in the present context;
- Off-street provision of car parking management services where the provider is not the owner and has in effect no control over the final price charged to the public. A short-term lease/management contract with a local authority such as DCC provides some examples in the present context;
- Off-street provision of car parking management services where the provider is not the owner but has some significant control over the final price charged to the public. There appears to be no obvious example involving either of the parties in the present context;
- Off-street provision of enforcement of parking services where the provider simply provides basic enforcement services, e.g. patrolling a University car park or The Park, Carrickmines, Dublin 18; and,
- On-street provision of enforcement of parking services where the provider simply provides basic enforcement services to the relevant local authorities (e.g. DCC or DLRCC)”⁴⁶³

⁴⁶³ See pages 8-9 of the First Francis O’Toole Report.

- 5.9 The First Francis O'Toole Report further stated that the upstream market has many attributes of a bidding market, stating:

"The CCPC (2019) considered explicitly the issue of upstream bidding but noted that it was not the case that all three narrow (upstream) products markets were idealised bidding markets. In any case, the CCPC did not need to make an explicit bidding judgment.

Within the context of the proposed acquisition, it seems clear that bidding is an important explicit and implicit consideration. As previously indicated, the OGP now issues tenders for the provision of on-street car parking management services and the provision of off-street car parking management services. In summary, while it is not argued that the upstream provision of car parking management services segments are all idealised bidding markets, it is clear that they have many of the attributes of bidding markets".⁴⁶⁴

- 5.10 The First Francis O'Toole Report further asserted that there are low barriers to entry and that there are new entrants in the potential market for the provision of car parking management services, as follows:

"This growing list of significant competitors highlights the relevant ease of entry into the provision of car parking management services sector as, for example, ex-employees of existing firms can set up new firms and win significant contracts quickly as tenders are in general not for long periods of time. Indeed, other more recent new entrants include: Munster Car Parks Services Unit 11, Tramore Commercial Park, Tramore Road, Cork); City Park (Go Park Management Co Ltd, Galway Coach Station, Fairgreen Road, Galway)⁴ and, YourParkingSpace (a prebooking online website)".⁴⁶⁵

- 5.11 In its response to the Phase 1 RFI, Tazbell asserted that the Proposed Transaction will not give rise to an SLC for a number of reasons, including the following reasons:

⁴⁶⁴ See page 11 of the First Francis O'Toole Report.

⁴⁶⁵ See page 6 of the First Francis O'Toole Report.

- Car Park Owners can self-operate, i.e., manage their car park themselves, without the use of a Car Parking Management Provider;
- *“The vast majority of car park contractual arrangements are: (a) management contracts; (b) short-term leases (and therefore analogous to management contracts); and (c) PAC contracts meaning there is a high level of churn and competitive bidding / tension.”;*
- *“Short-term leases and Management Contracts and PAC Contracts are virtually analogous to each other in their characteristics, economic effects and commercial benefits to both car park owners and car park operators and can be argued therefore to being effectively one and the same... Given the closeness between short-term leases (analogous to Management Contracts) and Management Contracts and PAC Contracts, the number of car park spaces operated by Tazbell under these contractual arrangements would constitute a very small share of the national and county number of car park spaces.”;*
- Car Park Owners are “well-informed sophisticated operators who have access to advice (should they wish to take it) as well as competitive bids”;
- *“Price is determined by the forces of supply and demand. Upstream, the price paid by owners for external car park operator services is based on the costs of the car park services being provided and the risk being borne by the operator in providing them. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. The upstream car park owner will typically dictate or control the pricing charged to end users.”*
- There are very low barriers to entry and expansion for Car Park Owners, as “all that is required to own a car park is a plot of land or building for which there could be a demand for parking.”

- The “*bidding market for management contracts is highly competitive with a number of active and viable competitors*”, with Tazbell noting the following:
 - Of the [REDACTED] lease contracts for which Tazbell has bid in the State since 2010, it was only successful in obtaining [REDACTED], with the remaining [REDACTED] being awarded to a combination of various other Car Parking Management Providers;
 - The only [REDACTED] which Tazbell has were obtained “[REDACTED]”;
 - Of the [REDACTED] management contracts for which Tazbell has bid in the State since 2010, it was only successful in obtaining [REDACTED], with the remaining [REDACTED] being awarded to a combination of various other Car Parking Management Providers; and,
 - A number of new Car Parking Management Providers have recently entered the market, including *Best Car Parks, Bidvest Noonan, RFC Security, CityPark, IPáirc* and *YourParkingSpace*.⁴⁶⁶

5.12 The Parties did not comment further in their Written and Oral Responses on a potential market for the provision of car park management services in the State.

Views of Third Parties

5.13 During the course of its investigation, the Commission engaged with to various Third Parties in relation to their view of the competitive conditions in the potential market for the provision of car parking management services in the State, and

⁴⁶⁶ See the Phase 1 Tazbell RFI Response.

whether the Proposed Transaction would impact these conditions. The Commission has outlined the views of these Third Parties below.

Competitors

5.14 [REDACTED] raised concerns in relation to the Proposed Transaction in the [REDACTED] Submission made to the Commission on 22 August 2022. It highlighted concerns in relation to the [REDACTED], which could in turn result in [REDACTED].⁴⁶⁷ [REDACTED]

[REDACTED]

[REDACTED] " ⁴⁶⁸ [REDACTED] stated that, "[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]⁴⁶⁹

5.15 *IPáirc* also raised concerns in relation to the Proposed Transaction, stating:

"[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] " ⁴⁷⁰

5.16 *Euro Car Parks* stated that it had no concerns with regard to the Proposed Transaction, as it does not consider itself to be a competitor of Q-Park.⁴⁷¹

5.17 *Bidvest Noonan* had no concerns in relation to the Proposed Transaction, as it was of the view that the Proposed Transaction would not impact its own business.⁴⁷²

⁴⁶⁷ See pages 3-4 of the [REDACTED] Submission to the CCPC.

⁴⁶⁸ See page 3 of the [REDACTED] Submission to the CCPC. As set out in Section 3, the Commission considers that the potential downstream market for the provision of car parking spaces is local in nature, and therefore considers Dublin city centre in detail in Section 6.

⁴⁶⁹ See page 4 of the [REDACTED] Submission to the CCPC.

⁴⁷⁰ See IPáirc response to Question 9 of the Competitor Questionnaire, dated 28 October 2022.

⁴⁷¹ See page 2 of Call Note with *Euro Car Parks*, dated 16 November 2022.

⁴⁷² See page 2 of Call Note with *Bidvest Noonan*, dated 16 November 2022.

5.18 *RFC Security* does not consider that the Proposed Transaction will impact its own business, as it is mostly active in the management of residential car parking, while the Parties do not compete in this sector.⁴⁷³

5.19 *Best Car Parks* did not express any concerns regarding the Proposed Transaction, stating that “while it does mean that Q-Park will run the car parking market, BCP can benefit [REDACTED] by picking up the management contracts [REDACTED]”.⁴⁷⁴

Car Park Owners

5.20 The Convention Centre Dublin Car Park Owner made no comments on the likely impact of Proposed Transaction.⁴⁷⁵

5.21 The Point Car Park Owner did not express any views on the Proposed Transaction.⁴⁷⁶

5.22 The Trinity Street Car Park Owner did not express any views on the likely impact of the Proposed Transaction and noted that it is “*not active enough in the car parking market to have a sense of its competitive dynamics*”.⁴⁷⁷

5.23 *Primevest*, the owner of the Parnell, Jervis Street and Christchurch car parks, did not express any views on the Proposed Transaction as it is “*not up to date with the details and local situation in the Dublin car park market*” and “*does not have the full picture*”.⁴⁷⁸

5.24 The Smithfield Market Car Park Owner stated that the Proposed Transaction would have “*a limited impact on car park owners*”.⁴⁷⁹

⁴⁷³ See pages 1-2 of Call Note with *RFC Security*, dated 18 November 2022.

⁴⁷⁴ See page 7 of Call Note with *Best Car Parks*, dated 6 March 2023.

⁴⁷⁵ See page 3 of Call Note with Convention Centre Dublin Car Park Owner, dated 3 April 2023.

⁴⁷⁶ See page 3 of Call Note with the Point Car Park Owner, dated 29 March 2023.

⁴⁷⁷ See page 2 of Call Note with the Trinity Street Car Park Owner, dated 31 March 2023.

⁴⁷⁸ See page 2 of Call Note with the Parnell, Jervis Street and Christchurch Car Park Owner, dated 30 March 2023.

⁴⁷⁹ See page 3 of Call Note with the Smithfield Market Car Park Owner, dated 23 March 2023.

- 5.25 The owner of the Grand Canal Car Park did not express concerns about the Proposed Transaction, stating, that *“Ireland is not a very big market and that overall [it] has choice of several operators and that [it] feels well served.”*⁴⁸⁰
- 5.26 UHG, which contracts a Car Parking Management Provider for its car park via the OGP, stated that it *“would have a fear that Park Rite may be “swallowed up” by the larger acquirer”* and that *“they had around 8 competitors for the last competition for the carpark, and they would like this to still be the case post-transaction”*.⁴⁸¹
- 5.27 Stanberry Investments Ltd, which owns the Thomas Street and Grafton Street car parks, stated:

“following the transaction there will be fewer players in the market. This will result in fewer options for those looking out outsource the management of their car park, particularly those looking to rent their car park out.”

“[It] stated that the transaction may benefit [it]. The market for renting car parks generally consists of public bodies or hospitals. [It] said that Q-Park and Park Rite usually get into bidding wars which drive up land valuations as they overpay for the contract. [It] said that less competition will benefit [it] in the long-term.”

“[It] said that the biggest impact will be on car park owners. [It] stated that DCC is the largest car park owner, and Q-Park and Park Rite between them have 100% of DCC’s multi-storey car park business. [It] stated that Park Rite operate clamping for DCC. [It] stated that smaller players will not be able to compete. [It] stated that Q-Park’s size and ability to operate a number of car parks gives them massive economies of scale, which make it harder for anyone else to get DCC contracts. [It] stated that [it] will never compete with Q-Park or Park Rite but other operators such as APCOA and Best Car Park can’t get the scale to compete. [It] stated that DCC require

⁴⁸⁰ See page 3 of Call Note with the Grand Canal Car Park Owner, dated 21 March 2023.

⁴⁸¹ See page 2 of Call Note with UHG, dated 11 November 2022.

that players tendering for a DCC contract have a certain amount of turnover before they are considered so it is impossible for smaller players to get lease contracts [sic].”

“[It] stated that the big change will be for hospital or public body car parks, as Q-Park and Park Rite will have combined. [It] stated that there has been a duopoly in car parking in Dublin for the last 10-15 years, and that there will now be one major player. [It] stated that in car park management Q-Park and Tazbell are number 1 and 2 in the market”.⁴⁸²

- 5.28 The Usher’s Quay Car Park Owner stated the following with respect to the likely impact of the Proposed Transaction:

“[it] was not massively aware of the transaction. [It] stated that [it] has no concerns, as ownership of the Ushers Quay car park is a secondary business of [theirs]. [It] stated that Q-Park and Park Rite are the 2 largest players in the car parking market. [It] stated that Dublin City Council is the 3rd largest player in the car parking industry. [It] stated that [it] is unsure that post-transaction there will be sufficient competition in the market”.⁴⁸³

- 5.29 The Connolly Car Park Owner at Connolly Station stated that, following the Proposed Transaction Q-Park may become a stronger player, allowing them to compete more closely with APCOA, although ideally there would be more competitors in the market.⁴⁸⁴ They also stated that this may give smaller competitors the opportunity to grow.⁴⁸⁵

Other Third Parties

- 5.30 *Bannon*, which is [REDACTED] [REDACTED] stated that it had no concerns in relation to the Proposed Transaction.⁴⁸⁶

⁴⁸² See pages 1-2 of Call Note with the Grafton and Thomas Street Car Park Owner, dated 22 March 2023.

⁴⁸³ See page 2 of Call Note with the Usher’s Quay Car Park Owner, dated 23 March 2023.

⁴⁸⁴ See page 6 of Call Note with the Connolly Car Park Owner, dated 5 April 2023.

⁴⁸⁵ Ibid.

⁴⁸⁶ See page 2 of Call Note with *Bannon*, dated 10 November 2022.

5.31 The OGP, which has a framework in place to contract Car Parking Management Providers to operate car parking spaces, stated that it does not have any concerns in relation to the Proposed Transaction, as *“there is good competitive tendering activity within the Framework”*, although it may have had concerns if the merger had been between other particular framework members.⁴⁸⁷ It noted that *“car park management services is a shrinking market, so the players are fighting for a piece of the cake which is getting smaller”*.⁴⁸⁸

Views of the Commission on Likely Impact of the Proposed Transaction on Market Structure and Concentration

5.32 Paragraph 3.1 of the Commission’s Merger Guidelines states that *“[a] central element in assessing the competitive impact of a merger is identifying its effect on market structure.”* Market structure can be characterised by the number, size and distribution of firms in a market. A merger or acquisition will have an impact on market structure as the merging parties which were two firms pre-acquisition become one firm post-acquisition. In the case of the Proposed Transaction, the impact on the market structure is the removal of Tazbell and the likely transfer of its market share to Q-Park.

5.33 The Commission assessed the market structure and market concentration in relation to the potential upstream market for the provision of car parking management services.

5.34 The Commission has estimated the market shares in the potential Relevant Market, by calculating the estimated number of paid for off-street car parking spaces managed by relevant providers. These shares are set out in Table 7 below. The Commission has estimated these shares based on evidence provided to the Commission by the Parties.⁴⁸⁹

5.35 While the Commission considers that the total value of the car parking management and lease contracts each provider has may be a reasonable alternative of competitors’ market position, complete and reliable data on the

⁴⁸⁷ See page 2 of Call Note with OGP, dated 22 November 2022.

⁴⁸⁸ Ibid.

⁴⁸⁹ See response to Question 5 of Q-Park Phase 1 RFI Response.

value of each car parking management and lease contract is not available to the Commission. However, the Commission considers that the total number of spaces operated by each provider, followed by some analysis of contracts tendered for by the Parties, represents a robust assessment of the structure of the market.

Table 7: Estimated market shares in car parking management services in the State, 01/01/2022 to Date

Provider	Estimated Number of Total Spaces – 01/01/2022 to Date	Estimated Market Shares – 01/01/2022 to Date
Q-Park	████	[5-10]%
Tazbell	████	[10-15]%
Combined share of the Parties	████	[20-25]%
APCOA	████	[35-40]%
<i>Euro Car Parks</i>	████	[20-25]%
Bidvest Noonan	████	[5-10]%
The Square Management Limited	████	[0-5]%
Best Car Parks	████	[0-5]%
RFC Security.	████	[0-5]%
<i>IPáirc</i>	████	[0-5]%
Total	████	100%

Source: Commission analysis of evidence provided by the Parties⁴⁹⁰

5.36 As Table 7 shows, Q-Park manages █████ spaces ([5-10]%), making it the fourth-largest provider of car parking management services in the State. Tazbell manages █████ spaces ([10-15]%), making it the third-largest provider in the State. APCOA is the largest provider in the State, with *Euro Car Parks* the second largest operator ([35-40]% and [20-25]%, respectively).

⁴⁹⁰ See response to Question 5 of Q-Park Phase 1 RFI Response.

- 5.37 Following the Proposed Transaction, the merged entity would have a combined market share of [20-25]%, [REDACTED] than *Euro Car Parks*, [REDACTED] APCOA.
- 5.38 The Commission notes that *The Square Management Limited*⁴⁹¹ and *Bidvest Noonan* primarily operate as facilities management companies, with car parking management services being ancillary to their primary service offering (see Section 2.67 to 2.69). These providers may not be potential competitors for car parking management contracts more generally. Therefore, the Commission has also estimated market shares excluding these providers. In this scenario, Q-Park's market share is [5-10]% with Tazbell at [15-20]%. Their combined share would be [20-30]% post implementation of the Proposed Transaction.

Market Concentration

- 5.39 Market concentration refers to the degree to which production or supply in a particular market is concentrated in the hands of a few large firms. The Commission's Merger Guidelines state, at paragraphs 3.2 to 3.4, the following:

"Market concentration provides a snapshot of market structure and is often a useful indicator of the likely competitive impact of a merger. It is of particular relevance to the assessment of horizontal mergers. A horizontal merger that has little impact on the level of concentration in the market under consideration is unlikely to lead to an SLC."

Market concentration, however, is not determinative in itself. A high level of market concentration post-merger is not sufficient, in and of itself, to conclude that a merger is likely to lead to an SLC. Other relevant factors (such as, for example, the closeness of competition between the merging parties, market dynamics, barriers to entry and expansion, etc.) will be examined by the Commission before any conclusion is reached concerning the likely competitive impact of a merger.

Market shares are important when measuring concentration. The market shares of firms in the market can give an indication of the extent of a firm's

⁴⁹¹ The Commission understands that *The Square Management Limited* operates the car park alongside *Bidvest Noonan*.

market power. The combined market share of the merging parties, when compared with their respective market shares pre-merger, can provide an indication of the change in market power resulting from the merger. Competition concerns are more likely to arise when the merger creates a merged entity with a large market share.”

5.40 Paragraph 3.6 of the Commission’s Merger Guidelines further states:

“Market shares can be measured by sales revenue, sales volume, production volume, or capacity as measured by the maximum possible volume. The Commission attempts to use the measure that best indicates a firm’s future competitive significance; most commonly the Commission will calculate market share by reference to sales data. Sales can be measured by value or volume. The Commission’s preference for market share data calculated by reference to sales by value or sales by volume will depend on the specific characteristics of the industry in which the merger is taking place. Where the product is non-homogeneous or pricing is non-uniform, the Commission generally has a preference for value market shares.”

5.41 Paragraphs 3.9 to 3.10 of the Commission’s Merger Guidelines set out that the Commission utilises the Herfindahl-Hirschman Index (“HHI”) as a measure of market concentration. The Commission’s Merger Guidelines state that the Commission will have regard to the following HHI thresholds:

“A post-merger HHI below 1,000 is unlikely to cause concern.

Any market with a post-merger HHI greater than 1,000 may be regarded as concentrated and highly concentrated if greater than 2,000.

Except as noted below, in a concentrated market a delta of less than 250 is unlikely to cause concern and in a highly concentrated market a delta of less than 150 is unlikely to cause concern.”

5.42 The Commission’s Merger Guidelines explain, at paragraph 3.11 that:

“the purpose of the HHI thresholds is not to provide a rigid screen in order to determine whether or not a merger is likely to result in an SLC. Rather, the HHI is a screening device for deciding whether the Commission should intensify its analysis of the competitive impact of a merger.”

5.43 The Commission calculated HHIs and HHI deltas based on the market share estimates in Table 8 below.

Table 8: HHI in the potential market for the provision of car parking management services in the State based on the number of spaces.

	HHI
Pre-Proposed Transaction	2,317
Post-implementation of the Proposed Transaction	2,557
HHI Delta	240
Pre-Proposed Transaction (excluding The Square Management Limited and Bidvest Noonan)	2,770
Post-implementation of the Proposed Transaction (excluding The Square Management Limited and Bidvest Noonan)	3,064
HHI Delta	293

Source: Commission analysis of evidence provided by the Parties

5.44 Based on the HHI calculations set out in Table 8 above, and consistent with the Commission’s Merger Guidelines, the Commission’s view is that the potential market for the provision of car parking management services in the State is already highly concentrated (with pre-Proposed Transaction HHIs of 2,317-2,770). The HHI delta (240-293) is higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern. The Commission’s view, therefore, is that, in line with the Merger Guidelines,⁴⁹² the high level of concentration indicates that the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the potential market for the provision of car parking management services in the State.

⁴⁹² The Commission’s Merger Guidelines, paragraphs 3.9-3.12.

Assessment of Horizontal Unilateral Effects

5.45 In this section, the Commission assesses the likely competitive effects of the Proposed Transaction in the potential market for the provision of car parking space management services in the State.

Is the potential market for the provision of car parking management services in the State a bidding market?

5.46 As noted at paragraph 5.9, 5.9 and 5.11, the Parties have stated that the provision of car parking management services has many attributes of a bidding market.

5.47 In *APCOA/NCPS*, the Commission stated that it did not necessarily agree with the view that the potential market for the provision of car parking management services is a bidding market.⁴⁹³ The Commission noted that *“the vast majority of the Management Contracts and PAC Contracts are obtained through informal contact between car park owners and the potential suppliers of car parking management services.”*⁴⁹⁴

5.48 During its call with the Commission, *Euro Car Parks* stated that tenders are not common for private car parks, and *“contracts for such car parks are usually agreed based on relationships and engagement with the [car park] owners [sic].”*⁴⁹⁵ Furthermore, *Euro Car Parks* also noted that *“it can be difficult to shift an incumbent in the case of management contracts”* and explained how it had run *Dunnes Stores* car parks for over two decades.⁴⁹⁶ *Euro Car Parks* also stated that *“management companies would need to make serious mistakes to lose a contract”*.⁴⁹⁷

5.49 The Commission’s view is that, where a formal or informal bidding process has taken place, the procurement of car parking management services has the characteristics of a bidding market. The Commission considers, with respect to the potential market for the provision of car parking management services in the

⁴⁹³ See paragraph 28 of the Commission’s Determination in *APCOA/NCPS*.

⁴⁹⁴ See paragraph 28 of the Commission’s Determination in *APCOA/NCPS*.

⁴⁹⁵ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

⁴⁹⁶ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

⁴⁹⁷ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

State, that where competition for management or lease contracts takes place, the Proposed Transaction will have a limited competitive impact.⁴⁹⁸

5.50 While the Merger Guidelines do not specifically provide guidance on how to assess competitive impacts in bidding markets, the Commission can look to other authorities' views in relation to these markets, to inform its own analysis. A 2016 article by David Wirth, Ashurst LLP,⁴⁹⁹ summarises some of these views:

5.51 The US Horizontal Merger Guidelines set out that:

*"anti-competitive unilateral effects in these settings are likely in proportion to the frequency or probability with which, prior to the merger, one of the merging sellers had been the runner-up when the other won the business ... these effects are likely to be greater, the greater advantage the runner-up merging firm has over other suppliers in meeting customers' needs."*⁵⁰⁰

5.52 In its 2014 final report on its merger inquiry into the joint venture between Tradebe Environmental Services Limited and SITA UK Limited, the CMA set out that:

*"to win a tender process the winner must beat the next best offer. Unilateral effects will be most likely where the parties ranked first and second in tenders merge ... the merger is most likely to be harmful in situations where the merger parties were the two most competitive bidders for a customer as this constraint is then removed."*⁵⁰¹

5.53 In Siemens/VA Tech⁵⁰² in 2005, the European Commission stated that:

⁴⁹⁸ As will be discussed in Section 6, the extent to which competition for contracts is less frequent may have a large impact on the downstream market for car parking spaces, as stable market structure may mean car parking service providers have more entrenched market power and therefore a greater ability and incentive to raise prices.

⁴⁹⁹ To Bid or Not to Bid, That is the Question: The Assessment of Bidding Markets in Merger Control. Available at: <https://corpgov.law.harvard.edu/2016/12/12/to-bid-or-not-to-bid-that-is-the-question-the-assessment-of-bidding-markets-in-merger-control/>

⁵⁰⁰ See: https://www.ftc.gov/system/files/documents/public_statements/804291/100819hmg.pdf. 'These settings' referring to bidding markets.

⁵⁰¹ See: https://assets.publishing.service.gov.uk/media/5342badce5274a571e000025/Final_report.pdf

⁵⁰² Case No. COMP/M.3653 *Siemens/VA Tech*, "Siemens/VA Tech".

“the fact that there is bidding on a market does not in itself allow any conclusion to be drawn as to the intensity of competition to be expected, or as to the significance of market shares as an indicator of possible market power. The key factor is rather the bidding pattern in individual cases. For example, even where there is a small number of credible bidders, particularly intensive competition is to be expected if, in a bidding market, a large proportion of tenders is awarded in a few large transactions [...] In this and similar cases, market shares would, in practice, provide very little information on the possible market power of a bidder.”⁵⁰³

Competitive Dynamics

5.54 In their respective Phase 1 RFI Responses, the Parties provided the Commission with information relating to the car parking management and lease contracts they had bid for in the State, both successfully and unsuccessfully, since 2010. A summary of this information is set out in Table 9 below. In total, Q-Park supplied details of [REDACTED] contracts it had bid for in that period, with Tazbell supplying details of [REDACTED] contracts it bid for, a total of [REDACTED] contracts (the Parties had both submitted bids for [REDACTED] of the same contracts).^{504,505}

5.55 Of these [REDACTED] were described by the Parties as having consisted of a formal bidding process. Breaking these contracts down into lease or management contracts, [REDACTED] of lease contracts and [REDACTED] of management contracts were awarded on the basis of a formal bidding process.⁵⁰⁶

Table 9: Bidding Process used for car parking management and lease contracts

Contract Type	Formal Bidding Process	Informal Bidding Process	Total
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⁵⁰³ See: https://ec.europa.eu/competition/mergers/cases/decisions/m3653_20050713_20600_en.pdf

⁵⁰⁴ Q-Park did not submit bids for its lease contracts for the car parks in [REDACTED].

⁵⁰⁵ Tazbell did not submit bids for its lease contracts for the car parks on [REDACTED]. Tazbell did not submit bids for its management contracts for the car parks in [REDACTED]. Tazbell also holds licence agreements for the management of [REDACTED].

⁵⁰⁶ The distinction between formal and informal tendering is detailed in paragraphs 2.80 to 2.91 above. The tender for some car park management or lease contracts may be conducted via publicly-available requests for tender, e.g. for State-owned car parks. Alternatively, a private Car Park Owner (or a Property Management Company, on their behalf) may invite only certain Car Parking Management Providers to tender for a contract.

Lease Contract	██████	██████	████ (100%)
Management Contract	██████	██████	████ (100%)
Total	██████	██████	████ (100%)

Source: Commission analysis of evidence provided by the Parties⁵⁰⁷

5.56 As discussed above, to assess the impact of the Proposed Transaction on the potential market for the provision of car parking management services in the State, a key factor is the closeness of competition between Q-Park and Tazbell; how often they compete against one another for contracts and, where they do compete against one another, the extent to which they are also competed with by Third Party competitors.

Closeness of Competition

5.57 The Commission has set out information pertaining to contract bidding in paragraphs 5.46 to 5.53 above. The Commission now further considers contract bidding to understand the level of competition which currently exists between Q-Park and Tazbell.

5.58 Table 10 sets out, in relation to the bidding information supplied to the Commission by the Parties in the Phase 1 RFI responses, the numbers of contracts each of the Parties submitted bids for between 2010 and 2022, and the frequency with which the Parties were competing directly with one another.

Table 10: Bidding by Q-Park and Tazbell for car parking management and lease contracts

Contract Type	Q-Park Bid Only	Tazbell Bid Only	Both Parties Bid	Total
Lease Contract (All)	██████ ⁵⁰⁸	██████	██████	████ (100%)
Lease Contract (Formal Tendering Only)	██████	██████	██████	████ (100%)
Management Contract (All)	██████	██████	██████	████ (100%)

⁵⁰⁷ See response to Questions 9 and 10 of Q-Park Phase 1 RFI Response; See response to Questions 7 and 8 of Tazbell Phase 1 RFI Response.

⁵⁰⁸ This [40-45]% refers to the total number of lease contracts for which only Q-Park bid, out of all the lease contracts for which Q-Park and/or Tazbell bid.

Management Contract (Formal Tendering Only)	██████████	██████████	██████████	██████████ (100%)
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Source: Commission analysis of evidence provided by the Parties⁵⁰⁹

5.59 Table 10 shows that for both lease and management contracts, the Parties are more frequently bidding for contracts without competition from the other Party, than they are competing with each other (for all contracts where either Party submitted a bid, both Parties bid on ██████% of those lease contracts and ██████% of those management contracts). If we restrict this analysis to only those contracts where formal tendering took place, those percentages are ██████% and ██████%, respectively. The Commission observes, then, that the Parties are frequently not imposing a strong competitive constraint on one another for contracts.

5.60 The Commission now considers the frequency with which either Party wins the contracts it bids on, as well as the frequency with which those contracts are won by Third Parties.

Table 11: Percentage of contracts won

Contract Type	Q-Park or Tazbell Win	Third Party Wins	Total
Lease Contract (All)	██████████ Q-Park ██████, Tazbell ██████	██████████ APCOA ██████, Euro Car Parks ██████ Unknown ██████	██████████ (100%)
Lease Contract (Formal Tendering Only)	██████████ Q-Park ██████, Tazbell ██████	██████████ Euro Car Parks ██████, APCOA ██████	██████████ (100%)
Management Contract (All)	██████████ Tazbell ██████, Q-Park ██████	██████████ ⁵¹⁰ Euro Car Parks ██████, APCOA ██████, Best Car Parks ██████ "Security Company" ██████, Owner operator ██████, IPáirc ██████, Self-managed ██████, Bidvest ██████ Noonan ██████, NCPS ██████	██████████ (100%)

⁵⁰⁹ See response to Questions 9 and 10 of Q-Park Phase 1 RFI Response; See response to Questions 7 and 8 of Tazbell Phase 1 RFI Response.

⁵¹⁰ 'Security Companies' are referred to in Response to Question 8 of Tazbell Phase 1 RFI Response.

Management Contract (Formal Tendering Only)	<div></div> Tazbell	<div></div> Euro Car Parks, Best Car Parks, APCOA "Security Company", iPáirc, Self-managed, Bidvest Noonan, NCPS 	<div></div> (100%)
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Source: Commission analysis of evidence provided by the Parties⁵¹¹

5.61 The Commission makes a number of observations based on Table 11:

- , Tazbell, APCOA and Euro Car Parks have all won a small number of lease contracts;
- For management contracts, there are a number of competitors which win similar numbers of contracts. While Tazbell, with has won a significant number of management contracts in this sample, Euro Car Parks has won more management contracts (), and APCOA nearly as many () has won . Best Car Parks () and Q-Park () have also won a number of management contracts; and
- Even given the likely selection bias in the sample,⁵¹² for

5.62 It is worth noting that, in

. The Commission is of the view, however, that this is likely an effect both of a small sample, and the fact that in instances where

. It is also worth noting that, of these contracts, and Tazbell won all but one of the management contracts, The

⁵¹¹ See response to Questions 9 and 10 of Q-Park Phase 1 RFI Response; See response to Questions 7 and 8 of Tazbell Phase 1 RFI Response.

⁵¹² This is a list of contracts which at least one of the Parties has bid for, and therefore the proportion of contracts won by the Parties is likely overstated by this sample.

Commission has seen no evidence of certain categories of contract for which Q-Park and Tazbell are both particularly strong competitors and which, following the implementation of the Proposed Transaction, may see a significant reduction in the intensity of competition.

5.63 Finally, the Commission has given consideration to contract value. The Commission has considered specifically whether, for larger contracts, third party competitors are a less strong constraint and for which the Proposed Transaction would therefore reduce competition. For management contracts, [REDACTED] of the contracts in the sample were valued at more than €200,000 p.a.⁵¹³ Of those, Tazbell won [REDACTED] of them, with Q-Park winning [REDACTED] [REDACTED]. The two largest contracts were won by APCOA and Euro Car Parks.

5.64 For those lease contracts for which the Commission has evidence of the contract value, the Commission again does not observe that the Parties are more likely to win bigger contracts and, again, the two largest contracts were won by Euro Car Parks and APCOA.

Conclusions on Closeness of Competition

5.65 Based on analysis of the Parties' evidence in relation to contracts for which they have bid, the Commission considers that there are a number of Car Parking Management Providers who compete closely with the Parties in this Relevant Market and would likely continue to provide a competitive constraint following implementation of the Proposed Transaction.

5.66 Furthermore, there is evidence of differentiation between the Parties such that they may not be each other's closest competitor. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Overall Conclusion for Horizontal Unilateral Effects in the Potential Market for the Provision of Car Parking Management Services in the State

⁵¹³ Based on Q-Park and Tazbell Phase 1 RFI Responses.

5.67 Taking all the above arguments, evidence and analysis into account, the Commission has determined that the Proposed Transaction will not substantially lessen competition in the market for the provision of car parking management services in the State, compared to the counterfactual.

6. COMPETITIVE ASSESSMENT

HORIZONTAL UNILATERAL EFFECTS - OFF-STREET CAR PARKING RELEVANT MARKETS

Introduction

- 6.1 In this section, the Commission sets out its analysis of the likelihood of horizontal unilateral effects occurring from the implementation of the Proposed Transaction in the Off-Street Car Parking Relevant Markets identified in section 3 above.
- 6.2 In paragraphs 5.1 - 5.4 above, the Commission set out the meaning of the concept of “*unilateral effects*” and its relevance for assessing whether a merger will, or will not, result in an SLC according to the Commission’s Merger Guidelines and having regard to the EC’s Horizontal Merger Guidelines.
- 6.3 In considering the likelihood of the implementation of the Proposed Transaction resulting in unilateral effects in the Off-Street Car Parking Relevant Markets, the Commission has considered all the evidence available to it, including evidence provided by the Parties and Third Parties. The Commission has conducted this assessment and applied the principles outlined in paragraphs 5.1 - 5.4, with respect to each of the Off-Street Car Parking Relevant Markets identified in Section 3, namely:
- (a) the Limerick Relevant Market;
 - (b) the Dún Laoghaire Relevant Market;
 - (c) the Galway Relevant Market; and,
 - (d) the Dublin Relevant Markets, consisting of the:
 - (i) Fleet Street Relevant Market;
 - (ii) Drury Street Relevant Market;
 - (iii) Smithfield Relevant Market;
 - (iv) ILAC Centre Relevant Market; and

- (v) Irish Life Centre Relevant Market.

6.4 In this regard, the Commission sets out below:

- (a) Overview of Tazbell's Interests in the Off-Street Car Parking Relevant Markets
- (b) Views of the Parties;
- (c) Views of Third Parties;
- (d) Assessment of Horizontal Unilateral Effects in the Limerick Relevant Market;
- (e) Assessment of Horizontal Unilateral Effects in the Dún Laoghaire Relevant Market;
- (f) Assessment of Horizontal Unilateral Effects in the Galway Relevant Market;
- (g) Assessment of Horizontal Unilateral Effects in the Dublin Relevant Markets;
- (h) the Commission's overall conclusion on horizontal unilateral effects in respect of the above Off-Street Car Parking Relevant Markets.

Overview of Tazbell's Interests in the Off-Street Car Parking Relevant Markets

6.5 Following implementation of the Proposed Transaction, Q-Park will acquire Tazbell's interests in the Off-Street Car Parking Relevant Markets which are set out below.

- **Hynes Yard:** Tazbell⁵¹⁴ has a [REDACTED] for the ground floor of the Tazbell Hynes Yard car park.⁵¹⁵ The upper floor of this car park is [REDACTED]

⁵¹⁴ [REDACTED]

⁵¹⁵ See document "[REDACTED]" in Question 10 of Tazbell Phase 1 RFI Response.

[REDACTED].⁵¹⁶ Tazbell [REDACTED] at the Tazbell Hynes Yard car park;⁵¹⁷

- **Drury Street:** Tazbell has a [REDACTED] over the Tazbell Drury Street car park.⁵¹⁸ [REDACTED] states as follows:

“ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. ”
(emphasis added);

- **Fleet Street:** Tazbell has a [REDACTED] in place for the Tazbell Fleet Street car park.⁵¹⁹ [REDACTED] states as follows:

“ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ” (emphasis added)

- **ILAC Centre:** Tazbell has a [REDACTED] over the Tazbell ILAC Centre car park.⁵²⁰ [REDACTED] states as follows:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
(emphasis added)

⁵¹⁶ Merger Notification Form, page 21.

⁵¹⁷ Merger Notification Form, page 21.

⁵¹⁸ See document “[REDACTED]”, in Question 10 of the Tazbell Phase 1 RFI Response.

⁵¹⁹ See document “[REDACTED]”, response to Question 10 of Tazbell Phase 1 RFI Response.

⁵²⁰ See document “[REDACTED]”, response to Question 10 of Tazbell Phase 1 RFI Response.

- **Smithfield:** Tazbell has a [REDACTED] in place for the Tazbell Smithfield Market car park.⁵²¹ [REDACTED] states as follows:

“ [REDACTED]
[REDACTED]
[REDACTED] .”

- **Dún Laoghaire and Limerick:** Tazbell has [REDACTED] for the Tazbell Dún Laoghaire car park and the Tazbell Cruises Street car park.⁵²²

Views of the Parties

6.6 This section sets out the Parties’ views which are not specific to any particular Off-Street Car Parking Relevant Market. Where the Parties have made submissions or expressed views specific to one of the Off-Street Car Parking Relevant Markets, these views are set out and considered by the Commission in its assessment of that particular Off-Street Car Parking Relevant Market below.

6.7 The Parties submitted that the Proposed Transaction would not result in an SLC in any market in the State.⁵²³ The Parties made several main arguments in support of the view that the Proposed Transaction would not result in an SLC in regard to the provision of car parking spaces to the public in Ireland:

Argument 1: The Proposed Transaction involves a minimal increase in Q-Park’s market share

6.8 The Parties stated in the Merger Notification Form that:

“The Proposed Transaction will not give rise to a SLC mainly because: it involves a minimal increase in market share of Q-park. The Proposed Transaction will lead to a market share increment of [0-5]% and a

⁵²¹ See document [REDACTED] in response to Question 10 of Tazbell’s Phase 1 RFI Response.

⁵²² The Commission was not provided with copies of these agreements.

⁵²³ See Tazbell Written Response, paragraph 573; see Merger Notification Form, section 1.1.

combined market share of [0-5]% on the market for the provision of car parking spaces to the public in Ireland.”⁵²⁴

6.9 The Parties also provided market shares based on car park spaces under management “*for which the parties can actually set prices*”. The Parties state that following the implementation of the Proposed Transaction Q-Park would have a [0-5]% share of car park spaces under management in the State for which they could actually set prices.⁵²⁵

6.10 The Parties also provided their combined market shares on the basis of the “*hypothetical "narrowest possible" local geographic markets*” in the Merger Notification Form on the basis of geographic areas narrower than the State. These areas are:

- County Dublin;
- Dublin 1;
- Dublin 2;
- Dublin 8;
- Dún Laoghaire;
- Galway city; and
- Limerick city⁵²⁶

6.11 The Parties have indicated that the Proposed Transaction would result in between a 0%-[25-30]% increase in Q-Park’s market share in these geographic areas, depending on how market share is calculated.⁵²⁷

⁵²⁴ Merger Notification Form, section 5.3.

⁵²⁵ Merger Notification Form, section 5.2, table 7.

⁵²⁶ Merger Notification Form, section 5.3. To note, the Parties did not precisely define their view of the geographic scope of Galway City or Limerick City.

⁵²⁷ Merger Notification Form, section 5.2, Tables 6 and 7.

6.12 The First Francis O'Toole Report also provided estimated market shares in the provision of car park spaces in Ireland in 2022. The First Francis O'Toole Report (which did not distinguish between on-street and off-street car parking in its estimates) also provided market share estimates on a county and city basis, stating that:

- The Parties had a combined share of [5-10]% in the provision of car parking spaces in County Dublin in 2022;⁵²⁸
- The Parties had a combined share of [20-25]% in the provision of car parking spaces in Galway city in 2022;⁵²⁹ and
- The Parties had a combined share of [5-10]% in the provision of car parking spaces in Limerick city in 2022.⁵³⁰

Commission's views on Argument 1

6.13 On the basis of the evidence available, the Commission does not agree with the Parties' view that the Proposed Transaction involves a minimal increase in Q-Park's market share. The Commission considers that Argument 1 is based on a proposed geographic market of an inappropriately wide scope (i.e., as it is based on a city or postcode basis, rather than a catchment area surrounding each individual car park). This is acknowledged in the First Francis O'Toole Report, where it states that *"a car parking space in one part of Dublin 1 may not necessarily be in the same local geographic market as a car parking space in other parts of Dublin 1, despite being contiguous"*⁵³¹ and acknowledges that *"it may be appropriate to augment the above national and county/city market share analysis with consideration of various local markets of possible competition policy interest."* The Commission's views in respect of market definition are set out fully in Section 3.

Argument 2: Q-Park is effectively only acquiring 3 car parks in which Tazbell sets prices independently

⁵²⁸ See page 13 of the First Francis O'Toole Report.

⁵²⁹ See page 14 of the First Francis O'Toole Report.

⁵³⁰ See page 15 of the First Francis O'Toole Report.

⁵³¹ See page 15 of the First Francis O'Toole Report

6.14 The Parties stated in the Merger Notification Form that:

“Q-Park is effectively only acquiring 3 car parks in which Tazbell / Park Rite sets prices independently; in all other cases, Tazbell / Park Rite has no control over the prices charged because the price is set by others (e.g., the owner of the site).”⁵³²

6.15 According to the Parties, these car parks are: (i) Parnell Centre car park in Dublin city; (ii) IFSC car park in Dublin city; and (iii) Hynes Yard car park in Galway city.⁵³³ Therefore, the Parties stated that Tazbell

“currently has 24 carparks and 12,352 spaces under its management. However, as will be explained later in detail, it only controls pricing in respect of 3 of these car parks (i.e., with 1370 spaces in total) – only 11% - with the price of 89% of the spaces being determined by the owners of the car park (i.e., persons unconnected with the parties to the Proposed Transaction)).”⁵³⁴

6.16 Tazbell stated that the Parnell Centre car park, the IFSC car park in Dublin city and the Hynes Yard car park:

“are the only car parks where Tazbell has some degree of price control (e.g., subject to competition) [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁵³² Merger Notification Form, sections 1.1 and 5.3.

⁵³³ Merger Notification Form, Table 4. The Parties stated in the Merger Notification Form that “[REDACTED]

[REDACTED]”

⁵³⁴ Merger Notification Form, section 1.1.

In all of the other 21 car parks which Tazbell currently operates, the owner of the car park carries the majority, or all, of this risk and return.”⁵³⁵

6.17 The First Francis O’Toole Report elaborates on this point:

“Tazbell own or have long term leases over very few parking facilities and hence have little control over the prices charged to the final customer”.⁵³⁶

6.18 Furthermore, the First Francis O’Toole Report also states that:

“the Parties own (i.e. whether by freehold or very long-term lease) very few parking facilities. As such, there are only a very limited number of occasions where the Parties more or less fully control the downstream price that they can charge to the final customers; Galway city provide [sic] a rare example of where the two parties control their own final prices and are located close to each other (and many other competitors - see below for further details).”⁵³⁷

6.19 As outlined in Section 2 and paragraph

6.20 6.5 above, depending on the contract type under which car parking management services are provided, the Car Park Owner may retain ultimate ability to confirm tariff changes to end customers. Generally, a Car Park Owner will retain the ultimate ability to confirm tariff changes under a management contract.⁵³⁸ Under a lease contract, the Car Parking Management Provider will hold ultimate ability to confirm tariff changes.⁵³⁹

Commission’s views on Argument 2

6.21 In the Assessment, the Commission set out its preliminary view that the Parties have a significant and substantial influence on pricing to end customers in each of

⁵³⁵ See response to Question 42 of Tazbell’s Second Phase 2 RFI Response.

⁵³⁶ See page 3 of the First Francis O’Toole Report.

⁵³⁷ See page 8 of the First Francis O’Toole Report.

⁵³⁸ [REDACTED]

⁵³⁹ The Commission notes that under certain lease contracts the Car Park Owner may retain legal control over pricing to the end customer – such as DCC’s Dawson, Drury Street, and ILAC Centre car parks which are operated by the Parties under lease contracts.

the off-street car parks that they operate within the Relevant Markets, even in circumstances where the Car Park Owners retain de jure ability to confirm tariff changes. The Commission's preliminary conclusion was that it would not be correct to consider that *"Q-Park is effectively only acquiring 3 car parks in which Tazbell / Park Rite sets prices independently"* and that *"in all other cases, Tazbell / Park Rite has no control over the prices charged because the price is set by others (e.g., the owner of the site)."*⁵⁴⁰ It would therefore not be appropriate to exclude off-street car parks where the Parties must seek confirmation for tariff proposals from Car Park Owners from any share figures attributed to the Parties, contrary to the Parties' assertion in the Merger Notification Form.⁵⁴¹ The Commission's preliminary conclusion in the Assessment was that each car park operated by the Parties and their competitors should be fully attributed to the relevant Car Park Management Provider in the Commission's assessment of the competitive effects of the Proposed Transaction.

6.22 The Commission formed that preliminary view on the basis of the following factors:

- (a) Internal documents provided to the Commission by Tazbell suggested [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED];
- (b) Car Park Management Providers routinely and consistently make tariff proposals to Car Park Owners;
- (c) the vast majority of the Parties' tariff proposals are confirmed by Car Park Owners;
- (d) the Parties include information about tariffs in other off-street car parks under their management in tariff proposals to Car Park Owners and often make tariff proposals to multiple Car Park Owners in parallel, providing reassurance to Car Park Owners that they will not be relatively more

⁵⁴⁰ Merger Notification Form, section 1.1.

⁵⁴¹ Merger Notification Form, section 1.1

expensive than other off-street car parks operated by the Car Park Management Provider; and,

- (e) the incentives of Car Park Owners and Car Park Management Providers are likely aligned in increasing revenue at off-street car parks.

6.23 These factors will be discussed further below.

6.24 In the Tazbell Written Response, in the Tazbell Oral Response, and in a further submission dated 7 July 2023⁵⁴² Tazbell reiterated its view that the Proposed Transaction will not result in an SLC since pricing in the vast majority of the car parks operated by Tazbell are controlled by the relevant Car Park Owner rather than Tazbell.⁵⁴³ In support of its view, Tazbell referred to certain views expressed by various Car Park Owners to the Commission during its investigation, and claimed that the Commission had taken certain internal documents referred to in the Assessment out of context or misinterpreted these documents.

6.25 On the basis of the evidence available, the Commission's view is that even in circumstances where a Car Park Owner has ultimate ability to confirm tariff changes, it appears that, in practice, pricing decisions are often taken in partnership and under the strong influence of a Car Park Management Provider. The Commission also notes that, as set out in paragraph 6.5 above in respect of the Tazbell off-street car parks at Drury Street, Fleet Street, and Irish Life Centre that [REDACTED]

[REDACTED] The Commission further notes that, as set out above, both Parties have control over pricing of their car parking spaces in Galway city.

6.26 Tazbell, in its Written Response, stated that the Commission had failed to evaluate properly the position of Car Park Owners and landlords in the Assessment and maintains that [REDACTED]

[REDACTED]
[REDACTED]”⁵⁴⁴ The Commission

⁵⁴² Tazbell submission of 7 July 2023, “Letter to CCPC re price control”

⁵⁴³ Tazbell Written Response, paragraph 94.

⁵⁴⁴ Tazbell Written Response, paragraph 94.

acknowledges that, in the majority of cases, Car Park Owners have the final say on pricing but disagrees with Tazbell's view that it has failed to properly evaluate the position of Car Park Owners and landlords.

- 6.27 The Commission considers that the evidence available to it shows that Car Park Management Providers make specific tariff proposals to Car Park Owners which then confirm these recommendations (or not). The Commission has seen little evidence to suggest that Car Park Owners actively and routinely consider potential tariff changes of their own volition. That is to say, it appears to the Commission, that even where Car Park Owners have *de jure* ability to confirm tariff changes, this typically occurs at the behest of Car Park Management Providers which have *de facto* ability to recommend and significantly influence tariffs at off-street car parks under their management.⁵⁴⁵

Instances of Tazbell [REDACTED] tion from Car Park Owners but nonetheless implementing [REDACTED].⁵⁴⁶

- 6.28 The Assessment set out the Commission's preliminary view that for certain car parks where the Parties purport that the relevant Car Park Owner has ultimate ability to confirm [REDACTED],⁵⁴⁷ internal documents provided to the Commission indicate [REDACTED]
[REDACTED]
[REDACTED].⁵⁴⁸ In its submission dated 7 July 2023, Tazbell explained that these documents relate to "[REDACTED]
[REDACTED]
[REDACTED]"⁵⁴⁹. Tazbell further stated that "[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"

⁵⁴⁵ See Call Notes with Car Park Owners, as outlined at paragraph 6.31 below.

⁵⁴⁶ Merger Notification Form, section 4.4, pages 18-19 and 21.

⁵⁴⁷ Merger Notification Form, section 4.4, pages 18-19 and 21.

⁵⁴⁸ Commission's Assessment, paragraph 6.30-6.41.

⁵⁴⁹ Tazbell submission of 7 July 2023, "[REDACTED]".

6.29 However, the Commission notes that certain of these emails [REDACTED]
[REDACTED]
[REDACTED]

- In respect of Tazbell's ILAC Centre car park, in an internal Tazbell email with subject line [REDACTED]⁵⁵⁰ and dated 22 February 2018 [REDACTED]
[REDACTED]
[REDACTED]⁵⁵¹

- The response to this Tazbell email was as follows: "[REDACTED]"
[REDACTED]
[REDACTED]⁵⁵²

- In respect of Tazbell's City Quay car park an internal Tazbell email with subject line "[REDACTED]" dated 28 November 2017 stated the following:

"[...]"

[REDACTED]
[REDACTED]⁵⁵³

Car Park Management Providers routinely and consistently make tariff proposals to Car Park Owners which are confirmed by Car Park Owners

6.30 Evidence provided to the Commission indicates that it is common for Car Park Management Providers to have significant influence and discretion in tariff decisions even where the Car Park Owner gives final confirmation. As noted in paragraph 6.5 above, under Tazbell's arrangement [REDACTED]
[REDACTED]
[REDACTED]. On the basis of evidence available, it appears to the Commission that most Car Park Management Providers have *de facto* operational control of tariffs since it is Car Park

⁵⁵⁰ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁵⁵¹ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁵⁵² See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁵⁵³ See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.

Management Providers which typically approach Car Park Owners with a view to increasing tariffs and present specific tariff proposals to them.

6.31 During its investigation, the Commission conducted interviews with several competitors of the Parties as set out in paragraph 1.20 and 1.26 above. The following views were expressed by competitors of the Parties to the Commission regarding pricing decisions in respect of car parks where confirmation from Car Park Owners may be required on a *de jure* basis for tariff changes:

- *Best Car Parks* stated that:

*"[it] consult[s] and advise[s] owners on pricing and hourly tariffs as they have knowledge of car parks in the area, car parking deals or special rates in the area etc."*⁵⁵⁴ *Best Car Parks* stated that it "[advises] the [Car Park] owner on the optimal price". *Best Car Parks* also noted that *"if they want to remain in the market, they need to be pushing owner's revenue up."*⁵⁵⁵

- *Euro Car Parks* stated that:

*"the owner has ultimate control of the price, but that [Euro Car Parks] can influence pricing."*⁵⁵⁶

Euro Car Parks further stated that:

*"it reviews the prices of all its car parks twice a year, and will do price comparisons in order to make suggestions to owners to either maintain, increase or decrease the price. [Euro Car Parks] may also recommend special rates. [Euro Car Parks] stated that it makes recommendations to car park owners regarding pricing once a year at a minimum."*⁵⁵⁷

- [REDACTED] stated that:

⁵⁵⁴ See page 6 of Call Note with *Best Car Parks*, dated 6 March 2023.

⁵⁵⁵ See page 6 of Call Note with *Best Car Parks*, dated 6 March 2023.

⁵⁵⁶ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

⁵⁵⁷ See page 3 of Call Note with *Euro Car Parks*, dated 2 March 2023.

“they do make such [pricing recommendations under a management contract], however the car park owner ultimately makes the decision to accept or reject the recommendation.”⁵⁵⁸

further explained that:

“some owners accept the recommendation but that others do not. explained that some car park owners are more connected with customers, such as shopping centers, and therefore these owners would consider factors other than just the price they can charge for of [sic] parking.”⁵⁵⁹

further stated that:

“some car park owners are more active than others regarding pricing decisions, and that [sic] those that are active are watching the bottom line and regularly ask opinion on prices and the consequence of price changes. stated that there are other owners who tell to change prices, despite advice.”⁵⁶⁰

described management contracts as a “partnership” but reiterated that the Car Park Owner has the ultimate ability to confirm tariff changes.⁵⁶¹

- **IPáirc** stated that:

“under a management contract it advises the owner on pricing. IP stated that it provides advice to the owner on the market price and what the per hour charge should be.”⁵⁶²

6.32 The Assessment also set out the views of Car Park Owners whose car parks are operated by the Parties regarding pricing decisions in respect of car parks operated pursuant to management contracts. In summary, those Car Park Owners were

⁵⁵⁸ See page 3 of Call Note with , dated 6 March 2023.

⁵⁵⁹ See page 3 of Call Note with , dated 6 March 2023.

⁵⁶⁰ See page 3 of Call Note with , dated 6 March 2023.

⁵⁶¹ See page 3 of Call Note with , dated 6 March 2023.

⁵⁶² See page 2 of Call Note with IPáirc, dated 6 March 2023.

broadly of the view that Car Park Management Providers routinely and regularly make recommendations to Car Park Owners regarding pricing, confirmation of proposed car parking tariffs rests with the Car Park Owner, and they can decide whether to confirm proposals from the Parties or not. For example, in one submission Tazbell argued that these views of Car Park Owners demonstrate that Car Park Owners “*make the decision*”⁵⁶³ on car park tariffs.

- 6.33 The Assessment acknowledged that the ability to confirm tariff changes often rests with a Car Park Owner. At no point did the Commission claim that Car Park Owners are uninvolved in such decisions. Below, the Commission analyses (as it did in the Assessment) the proclivity of Car Park Owners to confirm tariff proposals made by the Parties.

Commission’s analysis of evidence provided by the Parties relating to confirmation of tariff proposals by Car Park Owners

- 6.34 In response to the First Phase 2 RFI, the Parties provided the Commission with internal documents which detail tariff proposals made by the Parties to Car Park Owners and the engagement between the Parties and Car Park Owners in respect of these proposals.
- 6.35 In the vast majority of such cases Car Park Owners implemented the Parties’ proposal:⁵⁶⁴

- Regarding Q-Park, in respect of the [REDACTED] tariff proposals made by it, [REDACTED] were confirmed by Car Park Owners, [REDACTED] were confirmed with some modifications, and [REDACTED] was not confirmed;⁵⁶⁵ and
- Regarding Tazbell, in respect of the [REDACTED] tariff proposals made by it ([REDACTED]), [REDACTED] were confirmed by Car Park Owners,

⁵⁶³ Tazbell submission of 7 July 2023, “Letter to CCPC re price control”

⁵⁶⁴ These proposals were made at various times from 1 January 2012 to 10 January 2023.

⁵⁶⁵ See response to Question 2 of Q-Park First Phase 2 RFI Response.

█████ were confirmed with some modifications, and ██████ were not confirmed.⁵⁶⁶

The Parties include information about tariffs in other off-street car parks under their management in tariff proposals to Car Park Owners and often make tariff proposals to multiple Car Park Owners in parallel

6.36 The Assessment set out that, often, tariff proposals from the Parties to one Car Park Owner will provide information on tariff decisions at other off-street car parks managed by that Party (but not owned by the same Car Park Owner). Such information may refer to tariff changes that are due to come into effect, or that are expected by that Party to come into effect. Similarly, the Parties often reference that they are ‘reviewing’ tariffs in several off-street car parks in parallel (not owned by the same Car Park Owner). The Assessment set out that the Commission preliminarily considered that the evidence available strongly suggested that such communication influences the decision of Car Park Owners to confirm such tariff changes.

6.37 The Assessment cited five such examples in this regard:

- A Tazbell internal email⁵⁶⁷, which sets out correspondence between Tazbell and the [REDACTED] [REDACTED] regarding a proposed Tazbell tariff increase for the [REDACTED] car park, refers to “[REDACTED]
[REDACTED]” .⁵⁶⁸
- A Tazbell internal email⁵⁶⁹ which sets out correspondence between Tazbell and the [REDACTED] Car Park Owner regarding a proposed tariff increase for the [REDACTED] car park, states “[REDACTED]
[REDACTED]
[REDACTED] ...”⁵⁷⁰ Two of these car parks – [REDACTED] – are operated

⁵⁶⁶ See response to Question 2 of Tazbell First Phase 2 RFI Response.

⁵⁶⁷ See Tazbell document “ [REDACTED] ”, in s response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED].

⁵⁶⁸ See document “[REDACTED]” in response to Question 2 of Tazbell Phase 2 RFI Response.

569 See Tazbell document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED].

⁵⁷⁰ Email from [REDACTED] dated 22 December 2022.

by Tazbell and DCC had only confirmed proposed tariff changes that same day.

- A Q-Park internal document⁵⁷¹ sets out correspondence between Q-Park and [REDACTED] regarding a Q-Park tariff proposal for the [REDACTED] car park which is owned by [REDACTED]. In the document, and in response to a Q-Park proposal to increase prices in [REDACTED] car park, [REDACTED] requested information on tariffs in “[REDACTED]
[REDACTED]”.⁵⁷² In response to this, Q-Park stated that
[REDACTED]
[REDACTED]
[REDACTED]”. The Commission considered it significant that the information provided by Q-Park to [REDACTED] regarding the tariff at the off-street car park at [REDACTED] relates to a tariff that had not yet come into effect.
- In a Q-Park internal document⁵⁷³ which sets out correspondence between Q-Park and [REDACTED] regarding a Q-Park tariff proposal for [REDACTED] car park, Q-Park stated that “[REDACTED]
[REDACTED]
[REDACTED]
- A Q-Park internal document⁵⁷⁴ which sets out correspondence between Q-Park and the [REDACTED] Car Park Owner regarding a Q-Park tariff proposal for the [REDACTED] car park. This internal document stated: “[REDACTED]
[REDACTED]
[REDACTED]”⁵⁷⁵

⁵⁷¹ See document [REDACTED] in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁵⁷² See document "[REDACTED]" in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁵⁷³ See document [REDACTED] in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁵⁷⁴ See document [REDACTED] in response to Question 2 of Q-Park Phase 2 RFI Response.

⁵⁷⁵ See document "[REDACTED]" in response to Question 2 of Q-Park First Phase 2 RFI Response.

6.38 On the basis of the evidence available, the Commission's view is that the prospective nature of this information (tariff changes which *will* come into effect) indicates that the Parties' tariff proposals to Car Park Owners are often accompanied by indications of tariff changes in other off-street car parks operated by the Parties that have yet to be implemented. In the Commission's view, the effect of this is to reassure a Car Park Owner that its car park will not be a relatively less attractive option for customers than other off-street car parks as a result of a proposed tariff increase (particularly those operated by the Parties). The above exchanges appear to provide reassurance to the Car Park Owner and the Commission considers it likely to be a strong factor in the Car Park Owner's decision to confirm the tariff changes.

The incentives of Car Park Owners and Car Park Management Providers are likely aligned in increasing revenue at off-street car parks

6.39 The Commission further considers that the incentives of Car Park Owners and Car Park Management Providers are more often than not aligned when it comes to considering pricing/tariff increases. Revenue maximisation from a given car park is in the interests of both Car Park Owners and Car Park Management Providers since it results in higher revenues for Car Park Owners (and Car Park Management Providers where revenue sharing arrangements are in place in addition to simple management fees), which in turn makes a Car Park Owner more likely to be satisfied with the performance of, and thus retain, a Car Park Management Provider (with potentially a higher fee).

6.40 The views of Car Park Owners and competitors referred to above do, however, indicate that some Car Park Owners may have an incentive beyond maximising revenue from a car park (for example, the example cited by [REDACTED] of shopping centre car parks). However, the Commission considers that on balance, the evidence reviewed by it suggests that in most cases, the incentives of Car Park Owners and Car Park Management Companies are aligned.⁵⁷⁶

⁵⁷⁶ See paragraph 6.51 below in relation to the ratio of price increase recommendations accepted by Car Park Owners, as opposed to rejecting the proposal

- 6.41 This was recognised by *Best Car Parks*, which stated that “if they want to remain in the market, they need to be pushing owner’s revenue up.”⁵⁷⁷
- 6.42 Following the implementation of the Proposed Transaction, the number of off-street car parks for which Q-Park would be making tariff proposals would increase.⁵⁷⁸ The Commission considers that this is a factor which would likely be taken into account by Q-Park in making tariff proposals.

Commission’s conclusion on Argument 2

- 6.43 The Commission recognises that there are some instances (■ out of the total ■ tariff proposals) of Car Park Owners not implementing one of the Parties’ tariff proposals, or implementing a different tariff change than that recommended by the Parties.
- 6.44 However, the Commission considers that the evidence available to it strongly indicates that Car Park Management Providers regularly exercise a significant and substantial influence on the pricing of off-street car parks under their management, even in circumstances where the Car Park Owner retains *de jure* ability to confirm tariff changes. The Commission has reached this conclusion on the basis of the following evidence:
- (a) ■
■
■;
 - (b) Car Park Management Providers routinely and consistently make tariff proposals to Car Park Owners and the Commission considers that the evidence provided to it indicates that it is Car Park Management Providers that instigate tariff changes;
 - (c) for the vast majority of tariff proposals, Car Park Owners implemented the Parties’ recommendation:

⁵⁷⁷ See page 7 of Call Note with *Best Car Parks*, dated 6 March 2023.

⁵⁷⁸ Since Q-Park would be acquiring Tazbell’s contracts which remain in place following the implementation of the Proposed Transaction. The Commission’s views in respect of its consideration of contracts which may be lost or gained by Q-Park following the implementation of the Proposed Transaction are discussed below.

- (i) regarding Q-Park, in respect of the [REDACTED] tariff proposals made by it, [REDACTED] were confirmed by Car Park Owners, [REDACTED] were confirmed with some modifications, and [REDACTED] [REDACTED] not confirmed.⁵⁷⁹
- (ii) regarding Tazbell, in respect of the [REDACTED] tariff proposals made by it, [REDACTED] were confirmed by Car Park Owners, [REDACTED] were confirmed with some modifications, and [REDACTED] [REDACTED] not confirmed.⁵⁸⁰
- (d) the Parties include information about tariffs in other off-street car parks under their management in tariff proposals to Car Park Owners and often make tariff proposals to multiple Car Park Owners in parallel, likely providing reassurance to Car Park Owners that they will not be relatively more expensive than other off-street car parks operated by the same Car Park Management Provider; and,
- (e) the incentives of Car Park Owners and Car Park Management Providers are likely aligned in increasing revenue at off-street car parks.

6.45 If the Commission were to accept the Parties' views in respect of this issue and follow this argument to its inevitable conclusion, this would mean that a situation whereby a single Car Park Management Provider operates all of the off-street car parks in a given geographic market (but where individual Car Park Owners had the ability to confirm tariff changes) would not raise any competition concerns. This does not seem plausible. The Commission, does not consider it tenable to hold that a single Car Park Management Provider could significantly influence prices centrally in this manner but that so-doing would not raise any competition concerns.

6.46 Therefore, on the basis of the evidence available, the Commission considers it would not be correct to consider that "Q-Park is effectively only acquiring 3 car parks in which Tazbell / Park Rite sets prices independently" and that "in all other cases, Tazbell / Park Rite has no control over the prices charged because the price

⁵⁷⁹ See response to Question 2 of Q-Park First Phase 2 RFI Response.

⁵⁸⁰ See response to Question 2 of Tazbell First Phase 2 RFI Response.

is set by others (e.g., the owner of the site)".⁵⁸¹ It would therefore not be appropriate to exclude off-street car parks where the Parties must seek confirmation for tariff proposals from Car Park Owners from any share figures attributed to the Parties.

6.47 Thus, on the basis of the evidence available, the Commission finds that the Parties have significant and substantial influence on pricing to end customers in each of the off-street car parks that they operate irrespective of whether the final power to confirm tariff proposals lies with the Parties or a Car Park Owner.

6.48 Therefore, the Commission considers that each car park operated by the Parties and their competitors should be fully attributed to the relevant Car Park Management Provider in this Determination.

Argument 3: The Parties are not particularly close competitors nationally and pursue different and complementary activities

6.49 The Parties stated in the Merger Notification Form that they are not particularly close competitors and that they pursue complementary activities. The Parties stated that:

*"[t]he precise services provided by the parties are complementary and differentiated to some extent. In particular, Q-Park does not provide off-street or on-street enforcement of parking services, while Tazbell does. In addition, Tazbell tends to operate under short term lease / management contracts with little control over the final price charged to customers, while Q-Park typically operates under long leaseholds that allow it to set prices charged to the public."*⁵⁸²

6.50 The First Francis O'Toole Report also stated a similar view, noting that:

"Q-Park (with its focus being on off-street parking and particularly on the provision of car parking management services to car parks) and Tazbell (with its focus being across the offstreet and on-street categories and in particular on the provision of car parking enforcement services) are not

⁵⁸¹ Merger Notification Form, section 1.1.

⁵⁸² Merger Notification Form, section 1.1, page 5.

close competitors in the Irish car parking sector, notwithstanding some horizontal overlap in activities, for example, in Galway and Dublin. Q-Park own a small number of parking facilities but also have a number of long-term leases.”⁵⁸³

“Q-Park own a small number of parking facilities but also have a number of long-term leases. As such, Q-Park tend to have a significant degree of control over the prices charged to the final customer. In contrast, Tazbell own or have long term leases over very few parking facilities and hence have little control over the prices charged to the final customer.”⁵⁸⁴

6.51 Q-Park stated the following in the Q-Park Phase 1 RFI Response:

“while the Parties’ activities overlap in various parts of County Dublin and the cities of Galway and Limerick, it is clear that the Parties’ have somewhat different geographic footprints. Q-Park is active in parts of Counties Cork and Wicklow while Tazbell is not, while Tazbell is active in parts of Counties Kilkenny and Wicklow and Q-Park is not. In summary, while it is of course correct to note that there are horizontal overlaps between the Parties’ activities, it is also fair to point out that a significant part of their activities involve little or no overlap and hence that their activities complement each other to a significant extent.”⁵⁸⁵

Commission’s views on Argument 3

6.52 On the basis of the evidence available, the Commission considers that some of the views of the Parties in this respect are more relevant to the market for the provision of car parking management services in the State rather than any of the Off-Street Car Parking Relevant Markets (since they are related to activities for which there is no overlap between the Parties). Therefore, it is not within the scope of the Commission’s analysis of the competitive effects of the Proposed Transaction in relation to the Off-Street Car Parking Relevant Markets.

⁵⁸³ See page 2 of the First Francis O’Toole Report.

⁵⁸⁴ See page 3 of the First Francis O’Toole Report.

⁵⁸⁵ See response to Question 18 of Q-Park Phase 1 RFI Response.

6.53 As noted in Section 3, on the basis of the evidence available, the view of the Commission is that the appropriate relevant geographic market for the provision of off-street car parking is not State-wide (this is acknowledged by the Parties in the First Francis O’Toole Report). Customers’ parking decisions are primarily driven by location, and therefore competition is inherently local.⁵⁸⁶ Consequently, the Commission does not consider it necessary or logical to consider if the Parties are particularly close competitors nationally with respect to the provision of paid off-street car parking spaces to the public. The Commission considers whether the Parties are close competitors in each of the Off-Street Car Parking Relevant Markets below.

6.54 The Commission considers it important to set out that it is not required to demonstrate that two parties are “*particularly close*” competitors to sustain a finding that a merger will result in an SLC. As explained by the Commission in its determination in *M/21/021 – Bank of Ireland/Certain Assets of KBC*:⁵⁸⁷

*“In considering closeness of competition between BOI and KBC, **the Commission is not required to demonstrate that KBC is a particularly close competitor** of BOI and in particular, that it constrained BOI from otherwise raising prices or lowering quality profitably. Rather, in determining whether the Proposed Transaction will lead to unilateral effects, **the correct question is whether the merged entity will be able, as a result of the merger, to exercise market power. The Commission’s assessment of unilateral effects must be carried out in the round by looking at all the relevant factual material, including, but not limited to, closeness of competition.**”* (emphasis added)

6.55 Further, the European Court of Justice (“CJEU”) in its recent decision of *Commission v CK Telecoms*⁵⁸⁸, found that

⁵⁸⁶ See paragraph 3.184-3.193 above.

⁵⁸⁷ See paragraph 6.140 of the Commission’s determination in *M/21/021 – Bank of Ireland/Certain Assets of KBC*, which is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2021/04/2022.11.11-M.21.021-Phase-2-DET-PUBLIC.pdf>

⁵⁸⁸ C-376/20 P | *Commission v CK Telecoms UK Investments*, 13 July 2023.

“... it cannot be concluded that only a concentration between particularly close competitors could significantly impede effective competition on the relevant market.”⁵⁸⁹

6.56 Therefore, the Commission considers that:

- (a) it is not required to demonstrate that two parties are “*particularly close*” competitors. Closeness of competition is simply one aspect in the Commission’s assessment of the likelihood of unilateral effects arising as a result of a merger; and,
- (b) closeness of competition is a question of relative proximity, not a strict standard of “*particularly close*” competition between two or more parties involved in a merger under review.

6.57 The Parties both operate paid off-street car parks, often in the same areas and in direct competition with one another. As will be outlined in more detail below, the Parties overlap in eight of the Off-Street Car Parking Relevant Markets identified in Section 3. Within three of these, the Commission’s view is that the Parties are each other’s closest competitor. In addition, different providers of paid off-street car parking spaces are largely undifferentiated, as Tazbell noted in its Phase 1 RFI Response:

[REDACTED]

[REDACTED]

[REDACTED]”⁵⁹⁰

6.58 Therefore, on the basis of the evidence available, the Commission does not agree that the Parties are not close competitors in the provision of off-street car parking to the public. In this instance, the Parties’ claim that they pursue different and complementary activities with respect to the provision of off-street car parking spaces to the public does not negate the fact that they are each other’s closest competitor within some of the Off-Street Car Parking Relevant Markets.

⁵⁸⁹ C-376/20 P | *Commission v CK Telecoms UK Investments*, 13 July 2023, paragraph 191

⁵⁹⁰ See response to Question 3 of the Tazbell Phase 1 RFI Response.

Argument 4: There is a limited overlap at local level, where Q-park will continue to face a strong competitive constraint following the implementation of the Proposed Transaction

6.59 The Parties stated that there is:

*“a limited overlap [between them] at local level, where Q-Park will continue to face a strong competitive constraint post-transaction (in Dublin, Galway city and Limerick city)”.*⁵⁹¹

Commission’s views on Argument 4

6.60 The Commission outlines its assessment of the competitive effects of the Proposed Transaction in each of the Off-Street Car Parking Relevant Markets within which the Parties overlap below.

6.61 The Commission notes that the Parties do not overlap in every local area. The areas of overlap in the activities of the Parties in the Off-Street Car Parking Relevant Markets are identified in paragraph 3.202 these, in the Commission’s view, do not amount to an overall “*limited overlap*”. These areas of overlap are significant and are discussed in more detail below. In fact, Q-Park has stated in an internal document that “*The Apollo portfolio [Tazbell portfolio] has a significant overlap with the Q-Park footprint with the majority of facilities located in the greater Dublin area*”.

*Argument 5: There are numerous other competitors active in the State.*⁵⁹²

6.62 The Parties stated that:

*“there are many competitors to the parties including, for example, some who are much larger (e.g., the local authorities, APCOA and Euro Car Parks) while others are part of large groups or very nimble operators who have won significant contracts in this market characterised by bidding (e.g., Bidvest, Best Car Parks, IPáirc, RFC Security, Car Park Services Ltd., and Egis Projects).”*⁵⁹³

⁵⁹¹ Merger Notification Form, section 1.1.

⁵⁹² Merger Notification Form, section 1.1.

⁵⁹³ Merger Notification Form, section 1.1.

- 6.63 The First Francis O’Toole Report also stated that there “would be a significant number of significant private and public competitors remaining in the markets post the proposed acquisition.”⁵⁹⁴

Commission’s views on Argument 5

- 6.64 It is not readily apparent to the Commission which aspects of the quotes above relate to the potential market for the provision of car parking management services in the State and which relate to the provision of car parking spaces to the public. It is also not clear which aspects relate to the Off-Street Car Parking Relevant Markets in the State or at some other local level.
- 6.65 As noted in Section 3, the Commission considers that the geographic scope of the market for the provision of off-street car parking is not State-wide. The Commission sets out the competitor set in each of the Off-Street Car Parking Relevant Markets and assesses the competitive effects of the Proposed Transaction by reference to each of these individual Off-Street Car Parking Relevant Markets below.

Argument 6: There are low barriers to entry and expansion for competitors

- 6.66 The Parties stated that there are low barriers to entry and expansion for competitors.⁵⁹⁵ Tazbell has stated the following regarding barriers to entry and expansion:

“Barriers to entry for car park owners and operators are relatively low/very low. At the upstream level, all that is required to be a provider of car park spaces is to secure is [sic] a plot of land (whether owned (however, ownership will require capital outlay) or under lease or licence) or spaces in existing buildings/surface car parks which will be increasingly available as a result of the recent remote working trends of substantial numbers of employees and which are easily facilitate by new Apps) in a location where there may be a demand for car parking.”⁵⁹⁶

⁵⁹⁴ See page 3 of the First Francis O’Toole Report.

⁵⁹⁵ Merger Notification Form, section 5.3.

⁵⁹⁶ See response to Question 8 of Tazbell Second Phase 2 RFI Response.

Commission's views on Argument 6

6.67 The Commission outlines its views on barriers to entry and expansion with respect to the provision of off-street car parking spaces to the public in each of the Off-Street Car Parking Relevant Markets at paragraphs 6.230 – 6.287 and 6.613 – 6.673 below.

Assessment Responses

6.68 In their respective Written Responses, Q-Park and Tazbell made arguments in relation to the competitive assessment of horizontal unilateral effects in the Relevant Markets. The Commission has considered these arguments as part of its overall consideration and assessment of the Proposed Transaction. Below, the Commission has set out some of the key arguments put forward by the Parties. Additional arguments made by the Parties have been considered throughout this Determination. Key arguments of the Parties include:

- The Parties argued that the CCPC has erred in using capacity to measure market shares. Tazbell argued that *“an occupancy (“sales-based”) market share approach is more appropriate than a capacity-based approach.”*⁵⁹⁷ Q-Park, in discussing the use of capacity to measure market power, stated that *“the relevant question is the percentage of total car park spaces that that empty or underutilised car park represents. This is an inherent error in the CCPC’s approach.”*⁵⁹⁸ These arguments are discussed in paragraphs 6.84 to 6.85.
- The Parties argued that the CCPC relied on a geographic market definition of a 400-metre walking distance radius, in order to preliminarily conclude upon an SLC in the Galway Relevant Market. This argument is discussed in paragraph 6.105.
- Q-Park argued that *“the extent of the spare capacity held by the Parties’ rivals ... means that there are no material barriers to them increasing capacity utilisation in response to a post-transaction price increase by Q-*

⁵⁹⁷ Tazbell Written Response, paragraph 121.I

⁵⁹⁸ Q-Park Written Response, paragraph 148.

*Park. The CCPC has failed to take this into account in its Assessment.”*⁵⁹⁹

This argument is discussed in paragraphs 6.215-6.216.

- Tazbell argued that “[t]he Assessment consistently mischaracterises and misunderstands the position of car park owners and landlords relative to operators like Tazbell”,⁶⁰⁰ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].”⁶⁰¹
- Tazbell argued that the Commission had incorrectly excluded third party car parks from the Galway Relevant Market and therefore miscalculated market shares. This has been addressed in paragraph 6.176.

Views of the Third Parties

6.69 As noted above, the Commission received two third party submissions in relation to the Proposed Transaction:

- [REDACTED] expressed concerns about the impact of the Proposed Transaction in: (i) [REDACTED]; and (ii) [REDACTED]
[REDACTED].⁶⁰²
- The Fleet Street Car Park Owner expressed concerns about the Parties’ combined market share following the implementation of the Proposed Transaction in “*off-street car parking in Dublin City*”.⁶⁰³

6.70 The Commission also engaged with a range of third parties regarding the Proposed Transaction during the course of its investigation, as outlined in paragraphs 1.20 and 1.25 of Section 1.

⁵⁹⁹ Q-Park Written Response, paragraph 152.

⁶⁰⁰ Tazbell Written Response, paragraph 92.

⁶⁰¹ Tazbell Written Response, paragraph 94.

⁶⁰² See page 1 of [REDACTED] submission to the CCPC, dated 22 August 2022.

⁶⁰³ Email from Fleet Street Car Park Owner to CCPC, dated 13 January 2023.

Competitors

6.71 The Commission engaged with a range of Car Parking Management Providers regarding the Proposed Transaction. *Euro Car Parks*, when asked if it had any views on the impact the Proposed Transaction may have on consumers, stated that “... *Park Rite [Tazbell] car parks are older and dated, and that Q-park will improve them, but will probably charge customers more as a result.*”⁶⁰⁴ In relation to the IFSC car park, Parnell car park and Hynes yard car park in Galway, *Euro Car Parks* stated that “*these car parks compete directly with its car parks*”, and that “*Parnell competes with different car parks in the area and that Q-Park would be shooting themselves in the foot if they tried to increase prices and that the rest of Park Rite car parks are unable to influence the price.*”⁶⁰⁵ Further, as it relates to Galway city, *Euro Car Parks* stated that it “*is highly price sensitive as it is a waking [sic] city and there is little scope to increase prices.*”⁶⁰⁶

6.72 The remaining Car Parking Management Providers did not express a view as to the impact of the Proposed Transaction on the downstream market for the provision of off-street car parking spaces to the public.⁶⁰⁷ These providers discussed the likely impact (or not) of the Proposed Transaction on their business in the upstream market for the provision of car parking management services which is addressed in Section 5 of the Determination.

Car Park Owners

6.73 During the course of its investigation, the Commission engaged with a range of Car Park Owners regarding the Proposed Transaction. One Car Park Owner, the Smithfield Market Car Park Owner stated that:

“there will be no impact on the consumer and a limited impact on car park owners [as a result of the Proposed Transaction]. DK stated that car park

⁶⁰⁴ See page 5 of Call Note with Euro Car Parks, dated 2 March, 2023.

⁶⁰⁵ See page 5 of Call Note with Euro Car Parks, dated 2 March, 2023.

⁶⁰⁶ See page 5 of Call Note with Euro Car Parks, dated 2 March, 2023.

⁶⁰⁷ Car Park Management Providers were asked if they had any views on the Proposed Transaction, and if they had any thoughts on how it would, if at all, affect competition. Most Car Park Management Providers were not asked how they thought the Proposed Transaction would effect downstream customers (parkers).

owners are part of a small group who do not require consumer protection who can take care of themselves as may be required in other industries”⁶⁰⁸

6.74 The other Car Park Owners did not express a view as to how the Proposed Transaction would affect the downstream market for the provision of off-street car parking spaces to the public. These owners discussed the likely impact (or not) of the Proposed Transaction on their business in the upstream market for the provision of car parking management services which is addressed in Section 5 of the Determination.

Customers

6.75 The Commission also engaged with a range of Corporate Customers regarding the likely impact of the Proposed Transaction.⁶⁰⁹ As outlined below, a number of these customers raised concerns about the likely impact of the Proposed Transaction. These are considered in more detailed in later section 6.

- [REDACTED] stated that:

“Q-Park has already a monopoly on parking around the city which is one of the most expensive ones in Europe. The increase in price is [sic] it's not propositional to inflection [sic] or the increase in operating cost of the car parking itself. The proposed transaction could push those prices even higher.”⁶¹⁰

- [REDACTED] ([REDACTED]) stated that:

“if Q-Park acquire management of the Parnell and ILAC car parks, Q-Park will manage the Parnell car park, the Spire car park and the ILAC car park, potentially allowing them to drive prices up for overnight customers. [REDACTED] stated that the [REDACTED] is adjacent to another Q-Park car park and that [REDACTED] have a good relationship with Q-Park. [REDACTED] stated that prices have

⁶⁰⁸ See page 3 of Call Note with Smithfield Market Car Park Owner, dated 23 March 2023.

⁶⁰⁹ The Consumer Survey did not ask customers for general views as to the Proposed Transaction, so is not discussed here.

⁶¹⁰ Email from [REDACTED] to CCPC, dated 18 April 2023.

increased at the Q-Park by the [REDACTED], but that pricing has increased in all car parks.”⁶¹¹

Furthermore, [REDACTED] stated that: “it does not foresee an issue with the merger unless Q-Park become the management company of the Parnell and ILAC car parks, as Q-Park would then manage all three car parks around [REDACTED]. [REDACTED] stated that despite Q-Park potentially managing the 3 car parks around [REDACTED], the current agreed overnight rate is still good value for guests.”⁶¹²

- The [REDACTED] (“[REDACTED]”) stated that:

“it does not know enough to comment. The [REDACTED] stated that if the parties merged it may have less options, as all the three car parks in the city centre will all be owned by the same company.”⁶¹³

[REDACTED] also stated that: “in terms of competition, if the parties merge there may be no difference in price between car parks. The [REDACTED] stated that the Parnell Street car park is currently cheaper than the Spire car park.”⁶¹⁴

- The [REDACTED] stated that: “if Q-Park were allowed to acquire Park Rite, Q-Park will have a monopoly which will lead to challenges for businesses in the area whose choice of car park is dictated by proximity of location. [REDACTED] stated that the further away the car park valet service is, the more it will cost [REDACTED]. [REDACTED] stated that [REDACTED] is restrained in that it has to use the closest car park to it”.⁶¹⁵

The Analytical Approach of the Commission

6.76 In assessing the likely competitive effects of a horizontal merger, one of the factors that the Commission will consider is whether the merger is likely to lead to an

⁶¹¹ See page 1 of Call Note with [REDACTED], dated 12 April 2023.

⁶¹² See page 1 of Call Note with [REDACTED], dated 12 April 2023.

⁶¹³ See page 2 of Call Note with the [REDACTED], dated 12 April 2023.

⁶¹⁴ See page 2 of Call Note with the [REDACTED], dated 12 April 2023.

⁶¹⁵ See page 2 of Call Note with the [REDACTED], dated 3 April 2023.

increase in market power by the merging party (or by all parties in the market), and whether this is likely to result in an SLC in the market.

- 6.77 The Commission's assessment will include detailed consideration of:
- (a) market structure (number of competitors, market shares and market concentration);
 - (b) closeness of competition between the merging parties;
 - (c) the competitive force of existing competitors;
 - (d) barriers to entry and expansion; and
 - (e) other potential competitive constraints including countervailing buyer power and out-of-market constraints.

6.78 The specific characteristics of the market in question are very important in determining how the Commission assesses each of these factors, and the weight it places on each of them. For example, in dynamic markets characterised by high levels of innovation, high market shares may not indicate an SLC is likely if barriers to entry are low.

Market structure

6.79 Paragraph 3.1 of the Commission's Merger Guidelines states that "[a] *central element in assessing the competitive impact of a merger is identifying its effect on market structure.*" Market structure can be characterised by the number, size and distribution of firms in a market. A merger or acquisition will have an impact on market structure as the merging parties which were two firms pre-acquisition become one firm post-acquisition. In the case of the Proposed Transaction, the impact on the market structure is the removal of Tazbell and the transfer of its capacity to Q-Park.

6.80 Market concentration refers to the degree to which production or supply in a particular market is concentrated in the hands of a few large firms and "*provides a snapshot of market structure and is often a useful indicator of the likely*

*competitive impact of a merger. It is of particular relevance to the assessment of horizontal mergers.”*⁶¹⁶

- 6.81 Paragraphs 3.9 to 3.10 of the Commission’s Merger Guidelines set out that the Commission utilises HHI as a measure of market concentration and that the Commission will have regard to the following HHI thresholds:

“A post-merger HHI below 1,000 is unlikely to cause concern.

Any market with a post-merger HHI greater than 1,000 may be regarded as concentrated and highly concentrated if greater than 2,000.

Except as noted below, in a concentrated market a delta of less than 250 is unlikely to cause concern and in a highly concentrated market a delta of less than 150 is unlikely to cause concern.”

- 6.82 The Commission’s Merger Guidelines also explain, at paragraph 3.11 that:

“[t]he purpose of the HHI thresholds is not to provide a rigid screen in order to determine whether or not a merger is likely to result in an SLC. Rather, the HHI is a screening device for deciding whether the Commission should intensify its analysis of the competitive impact of a merger.”

- 6.83 The Merger Guidelines state that:

*“[m]arket shares can be measured by sales revenue, sales volume, production volume, or capacity as measured by the maximum possible volume. The Commission attempts to use the measure that best indicates a firm’s future competitive significance; most commonly the Commission will calculate market share by reference to sales data.”*⁶¹⁷

- 6.84 The primary purpose of measuring and assessing market shares is to gain an indication of *“the competitive importance of both the merging parties and their competitors.”*⁶¹⁸ The Commission considers that, in a market with fixed

⁶¹⁶ Commission’s Merger Guidelines, paragraph 3.2.

⁶¹⁷ Commission’s Merger Guidelines, paragraph 3.6.

⁶¹⁸ EC Horizontal Commission’s Merger Guidelines, paragraph 14.

production/supply capacity, as is the case in the market for the provision of off-street car parking spaces,⁶¹⁹ capacity levels of each supplier are a more appropriate measure of market shares than either value or volume of sales. Parties with greater capacity levels have greater scope to exhibit market power. They can attract a greater number of customers through, for example, a price decrease than an equivalent operator with lower capacity could. An operator with lower capacity is also less likely to be able to constrain a larger operator from profitably raising prices, as it is limited in its ability to accrue and accommodate switching customers.

6.85 The Parties have argued that the Commission should be using occupancy as its measure of market shares, rather than capacity. Tazbell, in its presentation dated 9 May 2023 (“Tazbell Presentation”) argued that *“occupancy is clearly more important than mere capacity.”*⁶²⁰ Q-Park, in its submission of 12 May 2023 (“Q-Park Presentation”) argued that the “[a]ppropriate metric [for market shares] is *space utilisation not capacity / absolute number of spaces*”, stating that “[a]vailability of space is what drivers care about when making parking decisions” and “[t]he more consistently utilised a car park, the more popular it is with drivers”.⁶²¹

6.86 Q-Park argued that:

*“utilisation is a key aspect of [market power] ... the ability of the Parties’ rivals [to accommodate diverted demand resulting from a price increase by the merged entity], following the implementation of the proposed Transaction, will depend not just on them having capacity but on them having spare capacity since otherwise those rivals would not be in a position to supply customers seeking to divert from the Parties’ car park in response to price increases.”*⁶²²

⁶¹⁹ See paragraph 6.88 below.

⁶²⁰ See page 77 of Tazbell Presentation, dated 9 May 2023.

⁶²¹ See page 6 of Q-Park Presentation, dated 12 May 2023.

⁶²² Q-Park Written Response, paragraph 149.

6.87 Tazbell stated that *“car park capacity alone does not provide any meaningful indication of market performance”*.⁶²³ Tazbell argued that *“an occupancy (“sales-based”) market share approach is more appropriate than a capacity-based approach.”*⁶²⁴

6.88 The Commission disagrees with the Parties’ views on capacity being an inappropriate measure for market shares for the following reasons:

- In a market with fixed production/supply capacity (such as off-street car parking), competitors are likely to face low marginal costs in relation to supplying a smaller or greater number of customers, up to the point that the car park’s capacity is reached. After this point the marginal costs of supplying more car parking becomes very high, as new car parking spaces would have to be created. As a result, the short to medium term ability of competitors to be competitive constraints in the market is limited to the capacity of their car parks; and
- International practice has been to measure the market shares of car parking providers using capacity. The New Zealand Commerce Commission considered market shares in terms of capacity in Wilson Parking New Zealand Limited.⁶²⁵ The European Commission has also assessed market shares in car parking by reference to number of spaces.⁶²⁶

6.89 The Parties have argued that higher utilisation rates are indicative of greater market power. The Commission considers that this is incorrect. While very low utilisation levels relative to equivalently sized competitors may be indicative of competitive weakness, the ability of a competing car park to constrain the ability of the merged entity to increase prices, is reliant on that car park having capacity to supply diverted demand. Indeed, as Q-Park noted in its Q-Park Presentation,⁶²⁷,

⁶²³ Tazbell Written Response, paragraph 123.

⁶²⁴ Tazbell Written Response, paragraph 121.

⁶²⁵ Wilson Parking New Zealand Limited: Investigation Closure Report [2015], available at: [Microsoft Word - 2011694_1.docx \(comcom.govt.nz\)](#). In this case, market shares were estimated in terms of each party’s number of car parking “bays”. See [paragraph 3.28 above](#).

⁶²⁶ See: [Case No COMP/M.7398 - MIRAE/ FERROVIAL/ NDH1](#). This was specifically considering airport parking, but the same principles apply.

⁶²⁷ Q-Park Presentation, slide 6.

availability of spaces is of key importance to drivers—a fully occupied car park does not have available spaces.

- 6.90 The Commission agrees with Q-Park that the ability to respond to a price increase depends on a car park having spare, unused capacity. The Commission will consider overall capacity utilisation in its assessment of each of the Off-Street Car Parking Relevant Markets, and its relevance and implications in relation to competitive effects analysis later in this section. However, in terms of considering market shares, the Commission considers that overall capacity is an appropriate proxy for a car park's importance in its geographic market, and indeed is, absent specific evidence showing otherwise, correlated with spare capacity.

Closeness of competition

- 6.91 The Commission has had regard to the EC Horizontal Merger Guidelines regarding the relationship between high market shares and market power which states that:

*“[t]he larger the market share, the more likely a firm is to possess market power. And the larger the addition of market share, the more likely it is that a merger will lead to a significant increase in market power. The larger the increase in the sales base on which to enjoy higher margins after a price increase, the more likely it is that the merging firms will find such a price increase profitable despite the accompanying reduction in output. Although market shares and additions of market shares only provide first indications of market power and increases in market power, they are normally important factors in the assessment.”*⁶²⁸

- 6.92 Close competitors are likely to exert greater competitive constraints on one another and, therefore, a merger between close competitors is more likely to raise competition concerns than a merger between suppliers who do not compete closely. In some cases, mergers between suppliers with high combined market shares may not raise competition concerns if the suppliers are not close competitors. Conversely, mergers between suppliers with relatively low combined

⁶²⁸ EC Horizontal Commission's Merger Guidelines, para 27.

market shares may raise competition concerns if the suppliers are close competitors and exert strong competitive constraints on one another.

6.93 Often, companies compete more or less closely in terms of how similar or different their product or service offerings are. In local geographic markets, geographic proximity is a very important measure of the degree of competition between the merging parties. All else being equal, car parks which are nearer to one another are likely to exert a stronger competitive constraint on each other than car parks which are further away from one another. There are other important factors which also need to be considered when assessing closeness of competition (including pricing, opening hours, facilities, etc.), which will be set out in more detail in paragraphs 6.180-6.184 below.

6.94 As a result, market power cannot be assessed by reference to market shares alone. In coming to its conclusions, the Commission's assessment of the likely competitive effects of the Proposed Transaction places significant weight on closeness of competition in each of the Off-Street Car Parking Relevant Markets.

6.95 The EC Horizontal Merger Guidelines note that:

*"[t]he higher the degree of substitutability between the merging firms' products, the more likely it is that the merging firms will raise prices significantly. For example, a merger between two producers offering products which a substantial number of customers regard as their first and second choices could generate a significant price increase. Thus, the fact that rivalry between the parties has been an important source of competition on the market may be a central factor in the analysis."*⁶²⁹

6.96 On the other hand, the EC Horizontal Merger Guidelines note that:

*"[t]he merging firms' incentive to raise prices is more likely to be constrained when rival firms produce close substitutes to the products of the merging firms than when they offer less close substitutes."*⁶³⁰

⁶²⁹ EC Horizontal Commission's Merger Guidelines, paragraph 28.

⁶³⁰ EC Horizontal Commission's Merger Guidelines, paragraph 28.

6.97 In assessing closeness of competition, the Commission sets out its analysis regarding closeness of competition between: (i) each of the Parties; and (ii) the Parties and Third Parties. The Commission has identified the following relevant parameters for assessing closeness of competition in relation to the Proposed Transaction:

- (a) Characteristics of the off-street car parking sites, including location, size, pricing and facilities;
- (b) Customer views; and
- (c) Monitoring of competitors by the Parties.

6.98 Consideration of how a merging party monitors its competitors, and in particular which competitors it monitors, is important for the Commission's assessment of a proposed transaction. The level and intensity of monitoring of competitors can indicate which firm's behaviour an undertaking is likely to consider in determining its own competitive actions on the market. For example, where evidence exists that Firm A pays closer attention to the behaviour and actions of Firm B than it does to Firm C (for instance, in regards to pricing), this can indicate that Firm B could place a greater competitive constraint on Firm A than Firm C. A merger involving Firm A and Firm B would therefore typically be associated with a greater lessening of competition than a merger between Firm A and Firm C, all else being equal.

6.99 As will be detailed below, the Commission has reviewed a number of internal documents submitted by the Parties regarding how they monitor one another and Third Parties.

Geographic scope

6.100 As noted above, geographic proximity is an important parameter of competition in certain markets. As set out in Section 3, the Commission has identified a relevant market of an 800-metre walking distance catchment from each of Tazbell's off-street car parks. However, it is overly simplistic to treat any party within 800m of Tazbell's off-street car parks as being an equally important competitor.

- 6.101 Therefore, the Commission also considers a narrower, 400-metre walking distance catchment, and a wider 1.2km radius when estimating market shares and market concentration. This enables the Commission to consider the sensitivity of the structure of the market and market concentration to the closeness of the set of competitors.
- 6.102 In their respective Written Responses and Oral Responses, the Parties suggested that the Commission's consideration of a 400-metre walking distance catchment was inappropriate.
- 6.103 Tazbell suggested that the Commission utilises a 400-metre walking distance radius in order to find SLC concerns where there (in its view) are none: "[i]t is notable that the Assessment uses the 400m radius when the 800m radius does not produce a problem".⁶³¹ Q-Park stated that *"in respect of the Galway Relevant Market, the CCPC relies on the conditions of competition in respect of a smaller radius of 400m of the reference car park in order to find an SLC."*⁶³²
- 6.104 Q-Park, more generally, stated that *"[t]here has been no finding in the Assessment that such a 400m reference constitutes a relevant geographic market. As such, it is simply not open to the CCPC to ground a finding of SLC on such a catchment area."*⁶³³
- 6.105 The Commission does not suggest that there is a geographic market constituted by a 400-metre walking distance radius. Rather, the Commission uses the 400-metre radius to as a heuristic to illustrate competition between Tazbell's car parks in the Off-Street Car Parking Relevant Markets and their (geographically) closest set of competitors. This is an analysis of the closeness of competition, rather than an alternative geographic market.

On-street car parking

- 6.106 As discussed in Section 3, the Commission has primarily considered the narrowest plausible product market, which is the provision of off-street car parking spaces to

⁶³¹ Tazbell Written Response, paragraph 265.

⁶³² Q-Park Written Response, paragraph 128.

⁶³³ Q-Park Written Response, paragraph 128.

the public. As a sensitivity analysis, the Commission will also consider market structure including a measure of on-street car parking capacity. Where the Commission concludes there will be no SLC based on the narrower off-street car parking market, on-street car parking will not be assessed, as it would not change the Commission's conclusions.⁶³⁴

Assessment of Horizontal Unilateral Effects in the Limerick Relevant Market

Introduction

6.107 In this section, the Commission assesses the likely competitive effects of the Proposed Transaction in the Limerick Relevant Market.

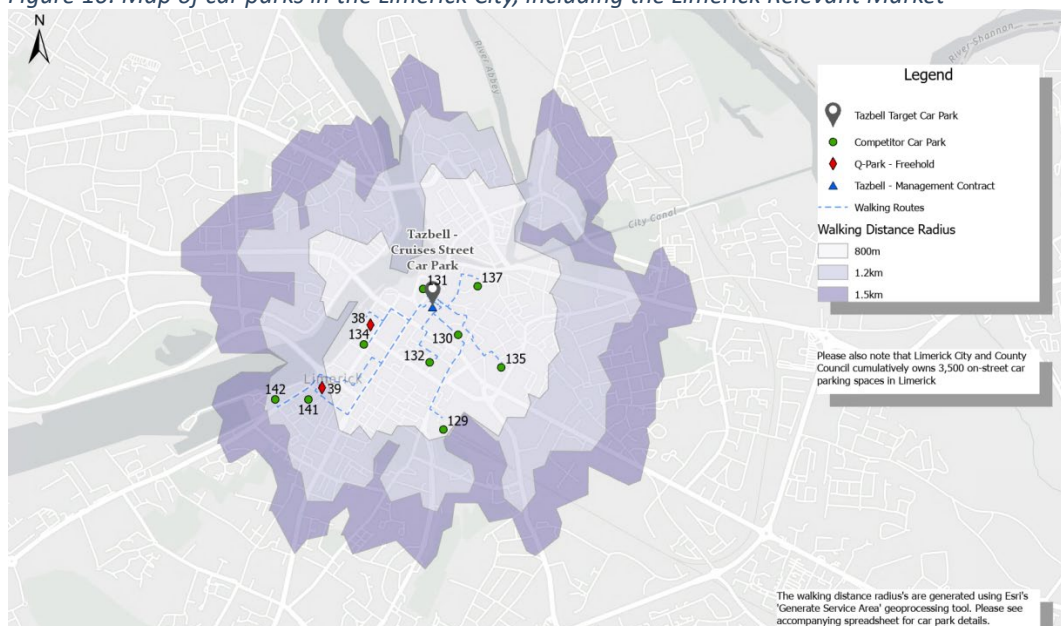
6.108 Q-Park is acquiring the operation of one car park in Limerick as part of the Proposed Transaction: Tazbell's off-street car park in Cruises Street. Therefore, this analysis focuses on the provision of off-street car parking within a radius of 800 metres of the Tazbell operated car park at Cruises Street, Limerick (i.e., the Limerick Relevant Market).⁶³⁵

6.109 The Limerick Relevant Market is illustrated in Figure 10 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Cruises Street car park.

⁶³⁴ Commission's Merger Guidelines, paragraph 2.4.

⁶³⁵ The Commission also considers a narrower, 400-metre walking distance catchment, when estimating market shares and market concentration as a heuristic to illustrate competition between Tazbell's car parks and their (geographically) closest set of competitors. This is an analysis of the closeness of competition, rather than an alternative geographic market.

Figure 10: Map of car parks in the Limerick City, including the Limerick Relevant Market



Source: Q-Park Phase 1 RFI Response, Question 7

6.110 Table 12 below sets out details regarding the competitors located within the Limerick Relevant Market.

Table 12: Off-street car parks within 800m walking distance radius of Tazbell Cruises Street car park

Map Key	Car Park	Operator	Walking Distance from Tazbell Cruises Street car park (Metres)
18	Tazbell - Cruises Street Car Park	Tazbell	
131	Arthur's Quay Shopping Centre	Owner Operated	148
130	Cornmarket Square	Owner Operated	276
137	Euro Car Parks (Ireland) Ltd. Charlotte's Quay	Euro Car Parks	378
132	City Centre	Owner Operated	489
38	Q - Park Harvey's Quay	Q-Park	506
134	Howley's Quay	Owner Operated	552
135	iPáirc Limited, The Courthouse	iPáirc	608

Source: Commission analysis based on information provided by the Parties.⁶³⁶

⁶³⁶ See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

Commission's analysis

Market Structure

800-metre walking distance catchment

6.111 The Commission assessed the market structure and market concentration in the Limerick Relevant Market.

6.112 Table 13 below sets out the structure of the Limerick Relevant Market based on the number of paid off-street car parking spaces offered by each provider.

Table 13: Market shares in the market for the supply of car parking spaces within 800m walking distance of Tazbell Cruises Street car park, no. of spaces

Operator	Car Park	No. of Spaces	Market Share
Tazbell	Cruises Street	320	[5-10]%
Q-Park	Harvey's Quay	634	[15-20]%
Combined Share of the Parties		954	[25-30]%
<i>Euro Car Parks</i>	Charlotte's Quay	423	[10-15]%
iPáirc	The Courthouse	300	[5-10]%
Owner Operated	Arthur's Quay Shopping Centre	570	[15-20]%
Owner Operated	Cornmarket Square	■	[10-15]%
Owner Operated	City Centre	485	[10-15]%
Owner Operated	Howley's Quay	320	[5-10]%
Total		■	100.00%

Source: Commission analysis based on information provided by the Parties.⁶³⁷

6.113 On the basis of the market shares set out in Table 13, Q-Park is the largest competitor, with a share of [15-20]%. Tazbell has a share of [5-10]%, making it the ■ competitor in the Limerick Relevant Market, with Arthur's Quay Shopping Centre ([15-20]%), City Centre ([10-15]%) and *Euro Car Parks* ([10-15]%) all supplying a greater number of car parking spaces.

⁶³⁷ See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

6.114 There are at least 6 operators providing off-street car parking spaces in the Limerick Relevant Market. Q-Park, Tazbell, *Euro Car Parks* and *iPáirc* all supply off-street car parking spaces, as well as a number of car parks managed by the Car Park Owners.

400-metre walking distance catchment

6.115 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered the effect on the analysis of assessing a narrower geographic scope of a 400-metre walking distance catchment around the Tazbell Cruises Street car park. Closeness of competition is also considered in more detail later in this section.

6.116 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Cruises Street car park and any Q-Park off-street car park.

Including on-street car parking

6.117 As discussed in Section 3, the Commission has primarily assessed the transaction by reference to the narrowest plausible product market which is the market for the provision of off-street car parking. However, the Commission has also considered the sensitivity of its competitive analysis to the inclusion or exclusion of on-street car parking.

6.118 In the case of the Limerick Relevant Market, the Commission preliminarily concluded in the Assessment that there would not be an SLC on the basis of the market for the provision of off-street car parking. Therefore, in this instance, the Commission has not considered the inclusion of on-street car parking, as it would not change the Commission's conclusion reached in this Determination.

Market concentration

6.119 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Limerick Relevant Market above.

Table 14: The HHI in the market for the supply of car parking spaces in the 800 metres around Tazbell Cruises Street Car Park, no. of spaces

Pre-Proposed Transaction	1,346
Post-Proposed Transaction	1,697
HHI Delta	351

Source: Commission analysis based on information provided by the Parties

6.120 On the basis of the HHI calculations set out in Table 14 above, and consistent with the Commission’s Merger Guidelines, the Commission’s view is that the market for the supply of off-street car parking spaces to the public in the Limerick Relevant Market is already concentrated.⁶³⁸ The Commission is of the view that implementation of the Proposed Transaction is likely to result in this market becoming more concentrated when compared with the counterfactual. The HHI delta (351) is higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern. The Commission’s preliminary view, as set out in the Assessment, was that, in line with the Merger Guidelines,⁶³⁹ the level of concentration indicated that the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the market for the supply of off-street car parking spaces to the public in the Limerick Relevant Market.

Conclusion in respect of the likely competitive effects of the Proposed Transaction in the Limerick Relevant Market

6.121 In forming its conclusion on the competitive effects of the Proposed Transaction in the Limerick Relevant Market, the Commission has taken into account all of the following factors:

- (a) As can be seen in Table 13 and Figure 10, there are four off-street car parks, each operated by different operators, closer to the Tazbell off-street

⁶³⁸ In contrast to the Commission’s view, the First Francis O’Toole Report states (at page 15) that “the Limerick market for the provision of car parking spaces is not concentrated.”

⁶³⁹ The Commission’s Merger Guidelines, paragraphs 3.9-3.12.

car park at Cruises Street than the nearest Q-Park operated car park at Harvey's Quay (out of eight competitors in total within the 800m radius).

- (b) Looking at a narrower 400m walking distance radius, there is no Q-Park within the 400m radius of Tazbell Cruises Street while there are three competitor car parks within that radius. The Commission has set out that it has used a 400 metre catchment as a heuristic for identifying competitors that likely most closely compete with the target car park located at the focal point of the catchment. That there is no overlap between the Parties in this catchment (but there are other third party competitors in the catchment) strongly indicates to the Commission that the Parties are not close competitors in the Limerick Relevant Market;
- (c) There will continue to remain sufficient competitors within the Limerick Relevant Market who will continue to exert a competitive constraint on the merged entity following implementation of the Proposed Transaction; and
- (d) Wider geographic catchments do not impact the analysis significantly. The merged entity would have a combined market share of less than 30% when considering a 1.2km catchment radius ([25-30]%). There will remain a sufficient number of competitors who will exert a competitive constraint on the merged entity following implementation of the Proposed Transaction within this catchment area.

6.122 In light of the above, the Commission has determined that, despite an HHI which is higher than the threshold indicated in the Merger Guidelines, the Proposed Transaction will not substantially lessen competition in the Limerick Relevant Market.

Assessment of Horizontal Unilateral Effects of the Proposed Transaction in the Dún Laoghaire Relevant Market

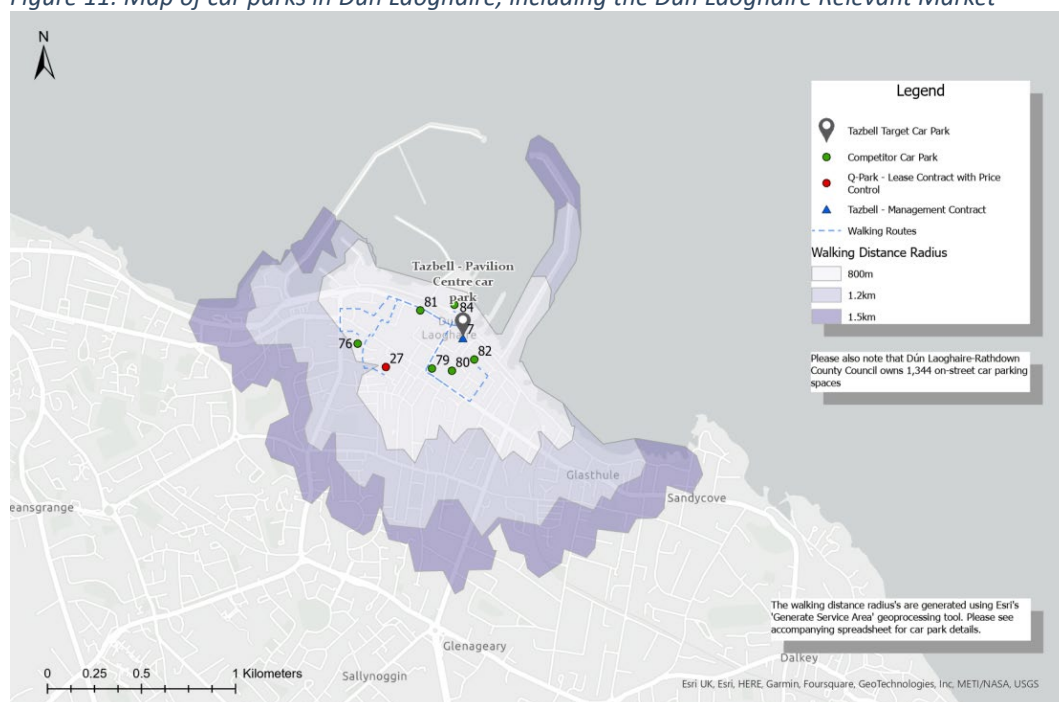
Introduction

6.123 In this section, the Commission assesses the likely competitive effects of the Proposed Transaction in the Dún Laoghaire Relevant Market.

6.124 In particular, this analysis focuses on the provision of off-street car parking within 800 metres of the single Tazbell operated car park in the Dún Laoghaire Relevant Market, the car park at the Pavilion Centre, Queen's Road, Dún Laoghaire, Dublin.⁶⁴⁰

6.125 The Dún Laoghaire Relevant Market is illustrated in Figure 11 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Pavilion car park.

Figure 11: Map of car parks in Dún Laoghaire, including the Dún Laoghaire Relevant Market



Source Q-Park Phase 1 RFI Response, Question 7

6.126 Table 15 below sets out details regarding the competitors located within the Dún Laoghaire Relevant Market.

Table 15: Competitor Car Parks within 800-metre walking distance radius of Pavilion Centre Car park

Map Key	Car Park	Operator	Walking Distance from Target Car Park (Metres)
7	Tazbell – Pavilion Centre car park	Tazbell	
82	DLR Lexicon	Owner operated	<100

⁶⁴⁰ The Commission also considers a narrower, 400-metre walking distance catchment, when estimating market shares and market concentration.

84	Dún Laoghaire Harbour Company	Owner Operated	195
81	Best Car Parks, Crofton Road	<i>Best Car Parks</i>	268
█	█	█	█
80	Royal Marine Hotel	Owner Operated	506
27	Q-Park Bloomfields	Q-Park	650-700 ⁶⁴¹
█	█	█	█

Source: Source: Commission analysis based on information provided by the Parties and third parties⁶⁴²

Commission's analysis

Market Structure

800-metre walking distance catchment

6.127 The Commission assessed the market structure and market concentration in the Dún Laoghaire Relevant Market.

6.128 Table 16 below sets out the structure of the Dún Laoghaire Relevant Market based on the number of paid off-street car parking spaces provided.

Table 16: Market shares in the market for the supply of car parking spaces within 800 metres walking distances radius of Tazbell Pavilion Centre, no. of spaces

Map key	Operator	Car Park	No. Spaces	Market Share (%)
7	Tazbell	Pavilion Centre	█	[15-20]%
27	Q-Park	Bloomfield Shopping Centre	311	[15-20]%
Combined Share of the Parties			█	[30-35]%
█	█	█	█	[25-30]%
80	Royal Marine Hotel	Royal Marine Hotel	348	[15-20]%

⁶⁴¹ This range arises as the Bloomfield Shopping Centre car park has a number of entrances.

⁶⁴² In the data the Parties provided, DLR Lexicon, █ and Q-Park Bloomfields were located outside the 800m radius. However, based on Google Maps analysis, the Commission considers that these car parks should be located within the 800m radius. The Commission does not consider that including or excluding these sites in the analysis would lead to different conclusions.

84	Dún Laoghaire Harbour Company	Dún Laoghaire Harbour Company	■	[10-15]%
82	DLR Lexicon	DLR Lexicon	100	[0-5]%
81	<i>Best Car Parks</i>	Best Car Parks, Crofton Road	80	[0-5]%
Total		■		100

Source: Commission analysis based on information provided by the Parties and third parties.

6.129 On the basis of the market shares set out in Table 16, ■ is currently the largest competitor with a share of around [25-30]%. The Royal Marine Hotel ([15-20]%), Tazbell ([15-20]%), Q-Park ([10-15]%) and Dún Laoghaire Harbour Company ([10-15]%) are the next largest competitors. DLR Lexicon ([0-5]%) and *Best Car Parks* ([0-5]%) have shares of less than [0-5]% each. Following the implementation of the Proposed Transaction, the merged entity would be the largest competitor with a market share of [30-35]%.

6.130 There are at least 6 competitors active in the Dún Laoghaire Relevant Market, with Q-Park, Tazbell, *Best Car Parks*, ■, the Dún Laoghaire Harbour Company and the Royal Marine Hotel all supplying off-street car parking spaces.

400-metre walking distance catchment

6.131 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered the effect on the analysis of assessing a narrower geographic scope of a 400-metre walking distance catchment around the Tazbell Pavilion Centre car park. Closeness of competition is also considered in more detail later in this section.

6.132 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Pavilion Centre car park and any Q-Park off-street car park

Including on-street car parking

6.133 As discussed in Section 3, the Commission has primarily assessed the transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered

the sensitivity of its competitive analysis to the inclusion or exclusion of on-street car parking.

6.134 In the case of the Dún Laoghaire Relevant Market, the Commission preliminarily concluded in the Assessment that there would not be an SLC on the basis of the market for the provision of off-street car parking. Therefore the Commission has not considered the inclusion of on-street car parking, as it would not change the Commission’s conclusion reached in this Determination.

Market concentration

6.135 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Dún Laoghaire Relevant Market above.

Table 17: The HHI in the Dún Laoghaire Relevant Market, no. of spaces

Pre-Proposed Transaction	1,807
Post-Proposed Transaction	2,300
HHI Delta	493

Source: Commission analysis based on information provided by the Parties and third parties

6.136 On the basis of the HHI calculations set out in Table 17 above, and consistent with the Commission’s Merger Guidelines, the Commission’s view is that the market for the provision of car parking spaces in the Dún Laoghaire Relevant Market is already concentrated. The Commission is of the view that implementation of the Proposed Transaction is likely to result in the market becoming significantly more concentrated when compared with the counterfactual. The HHI delta (493) is higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern. The Commission’s preliminary view, set out in its Assessment, was that, in line with the Merger Guidelines,⁶⁴³ the level of concentration indicates that the Commission should intensify its analysis of the competitive effects of the

⁶⁴³ Commission’s Merger Guidelines, paragraphs 3.9-3.12.

Proposed Transaction in the market for the provision of car parking spaces in the Dún Laoghaire Relevant Market.

Conclusion in respect of the likely competitive effects of the Proposed Transaction in the Dún Laoghaire Relevant Market

6.137 In forming its conclusion on the competitive effects of the Proposed Transaction in the Dún Laoghaire Relevant Market, the Commission has taken into account all of the following factors:

- (a) As set out in Table 15 and Figure 11, there are five off-street car parks closer to the Tazbell Pavilion Centre than the nearest Q-Park operated car park at Bloomfield Shopping Centre (out of eight competitors in the 800m radius in total). The Q-Park operated car park at Bloomfield Shopping Centre is located towards the periphery of the 800m catchment area;
- (b) Looking at a narrower 400m walking distance radius, there is no Q-Park car park within the 400-metre walking distance catchment of Tazbell Pavilion Centre while there are three competitor car parks within that radius. The Q-Park Bloomfields car park is located on the outer part of the 800m walking distance catchment area of the Tazbell Pavilion Centre car park. The Commission has set out that it has used a 400 metre catchment as a heuristic for identifying competitors that likely most closely compete with the target car park located at the focal point of the catchment. That there is no overlap between the Parties in this catchment (but there are other third party competitors in the catchment) strongly indicates to the Commission that the Parties are not close competitors in the Dún Laoghaire Relevant Market;
- (c) Therefore, the Commission considers that there will continue to remain sufficient competitors within the Dún Laoghaire Relevant Market who will continue to exert a competitive constraint on the merged entity following implementation of the Proposed Transaction; and
- (d) Wider geographic catchments do not impact the analysis. No additional car park spacing of the Parties are included in the analysis under a 1.2km catchment area.

6.138 In light of the above, the Commission has determined that, despite an HHI which is higher than the threshold indicated in the Merger Guidelines, the Proposed Transaction will not substantially lessen competition in the Dún Laoghaire Relevant Market.

Assessment of Horizontal Unilateral Effects of the Proposed Transaction in the Galway Relevant Market

Theory of Harm

6.139 In respect of the Galway Relevant Market, the Commission identified one potential unilateral effects theory of harm in the Assessment that raises concerns in relation to the Proposed Transaction. This is:

- **Theory of Harm 1-** the loss of a close competitor in a highly concentrated market for the provision of Off-Street Car Parking in the Galway Relevant Market which will likely result in an increase in prices in the Galway Relevant Market.

The Likelihood of Unilateral Effects

6.140 In considering the extent to which the Proposed Transaction is likely to raise unilateral effects concerns in the Galway Relevant Market, the Commission sets out below:

- (a) the views of the Parties prior to the Assessment;
- (b) the views of Third Parties;
- (c) the impact of the Proposed Transaction on market structure and concentration in the Galway Relevant Market, including whether the impact of the Proposed Transaction on market structure and concentration is sensitive to product and geographic market definition;
- (d) closeness of competition between the Parties;
- (e) The extent to which the Parties' competitors may have spare capacity;
- (f) constraints from on-street parking;

- (g) barriers to entry and barriers to expansion;
- (h) countervailing buyer power;
- (i) out of market constraints;
- (j) Proposals; and,
- (k) the Commission's conclusion in respect of horizontal unilateral effects in Galway Relevant Market.

Views of the Parties Prior to the Assessment⁶⁴⁴

6.141 In the Merger Notification Form, the Parties stated the following in respect of Galway:

*"In Galway, the acquirer (Q-Park) has a [REDACTED] on one parking facility, namely, Eyre Square Shopping Centre and the acquiree (Park Rite) owns Hynes Yard parking facility. It takes approximately 4 minutes to walk from one facility to the other. Park Rite is also involved in the provision of management services to a small number of parking facilities in Galway city, for example, on the University Hospital Galway campus. but these are located a significant distance away from Eyre Square/Hynes Yard. There are also a significant number of off-street competing parking facilities located close-by. In addition, there are a significant number of on-street parking spots located very close-by. In summary, it is clear that the proposed acquisition would not give rise to an SLC in Galway city."*⁶⁴⁵

6.142 The Merger Notification Form estimated that Q-Park's share in Galway City, based on the carparks under management, would be around [15-20]% following implementation of the Proposed Transaction. Q-Park's share of [5-10]% and Tazbell's share of [5-10]% would result in a combined share of [10-20]%.⁶⁴⁶

⁶⁴⁴ The Parties made subsequent Written Responses and Oral Responses following the issuing of the Assessment. As these Responses respond to the Commission's assessment of unilateral effects in the Assessment, these will be discussed in subsequent subsections.

⁶⁴⁵ Merger Notification Form, page 55. Based on pages 21-22 of the First Francis O'Toole Report.

⁶⁴⁶ Merger Notification Form, Table 1.

6.143 The Merger Notification form estimated that Q-Park's share in Galway City, based on car park spaces under management for which the Parties can actually set prices, would be around [10-15]%. Q-Park's share of [5-10]% and Tazbell's share of [5-10]% would result in a combined share of [10-20]%.⁶⁴⁷ The Commission notes that these shares do not accord with the geographic catchment identified by the Commission for the Galway Relevant Market. Therefore, shares calculated on this basis of a Galway City market are not considered any further in this Determination.

6.144 Tazbell stated the following in relation to its Hynes Yard car park in Galway:

" - There will be a significant number of competitors in the local area post transaction

- *Many of the other car parks are conveniently located surface car parks*
- *The parties' car parks are on a 1 way street and are not each other's closest competitors - Spanish Arch and Harbour are Hynes Yard's closest competitors not Q Park"*⁶⁴⁸

6.145 The First Francis O'Toole Report stated the following in relation to Galway:

*"Again, there are a significant number of significant private and public competitors present and this would remain the situation after the proposed acquisition."*⁶⁴⁹

6.146 The First Francis O'Toole Report provided the below information on competitors in Galway City.⁶⁵⁰

Table 18: Q-Park's Eyre Square Car Park (444 spaces, €5.80 for 2 hours) – Local Competitors

Owner/Operator	Walking time (from Eyre Square Car Park)	Spaces and Prices
Tazbell/Park Rite, Hynes Yard	4 minutes	██████ (€5.60/2 hrs)

⁶⁴⁷ Merger Notification Form, Table 2.

⁶⁴⁸ See page 39 of Tazbell presentation, dated 9 May 2023.

⁶⁴⁹ See page 14 of the First Francis O'Toole Report.

⁶⁵⁰ See Table 10 of the First Francis O'Toole Report.

Port of Galway Docks (Galway Harbour Company)	5 minutes	77 (€4/2 hrs)
Ceannt Train Station (APCOA)	5 minutes	■ (€6.50/2 hrs)
Port of Galway Docks (Galway Harbour Company)	5 minutes	■ (€4/2 hrs)
Market Street, Lot (City Park)	7 minutes	87 (€5.40/2 hrs)
Harbour (Galway Harbour Company)	7 minutes	■ (€4/2 hrs)
Harbour Hotel, Covered	7 minutes	sizeable (€4.40/2 hrs)
Bowling Green (Galway City Council)	9 minutes	40 (€4/2 hrs)
Spanish Arch (Claddagh Car Parks)	9 minutes	348 (€5.20/2 hrs)
City Centre Multi-Storey Car Park (City Park)	10 minutes	410 (€5.40/2 hrs)
Mercy College	11 minutes	50 (€4.80/2 hrs)
Corrib Shopping Centre	12 minutes	576 (€4.80/2 hrs)
Coach Station	12 minutes	168 (€5.40/2 hrs)

6.147 The First Francis O’Toole Report also stated:

*“As such, there are over 2,000 off-street spots available close-by (as in within 12 minutes) and these are operated by a significant number of significant competitors. In addition, there are a significant number of on-street parking spots located very close-by (all at €4 for 2 hours) with all being controlled by Galway City Council. In summary, it is clear that the proposed acquisition would not give rise to an SLC in Galway city.”*⁶⁵¹

Views of Third Parties

6.148 In a call with the Commission, Galway City Council noted the following in relation to the car parks in Eyre Square:

“The CCPC asked [...] if [Galway City Council] have any plans for changing car parking. [Galway City Council] stated that things have not really

⁶⁵¹ See page 22 of the First Francis O’Toole Report.

changed but that new bus corridors and cross-city links are currently being planned. [Galway City Council] stated that a lot of work is currently happening which may change car parking in Galway city in the next two years. [Galway City Council] stated that these changes may affect road structures. [Galway City Council] stated that [Galway City Council] and the Land Development Agency (“LDA”) have plans for a new suburb by the Dyke Road car park, which is the largest [Galway City Council] owned car park, which may affect⁶⁵² parking in Galway city in the future.”⁶⁵³

6.149 In another call with the Commission, Galway City Council noted the following:

“The CCPC asked if in the last 10 years [Galway City Council] has seen any changes in Galway City car parking. [Galway City Council] said that services have been modernised with apps and card payments options available for customers at parking meters following the cash to card trend. [Galway City Council] noted that many private car parks in Galway City have been renovated. The CCPC asked if any changes occurred in terms of public transport or active transport. [Galway City Council] said that public transport usage has increased but with a lack of bus connects it has hit an impasse, however, future plans for bus connects in the spine of the city may change this. Current bus routes are unreliable due to pinch points and congestion in Galway City, which is holding people back from using public transport, and is thus not a viable option for many people.”

[...]

“The CCPC asked if [Galway City Council] had any thoughts on the Proposed Transaction. [Galway City Council] said that they would be wary of prices increasing significantly but noted that if pricing goes beyond a certain level people will seek alternatives.”⁶⁵⁴

Impact of the Proposed Transaction on market structure and concentration

⁶⁵² Galway City Council did not elaborate on how this might affect car parking in the future.

⁶⁵³ See page 3 of Call Note with Galway City Council, dated 6 April 2023.

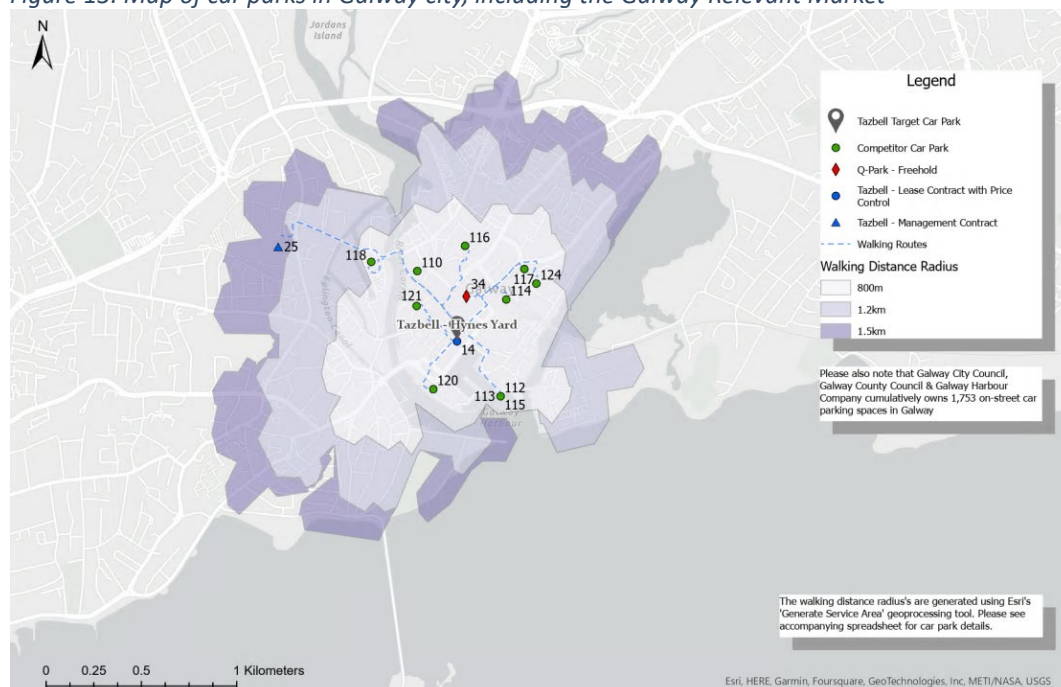
⁶⁵⁴ See page 2 of Call Note with Galway City Council, dated 16 March 2023.

The Galway Relevant Market

6.150 The Proposed Transaction would result in an increase in concentration in a catchment area of 800 metres surrounding the Tazbell operated car park at Hynes Yard, Merchants Road, Galway when compared to the relevant counterfactual. The Commission is concerned that the Proposed Transaction would likely reduce the competitive pressure on Q-Park and other competitors due to the loss of a close competitor in the market. This, in turn, would likely lead to higher prices to customers in the Galway Relevant Market.

6.151 The Galway Relevant Market is illustrated in Figure 13 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Hynes Yard car park. Details of the assumptions made in the calculation of the 800m radius are provided in footnotes, including where the Parties' estimates are not aligned with the Commission's estimates. Q-Park currently operates one off-street car park within less than 800 metres walking distance of Tazbell's Hynes Yard car park: the Eyre Square Centre car park (number 34 in Figure 13 below).

Figure 13: Map of car parks in Galway city, including the Galway Relevant Market



Source: Q-Park Response to Phase 1 RFI, Q.7

6.152 Table 19 below sets out details regarding the competitors located within the Galway Relevant Market.

Table 19: Off-street car parks within an 800-metre walking distance radius of Hynes Yard

Map Key	Car Park	Operator	Distance from Target Car Park (Metres) ⁶⁵⁵	No. of spaces
14	Hynes Yard	Tazbell		■
34	Eyre Square Centre	Q-Park	120-180 ⁶⁵⁶	444
113	Harbour	Galway Harbour Company	400-450 ⁶⁵⁷	■ ⁶⁵⁸
121	Market Street	City Park	344,450-500 ⁶⁵⁹	87
120	Spanish Arch	Claddagh Car Parks	380, 350-450	348
■	■	■	■	■

⁶⁵⁵ The “Distance from Target Car Park (Metres)” column includes ranges from Tazbell’s Hynes Yard car park using Google Maps, with the range based on whether the distance is calculated from the Merchant Roads entrance from Hynes Yard car park or the Docks Road entrance from Hynes Yard car park. Both entrances provide pedestrian access

⁶⁵⁶ The Commission notes that the figure of 399m was provided by the Parties. Calculation of walking distance using Google Maps indicate that the walking distance between Hynes Yard car park and the Eyre Square Centre car park is approximately 120-180 metres, and that therefore the Parties are each other’s nearest competitor. This corrected figure was confirmed by our site visit to Galway with the Parties dated 15 May 2023

⁶⁵⁷ The Parties provided a figure of 514 metres for the Harbour car park. Google maps lists the distance as 400-450 metres. For the purposes of this assessment, the 400-450 metres figure will be used. As detailed below, the Commission will consider the Harbour car park in its 400metre walking distance catchment for the purposes of its analysis This corrected figure was confirmed by our site visit to Galway with the Parties dated 15 May 2023.

⁶⁵⁸ The Commission notes that the figure of ■ car parking spaces was provided by the Parties for the Harbour car park. On the Galway Harbour website (link available at: <https://theportofgalway.ie/port-of-galway-parking/>), it is stated that for “COVERED PAY ON FOOT / BARRIER PARKING”, there are ■ 2 car parking spaces. For the purposes of this Assessment, the Commission will use the figure of ■ car parking spaces.

⁶⁵⁹ The Commission notes that the figure of 344m was provided by the Parties. Calculation of walking distance using Google Maps indicate that the walking distance between Hynes Yard and City Park’s Market Street is between 450-500metres. However, as detailed below, the Commission will still consider Market Street in its 400metre walking distance catchment for the purposes of its analysis

115	Harbour Hotel, Covered	Owner Operated	400-450 ⁶⁶⁰	66 ⁶⁶¹
█	█	█	█	█
112	Port of Galway Docks	Galway Harbour Company	89-170 ⁶⁶³	█ ⁶⁶⁴
116	Corrib Shopping Centre	Owner Operated	750-800 ⁶⁶⁵	576
117	Coach Station	City Park	750-800	168
124	City Centre Multi-Storey Car Park	City Park	700-750	410
N/A ⁶⁶⁶	Galmont Hotel Car Park	Galmont Hotel	800	230
N/A ⁶⁶⁷	Galway City Council	Mill Street	750	82
		Bowling Green	500	40

Source: Commission analysis based on information provided by the Parties and third parties

800-metre walking distance catchment

6.153 The Commission calculated the market shares of the operators based on the number of car parking spaces set out above. Table 20 below sets out the market shares based on the number of off-street car parking spaces within the defined

⁶⁶⁰ The Parties provided a figure of 514 metres for the Harbour Hotel car park. Calculation of walking distance using Google Maps indicate that the walking distance between Hynes Yard and the Harbour Hotel car park is between 400-450metres. As detailed below, the Commission will consider the Harbour Hotel car park in its 400metre walking distance catchment for the purposes of its analysis.

⁶⁶¹ The Commission notes that the figure of █ car parking spaces was provided by the Parties for the Harbour Hotel car park. In correspondence with the Harbour Hotel car park, the Harbour Hotel furnished the figure of █ car parking spaces. For the purposes of this Assessment, the Commission will use the figure of █ car parking spaces.

⁶⁶² The Commission notes that the figure of █ car park spaces was provided by the Parties for █. In correspondence with █ dated 23 May 2023, █ furnished the figure of █ car parking spaces for the █. For the purposes of this Assessment, the Commission will use the figure of █ car parking spaces.

⁶⁶³ The Parties provided a figure of 514 metres for Port of Galway Docks car park. Google maps lists the distance as 89-170 metres. For the purposes of this assessment, the 80-170 metres figure will be used. As detailed below, the Commission will consider the Port of Galway Docks car park in its 400metre walking distance catchment for the purposes of its analysis This corrected figure was confirmed by our site visit to Galway with the Parties dated 15 May 2023.

⁶⁶⁴ The Commission notes that the figure of █ car park spaces was provided by the parties for the Port of Galway Docks. On the Galway Harbour website (link available at: <https://theportofgalway.ie/port-of-galway-parking/>), it is stated that for “PAY ON FOOT / BARRIER PARKING”, there are █ car parking spaces. For the purposes of this Assessment, the Commission will use the figure of █ car parking spaces.

⁶⁶⁵ The Parties provided a figure of 580 metres for the Corrib Shopping Centre car park. Google maps lists the distance as 750-800 metres. For the purposes of this assessment, the 580 metres figure will be used.

⁶⁶⁶ The Galmont Hotel was not included in the Parties RFI Responses, and so does not have a Map Key number.

⁶⁶⁷ GCC’s Mill Street and Bowling Green was not included in the Parties RFI Responses, and so does not have a Map Key number.

Relevant Market: the Galway Relevant Market is an 800m walking distance radius around the Tazbell Hynes Yard car park.

Table 20: Market shares in the market for the supply of car parking spaces within 800 metres walking distances radius of Tazbell Hynes Yard, no. spaces

Map Key	Operator	Car Park	No. of Spaces		Share (%)
14	Tazbell	Hynes Yard	■		[10-15]
34	Q-Park	Eyre Square Centre	444		[10-15]
	Combined Share of the Parties		■		[20-30]
■	■	■	■	■	[0-5]
■		■	100		
121	City Park	Market Street	87	665	[15-20]
117		Coach Station	168		
124		City Centre Multi Storey	410		
121	Galway Harbour Company	Port of Galway	■	■	[5-10]
115		Harbour	■		
113	Harbour Hotel (Covered)	Harbour Hotel Car Park	■		[0-5]
116	Corrib Shopping Centre	Corrib Shopping Centre	576		[15-20]
120	Claddagh Car Parks	Spanish Arch	348		[10-15]
N/A ⁶⁶⁸	Galmont Hotel	Galmont Hotel Car Park	230		[5-10]
N/A ⁶⁶⁹	Galway City Council	Mill Street	82	122	[0-5]
		Bowling Green	40		
	Total		■		100

⁶⁶⁸ The Galmont Hotel was not included in the Parties RFI Responses, and so does not have a Map Key number.

⁶⁶⁹ GCC's Mill Street and Bowling Green was not included in the Parties RFI Responses, and so does not have a Map Key number.

Source: Commission analysis based on information provided by the Parties and third parties⁶⁷⁰

6.154 Using an 800-metre radius, Tazbell is the third largest supplier with a market share of around [10-15]%. Q-Park is the fourth largest supplier, with a share of [10-15]%. City Park is the largest supplier with a market share of [15-20]% and Corrib Shopping Centre is the second largest supplier with a share of [15-20]%.

6.155 As can be seen in Table 20, following implementation of the Proposed Transaction, Q-Park, with a [20-30]% market share, would hold the largest share and City Park would become the second-largest supplier.

Including on-street car parking within the 800 metres radius

6.156 As discussed in Section 3, the Commission has primarily assessed the Proposed Transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered the sensitivity of its competitive analysis to the inclusion or exclusion of on-street car parking.

Table 21: Market shares in the market for the supply of car parking spaces within 800 metres walking distances radius of Tazbell Hynes Yard, no. spaces, incl. on-street

Map Key	Operator	Car Park	No. of Spaces		Share (%)
14	Tazbell	Hynes Yard	[REDACTED]		[10-15]
34	Q-Park	Eyre Square Centre	444		[10-15]
Combined Share of the Parties			[REDACTED]		[20-30]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[0-5]
[REDACTED]		[REDACTED]	[REDACTED]		
121	City Park	Market Street	87	665	[15-20]
117		Coach Station	168		
124		City Centre Multi Storey	410		

⁶⁷⁰ In the Tazbell Written Response, it is argued that the Commission erred in excluding certain car parks, including the Galmont Hotel, Bowling Green, Mill Street, [REDACTED] various Port of Galway spaces, GCC Cathedral and Dyke Road. Tazbell acknowledged that certain car parks were not identified by the Parties in any previous submission, including the Notification and RFI Responses. The Commission has considered the information provided by the Parties, and resulting from its own consideration has included the Galmont Hotel, Mill Street and Bowling Green in the analysis of the Galway Relevant Market set out in this Determination.

121	Galway Harbour Company	Port of Galway	■	■	[5-10]
115		Harbour	■		
113	Harbour Hotel (Covered)	Harbour Hotel Car Park	■		[0-5]
116	Corrib Shopping Centre	Corrib Shopping Centre	576		[10-15]
120	Claddagh Car Parks	Spanish Arch	348		[5-10]
N/A	Galmont Hotel	Galmont Hotel Car Park	230		[5-10]
N/A	Galway City Council	Mill Street	82	1,122	[20-25]
		Bowling Green	40		
		On-street	1,000		
	Total		■		100

Source: Commission analysis based on information provided by the Parties and third parties⁶⁷¹

6.157 Galway City Council is the largest supplier, with a share of approximately [20-25]% resulting from its on-street and off-street car parking within 800m of the Tazbell Hynes Yard car park. City Park ([15-20]%) and Corrib Shopping Centre ([10-15]%) are the second and third largest car parks, respectively. Tazbell is currently the fourth largest supplier with an approximate market share of [10-15]%, and Q-Park is fifth with [10-15]%.

6.158 As shown in Table 21 above, following implementation of the Proposed Transaction, Q-Park would have an approximate market share of [20-30]%. This would make it the largest supplier, slightly ahead of Galway City Council.

400-metre walking distance catchment

⁶⁷¹ Estimates for total on-street car parking have been taken from the higher end of the estimate from page 52 of the Galway Transport Strategy Executive Summary Report, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS%20Executive%20Summary%20Report%20-%20English.pdf. This estimate is for the “city centre” so may cover a wider area than the 800-metre catchment. In Annex 7 to the Phase 1 RFI Response, in a document titled “13 Tazbell Hynes Yard Car Park Map” Q-Park set out that “Galway City Council, Galway County Council & Galway Harbour Company cumulatively own ■ on-street car parking spaces in Galway.” This estimate was not appropriate for the 800-metre radius, so the Commission has conservatively used an estimate of 1,000. In the First Francis O’Toole Report at page 14, an estimate of ■ is made, but no source is provided for this.

6.159 All else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around Tazbell Hynes Yard car park. This analysis is simply heuristic to enable the Commission to understand how closely the various undertakings active in the Galway Relevant Market may compete with one another. Closeness of competition is also considered in more detail below. For the avoidance of doubt, the Commission has not identified a distinct geographic market bound by a 400-metre walking distance radius.

6.160 There is an overlap in the activities of the Parties within the 400-metre walking distance in the Galway Relevant Market. As explained by the Commission, and as acknowledged by the Parties and Third Parties, competition in respect of off-street car parking is inherently local and largely determined by how far a customer is prepared to walk from their car to their final destination. Where off-street car parks are located closer to one another, they are more likely to be close substitutes with one another from a user's point of view, because they are more likely to be nearer, in terms of walking distance/time, to the customer's car and to their final destination.

Table 22: Market shares in the market for the supply of car parking spaces within 400 metres walking distance radius of Tazbell Hynes Yard, no. of spaces⁶⁷²

Operator	Car Park	Spaces		Share (%)
Tazbell	Hynes Yard	■		[25-30]
Q-Park	Eyre Square Centre	444		[25-30]
Combined Share of the Parties		■		[50-60]
City Park	Market Street	87		[0-5]
Claddagh Car Parks	Spanish Arch	348		[15-20]
Galway Harbour Company	Port of Galway	■	■	[10-15]
	Harbour	■		

⁶⁷² As the Commission has assessed the walking distances from Tazbell Hynes Yard car park to each of Harbour car park and Harbour Hotel Car Park to be 400-450 metres, these have been included as being on the edge of the catchment. The Commission notes that, by the Parties own walking distance estimates, both of these car parks would be outside the 400-metre catchment.

Harbour Hotel	Harbour Hotel Car Park	■	[5-10]
Total		■	100

Source: Commission analysis based on information provided by the Parties and third parties

6.161 Four car parks were identified within the 400-metre radius of Tazbell's Hynes Yard car park. Tazbell is the largest supplier with a market share of around [25-30]%. Q-Park is the second largest supplier, with a share of [25-30]%. The remaining competitors are Claddagh Car Parks ([15-20]%), Galway Harbour Company ([10-15]%), Harbour Hotel ([5-10]%), and City Parks ([0-5]%).

6.162 As can be seen in Table 22, following implementation of the Proposed Transaction, Q-Park, with a combined [50-60]% market share, would hold the largest share, by a substantial margin compared to the second supplier. The second largest supplier would be Claddagh Car Parks, with a [15-20]% market share.

Market concentration

6.163 Based on the market share estimates set out in Table 22 above, there is high concentration in the market for the provision of off-street car parking services in the Galway Relevant Market. Table 23 below illustrates the HHIs currently, and following implementation of the Proposed Transaction.

Table 23: The HHI in the Galway Relevant Market, no. of spaces

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (400-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	1,333	2,058	1,319
Post-Proposed Transaction	1,727	3,384	1,562
HHI delta	394	1,326	243

Source: Commission analysis of information provided by the Parties and third parties.

6.164 Based on the HHI calculations set out in Table 23 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

- (a) In the 800-metre catchment, the Galway Relevant Market is currently concentrated. Table 23 shows that the HHIs following implementation of the Proposed Transaction would be 1,727. The HHI delta (394) is higher than the threshold of 250 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) In the 400-metre catchment, the Galway Relevant Market is currently highly concentrated. Table 23 shows that the HHIs following implementation of the Proposed Transaction would be 3,384. The HHI delta (1,326) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (c) Including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 1,562. The HHI delta (243) is slightly below the threshold of 250 which would enable the Commission to conclude that, based on market concentration, the Proposed Transaction is unlikely to cause concern. However, a merger that falls below the HHI thresholds set out in the Merger Guidelines may still raise competition concerns in certain circumstances such as, for example, where the products of the merging parties are considered by customers to be close substitutes.⁶⁷³ As the Commission discusses below, the Commission considers that the parties are close competitors in the Galway Relevant Market.

6.165 The Commission's view is therefore that, for the reason that not all of the potential markets assessed had HHI deltas below the relevant threshold set out in the Merger Guidelines,⁶⁷⁴ the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the Galway Relevant Market.

Consideration of a wider geographic catchment


⁶⁷³ See paragraph 3.12 of the Commission's Merger Guidelines.

⁶⁷⁴ Commission's Merger Guidelines, paras. 3.9-3.12.

6.166 While the Commission considers there is no evidence indicating that the geographic market should be this wide, the Commission has considered the effect on the analysis of extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

6.167 The medium-shaded middle ‘ring’ illustrated in Figure 13 above encloses the geographic area covered by this extended radius.

6.168 As can be seen from Figure 13, the following off-street car parks would be included in this broader catchment in addition to those identified in above:

- 
- Cathedral Car Park (Galway City Council); and
- Dyke Road Car Park (Galway City Council).

6.169 While the inclusion of additional car parks in a wider market would dilute the Parties’ market share slightly, there is no need for the Commission to further this analysis given the closeness of competition issues identified above, and discussed in more detail below.

Summary of market structure and market concentration

6.170 Market shares contribute to the Commission’s understanding of the existing structure of the Galway Relevant Market. The Commission has set out its assessment of the evidence and information available to it which demonstrates that following the implementation of the Proposed Transaction, Q-Park would have a market share of:

- (a) [20-30]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be City Park with a [20-25]% share;
- (b) [20-30]% of capacity in the 800-metre walking distance catchment with on-street car parking included. Galway City Council is marginally smaller, with [20-25]%; and,

- (c) [50-60]% of capacity in the 400-metre walking distance catchment. The next largest competitor would be Claddagh Car Parks with a [15-20]% share.

6.171 The market is highly concentrated following implementation of the Proposed Transaction. This is the case both for the analysis of an 800m radius in the Galway Relevant Market, and even more so in the sensitivity analysis of a 400m radius. The Proposed Transaction thus leads to a significant increase in concentration. The Galway Relevant Market is concentrated even with the inclusion of on-street parking.

6.172 Markets depicting higher levels of concentration are generally associated with less competition. The Commission is concerned that this reduction in competition could potentially lead to higher prices to the detriment of consumers in the relevant catchment area.

6.173 In the Q-Park Written Response, Q-Park argued that the Commission's preliminary finding of an SLC in the Galway Relevant Market was based on competitive effects in a catchment area of 400 metres and that this was not the geographic market identified by the Commission.⁶⁷⁵

6.174 In the Tazbell Written Response, Tazbell argued that the Parties' combined market share is not high and there are at least 8 competitors remaining following the Proposed Transaction, and that the Commission omitted several car parks which are present in the Galway Relevant Market.⁶⁷⁶ Tazbell also argued that the Commission dismissed the possible impact of the Port and its car park spaces. Tazbell also argued that the Commission did not give proper weight to (i) car parks located outside the relevant geographic area; (ii) on-street parking; and public transport.⁶⁷⁷

6.175 However, the Commission's preliminary view in the Assessment was based on a number of factors and a wide evidence base. As is clear from the Commission's

⁶⁷⁵ Q-Park Written Response, page 3.

⁶⁷⁶ Tazbell Written Response, paragraph 263.

⁶⁷⁷ Tazbell Written Response, paragraph 272.

analysis above, the 400-metre catchment was not a defined market. Rather, it fed into an analysis of the sensitivity of the assessment to distance and in particular was used as a heuristic to identify the most proximate competitors and those which likely compete most intensely with one another. In forming its preliminary conclusion, the Commission assessed other factors including: closeness of competition between the Parties, barriers to entry and expansion, and out of market constraints. These are discussed further in this Determination below. It is not correct to say that the Commission's preliminary conclusion in the Assessment was based solely on the market structure of a 400 metre catchment.⁶⁷⁸

6.176 The Commission also disagrees with Tazbell's view that it dismissed the possible impact of the Port and its car park spaces in the Assessment. The Commission explicitly recognised the Port of Galway as a competitor. Tazbell includes long-term contract parking (spaces booked on monthly, quarterly, bi-annual or annual basis). The Commission does not consider these long-term contract spaces as part of the Galway Relevant Market.

6.177 In the analysis below, the Commission further assesses the potential for the Proposed Transaction to result in an SLC in the Galway Relevant Market.

Closeness of competition

6.178 Often, competitors compete more or less closely in terms of how similar or different their product/service offerings are. For relatively homogeneous products, geographic proximity can be a very important measure of the degree of competition between the merging parties.

6.179 In this section, the Commission sets out its analysis regarding closeness of competition between: (i) each of the Parties; and (ii) the Parties and Third Parties in the Galway Relevant Market. The Commission has identified the following potential relevant parameters for assessing closeness of competition in relation to the Galway Relevant Market:⁶⁷⁹

⁶⁷⁸ Regarding car parks which Tazbell argues should have been included by the Commission, the Commission has considered Tazbell's view and updated its market share calculations in the Galway Relevant Market where appropriate. The Commission notes that these car parks were not identified by the Parties prior to their respective Written Responses.

⁶⁷⁹ These parameters are the same as will be applied to all the Dublin Relevant Markets.

- (a) Characteristics of the off-street car parking sites, including location, size, pricing and facilities;
- (b) Views of the Parties;
- (c) Customer views; and,
- (d) Monitoring of competitors by the Parties.

Characteristics of the off-street car parking sites, including location, size, pricing, facilities and opening hours

6.180 Table 24 below sets out the prices of all of the Parties' and Third Parties' car parks within an 800m walking distance radius of the Tazbell Hynes Yard car park, as well as the hourly price for each car park.

Table 24: Off-street Car Parks within 800m walking distance radius of Hynes Yard car park

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour	Opening Hours ⁶⁸⁰
Hynes Yard	Tazbell		■	€2.90	24/7
Market Street	City Park	450-500	87	€2.70	24/7
Spanish Arch	Claddagh Car Parks	350-450	348	€2.60	Mon-Sat: 08:00-01:00 Sunday: 09:00-21:00
Eyre Square Centre	Q-Park	120-180 ⁶⁸¹	444	€2.90	24/7
■	■	■	■	■	■
■	■	■	■	■	■
Port of Galway Docks	Galway Harbour Company	89-170	■	€2.00	24/7
Harbour	Galway Harbour Company	400-450	■	€2.00	24/7

⁶⁸⁰ Per Parkopedia.

⁶⁸¹ ⁶⁸¹ The Commission notes that this figure was provided by the Parties. Google Maps indicates that the walking distance between Hynes Yard car park and the Eyre Square Centre car park is approximately 120 -180 metres

⁶⁸² All day option only.

Harbour Hotel, Covered	Owner Operated	400-450	■	€2.20	24/7
Corrib Shopping Centre	Owner Operated	750-800	576	€2.40	Mon-Wed, Sat: 08:30-19:00 Thur-Fri: 08:30-21:00 Sun: 10:30-18:30
Coach Station	City Park	750-800	168	€2.70	24/7
City Centre Multi-Storey Car Park	City Park	700-750	410	€2.70	24/7
Bowling Green	Galway City Council	500	40	€2.00	24/7
Mill Street	Galway City Council	750-800	82	€2.00	24/7
Galmont Hotel Car Park	Galmont Hotel	800	230	€2.50	24/7

Source: Commission analysis based on information provided by the Parties and third parties

6.181 There is a single competitor which is potentially located nearer to the Hynes Yard car park (depending on which pedestrian entrance to that car park is considered) than Q-Park's Eyre Square Centre car park. This car park is Port of Galway Docks, which is smaller than the car parks operated by the Parties, as it has ■ spaces, compared with Q-Park's offering 444 and Tazbell's offering ■ spaces. This suggests that Port of Galway Docks is unlikely to exert as significant a competitive constraint on Tazbell as Q-Park does in the Galway Relevant Market. There are three other competitors within 800 metres which have market shares of ■ [5-10]%. These are Corrib Shopping Centre (approximately [15-20]%), City Park, City Centre Multi-Storey Car Park (approximately [10-15]%), and Claddagh Car Parks Spanish Arch (approximately [5-10]%). These are located 750m, 700m, and 350m⁶⁸³, from Tazbell Eyre Square respectively, and as such may exert a weaker competitive constraint on Tazbell Hynes Yard than Q-Park Eyre Square.

6.182 In terms of price, the Commission observes that the price levels in Port of Galway Docks car park (€2.00 per hour), Harbour car park (€2.00 per hour), Harbour Hotel, Covered car park (€2.20 per hour), Corrib Shopping Centre car park (€2.40 per

⁶⁸³ For this point, the Commission has used the shorter distance between Tazbell's Hynes Yard and the three other car parks.

hour), Galmont Hotel (€2.50per hour)and [REDACTED] [REDACTED] are significantly different to the price levels in Tazbell Hynes Yard car park, which suggests those car parks may not be close competitors to the target car park.

6.183 Corrib Shopping Centre stated that “*Q-Park are the leaders of the parking industry and that **Q-Park are usually the first car park to increase its prices for parking in the city.** [Corrib Shopping Centre] stated that if Q-Park increase its prices that the [Corrib Shopping Centre] will then also look at increasing prices in its car park*”.⁶⁸⁴ Paragraphs 6.194 to 6.200 below demonstrate how Tazbell closely monitors Q-Park’s pricing in Galway.

6.184 In terms of opening hours, many off-street car parks in the Galway Relevant Market appear to be open 24/7, with the exception of the Corrib Shopping Centre and Spanish Arch car parks. In the case of the Corrib Shopping Centre, the Commission observes that the opening hours of this car park are linked with the opening hours of the Corrib Shopping Centre itself. The Commission considers that, for at least some potential customers, this suggests those two car parks may not be close competitors to the target car park, in terms of their limited available opening hours.

Views of the Parties

6.185 The Parties did not explicitly disagree with the Commission’s preliminary view in the Assessment that the Parties exert a strong constraint on each other. However, Tazbell, in its Written Response, disagreed with the Commission’s preliminary analysis of the constraint posed by other car parks within the Galway Relevant Market. Specifically, Tazbell stated that the Assessment: (i) underestimated how strong a competitor the Port of Galway is; (ii) makes the false assumption that larger car parks have more influence: and (iii) finds that third party car parks are not close competitors to the Parties.⁶⁸⁵

Customer Views

6.186 In the Consumer Survey, surveyed customers were asked:

⁶⁸⁴ See page 1 of Call Note with Corrib Shopping Centre, dated 18 May 2023.

⁶⁸⁵ Tazbell Written Response, paragraphs 360-368.

“imagine that before you started on your trip you knew that this car park was closed for refurbishment for 6 months. Thinking of all the options open to you which of these would be your preferred option instead of using this car park?”.

6.187 Of the 102 Hynes Yard customers who answered this question, 77% (79 customers) said they would park in another off-street car park, as opposed to an alternative such as use on-street parking or take public transport.⁶⁸⁶ These customers were then asked a follow-up question:

“Which car park would you use?”

6.188 This was first asked as an open-ended question—customers were given the opportunity to name a car park without prompts—and if they could not, customers were shown a map of possible choices of car park.

6.189 Table 25 contains a breakdown of which car park the 77% of customers who said they would use another off-street car park selected.

Table 25: Car park selected in response to Q.9 of survey by Hynes Yard Customers, 79 customers.

Car Park	Operator	Percentage of Customers
Hynes Yard	Tazbell	
Eyre Square Centre	Q-Park	32%
Corrib Shopping Centre	Owner Operated	13%
Harbour Hotel	Owner Operated	9%
Harbour	Galway Harbour Company	8%
Port of Galway Docks	Galway Harbour Company	6%
Market Street	City Park	1%
Spanish Arch	Claddagh Car Parks	1%
Coach Station	City Park	1%
Cathedral Car Park	City Park	4%

⁶⁸⁶ The Commission acknowledged the small sample size and, consequently, does not place undue weight on the survey result in coming to its overall conclusions.

Don't Know		23%
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Source: Commission's analysis of Consumer Survey results

6.190 Of those customers who said they would park in another off-street car park, 32% of them said they would use Q-Park Eyre Square. This is substantially more than the next most popular car park: Corrib Shopping Centre (13%). It is also worth noting that nearly a quarter (23%) of the sample said they did not know where they would park, so of those who identified a specific car park, just over 41% selected Q-Park Eyre Square. This may indicate that Q-Park Eyre Square exerts a stronger competitive constraint on Tazbell Hynes Yard car park than other competitors in the Galway Relevant Market, though the Commission acknowledges the small sample of respondents.

6.191 Several of the competitor car parks within an 800m walking distance radius of Tazbell Hynes Yard were selected by zero customers. These are: [REDACTED]; [REDACTED]; and City Park City Centre Multi-Storey Car Park.

6.192 In their Written and Oral Submissions, the Parties raised several concerns regarding the Consumer Survey. In particular, the Parties were critical of several aspects of the methodology and proposed alternative interpretations of results. These concerns, and the Commission's conclusions with respect to them, are set out in Section 3.

6.193 As explained earlier by the Commission, its use of a consumer survey is not determinative. Rather the Commission has considered it as just one evidence source for the Commission's analysis. As set out in the Merger Guidelines, the Commission will examine a wide range of evidence as part of its merger review and this typically includes both quantitative and qualitative information.⁶⁸⁷ In this regard, the Consumer Survey provides some useful insight into the views of a certain cohort of customers (indicating that a plurality of those who would use an alternative off-street car park to Hynes Yard consider Q-Park to be their preferred alternative). This is consistent with the Commission's view that off-street car parks

⁶⁸⁷ Commission's Merger Guidelines, paragraphs 4.4 and 4.5

which are proximate to each other likely compete more closely with one-another than they do with those located further away.

Monitoring of competitors

6.194 The way in which a company monitors its competitors can often give an insight into the company's perception of the significance of the competitive threat from those competitors.

6.195 In respect of the Galway Relevant Market, there are numerous instances of where Tazbell engages in the monitoring of competitors, with a particular focus from Tazbell on Q-Park's Eyre Square car park.⁶⁸⁸ In Tazbell's RFI response to question 2 of the Commission's RFI dated 10 January 2023, [REDACTED]

[REDACTED]
[REDACTED].⁶⁸⁹

- [REDACTED]
[REDACTED]
[REDACTED]

6.196 The evidence available to the Commission strongly indicates that Tazbell has regularly monitored Q-Park in the Galway Relevant Market and that Q-Park's behaviour and presence is taken into account in Tazbell's competitive decisions – particularly where Tazbell is concerned that it has been “undercut” by Q-Park. For example:

⁶⁸⁸ See email from [REDACTED] to [REDACTED] dated 18 December 2014; see email from [REDACTED] to [REDACTED], dated 15 November 2017; see email from [REDACTED] to [REDACTED], dated 15 November 2017; see email from [REDACTED] to [REDACTED], dated 30 December 2021; see email from [REDACTED] to [REDACTED], dated 31 December 2021; see email from [REDACTED] to [REDACTED], dated 2 January 2018; see email from [REDACTED] to [REDACTED], dated 22 December 2022; see email from [REDACTED] to [REDACTED], dated 14 December 2021; see email from [REDACTED] to [REDACTED], dated 15 December 2021; see email from [REDACTED] to [REDACTED], dated 10 December 2019; see email from [REDACTED] to [REDACTED], dated 16 November 2018; see email from [REDACTED] to [REDACTED], dated 10 August 2012; see email from [REDACTED] to [REDACTED] and [REDACTED], dated 22 October 2014; see email from [REDACTED] to [REDACTED], dated 2 October 2014; see email from [REDACTED] to [REDACTED] dated 1 October 2014; see email from [REDACTED] to [REDACTED], dated 1 October 2014; see email from [REDACTED] to [REDACTED], dated 18 December 2014.

⁶⁸⁹ See response to Question 2 of Tazbell First Phase 2 RFI Response.

- In a Tazbell email with subject line “[REDACTED]” dated 30 December 2021, the following is stated internally in internal considerations regarding [REDACTED]:

“[REDACTED]
[REDACTED]
[REDACTED]”⁶⁹⁰

- In this same email chain, it is clear that Tazbell is concerned that Q-Park’s pricing may [REDACTED]:

[REDACTED]
[REDACTED]
[REDACTED]

[...]

[REDACTED]
[REDACTED]
[REDACTED]⁶⁹¹

- Another internal Tazbell email with subject line “[REDACTED]” and dated 30 December 2021 notes that Tazbell charges “[REDACTED]”

[REDACTED]
[REDACTED]
[REDACTED]”⁶⁹²

- A Tazbell internal email with subject line “[REDACTED]” dated 22 December 2022, notes [REDACTED]

⁶⁹⁰ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell Phase 2 RFI Response. MD5Hash [REDACTED]

⁶⁹¹ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

⁶⁹² See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell Phase 2 RFI Response. MD5Hash [REDACTED]

[REDACTED]
[REDACTED].⁶⁹³

6.197 The Commission considers that the evidence available to it suggests that Tazbell views Q-Park as its closest competitor. For example, in a Tazbell internal email with subject line “[REDACTED]”⁶⁹⁴ and dated 15 November 2017 describes Tazbell staff “[REDACTED]”
[REDACTED]
[REDACTED]
[REDACTED] the following is stated:

“ [REDACTED]
[REDACTED]. ”⁶⁹⁵

6.198 The Commission considers that these internal documents demonstrate Q-Park Eyre Square imposes a strong competitive constraint on Tazbell Hynes Yard. Following the Proposed Transaction, Tazbell’s Hynes Yard car park will come under the control of Q-Park, thus eliminating a close competitor for Q-Park in Galway city centre. As noted in Table 24 above, the Parties’ car parks are the most expensive in the catchment, with both at €2.90 per hour, and therefore appear to have the ability to set prices above the level of third-party competitors, but not above each other. The Commission is of the view that this strong constraint imposed by each of the Parties on one-another will be eliminated by the Proposed Transaction in the Galway Relevant Market.

6.199 Indeed, the potential ability for Q-Park to increase prices following the implementation of the Proposed Transaction appears to be acknowledged by Q-Park in its internal documents and consideration of the Proposed Transaction. For example:

⁶⁹³ See Tazbell document [REDACTED], in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5 Hash [REDACTED].

⁶⁹⁴ See Tazbell document [REDACTED], in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5 Hash [REDACTED].

⁶⁹⁵ See Tazbell document [REDACTED] in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5 Hash [REDACTED].

- In an internal Q-Park document contemplating the acquisition of Tazbell, Q-Park stated the following in relation to Galway:⁶⁹⁶

“ [REDACTED] ”
[REDACTED]
“ [REDACTED] ”

- Q-Park provided further explanation for these statements, stating:

“ [REDACTED] ”
[REDACTED]
[REDACTED] ”⁶⁹⁷

- Q-Park elaborated “ [REDACTED] ”
[REDACTED]
[REDACTED] ”⁶⁹⁸

[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ”

[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁶⁹⁶ See page 8: [REDACTED]; See page 31: [REDACTED].

⁶⁹⁷ See response to Question 38 of Q-Park First Phase 2 RFI Response.

⁶⁹⁸ See pages 3-4 of response to Question 38 of Q-Park First Phase 2 RFI Response.

[REDACTED]
[REDACTED]

6.200 Nonetheless, absent the Proposed Transaction, Q-Park and Tazbell's respective car parks in the Galway Relevant Market will continue to set their respective prices independently. Following the implementation of the Proposed Transaction, those prices would be set solely by Q-Park and the hypothetical price increase for Hynes Yard [REDACTED] could be implemented by Q-Park.

Summary on closeness of competition

6.201 The Commission's analysis set out above strongly indicates that Q-Park and Tazbell are close competitors in the Galway Relevant Market. The Commission's analysis has found:

- (a) The Parties car parks in the Galway Relevant Market are located very close to one another and both have similar pricing, are of a similar size, and have similar hours of operation;
- (b) Views of customers indicate that a certain cohort of Tazbell customers would consider Q-Park as an alternative to Tazbell; and,
- (c) Tazbell regularly monitors Q-Park in the Galway Relevant Market.

Overall conclusions on market structure and concentration and closeness of competition in the Galway Relevant Market

6.202 In assessing the theory of harm that the Proposed Transaction will likely result in the loss of a close competitor in a highly concentrated market for the provision of off-street car parking in the Galway Relevant Market which will likely result in an increase in prices the Commission has set out its assessment of the evidence and information regarding market structure and concentration, and closeness of competition available and to it and has found that:

- (a) following the implementation of the Proposed Transaction, Q-Park would have a market share of:

- (i) [20-30]% of capacity in the Galway Relevant Market (i.e., based on 800-metre walking distance catchment). The next largest competitor would be City Park with a [20-25]% share;
 - (ii) [20-30]% of capacity in the 800-metre walking distance catchment with on-street car parking included. Galway City Council [REDACTED], with [20-25]%; and,
 - (iii) [50-60]% of capacity in the 400-metre walking distance catchment (which functions as a heuristic for closeness of competition). The next largest competitor would be Claddagh Car Parks with a [15-20]% share;
- (b) The market is highly concentrated following the implementation of the Proposed Transaction in both catchments, when excluding on-street parking, with the Proposed Transaction leading to a significant increase in concentration. It remains concentrated when including on-street parking;
- (c) There is one competitor which is potentially located nearer to the Hynes Yard car park (depending on which pedestrian entrance to that car park is considered) than Q-Park's Eyre Square Centre car park. This car park is Port of Galway Docks. This car park is smaller than the car parks operated by the Parties, as it has [REDACTED] spaces. compared with Q-Park's offering of 444 spaces and Tazbell's offering [REDACTED] spaces. This suggests that Q-Park likely exerts a more significant competitive constraint on Tazbell than does Port Of Galway Docks in the Galway Relevant Market;
- (d) Of those surveyed customers who said they would park in another off-street car park in the event of Tazbell Hynes Yard being closed, about one-third of them said they would use Q-Park Eyre Square. The next most commonly cited car park is Corrib Shopping Centre, at [10-15]%;
- (e) Internal documents provided to the Commission suggest that Tazbell regularly and consistently considers the pricing and commercial activity of Q-Park's Eyre Square car park and considers that car park to be its closest

competitor. Other car parks do not feature in Tazbell's internal considerations with a comparable frequency or level of detail;

- (f) Of the competitor car parks in the Galway Relevant Market with similar price levels to Tazbell Hynes Yard car park, one of them (accounting for 444 spaces) is operated by Q-Park, with five of them (accounting for [REDACTED] spaces) operated by third parties; and,
- (g) Two of the competitor car parks in the Galway Relevant Market have less extensive opening hours than Tazbell Hynes Yard car park: Corrib Shopping Centre and Spanish Arch car parks. The remaining competitor car parks offer similar or more extensive opening hours to Tazbell Hynes Yard car park.

6.203 Taken together, these factors suggest to the Commission that Q-Park and Tazbell are each other's closest competitor in the Galway Relevant Market. The competitive constraint they impose on each other would be lost following implementation of the Proposed Transaction. The Commission is therefore concerned that this could likely result in higher prices than would be the case compared to the relevant counterfactual set out in section 4 of this Determination.

6.204 In the following sections, the Commission sets out its analysis as to how certain factors would impact the Commission's concerns identified due to the potential loss of close competition between Q-Park and Tazbell.

6.205 In particular, the Commission will assess:

- (a) the extent to which the Parties' competitors may have spare capacity;
- (b) constraints from on-street parking in the Galway Relevant Market;
- (c) barriers to entry and expansion;
- (d) countervailing buyer power;
- (e) out of market constraints (including firms located outside the relevant geographic market and public transport); and,

(f) Proposals.

The extent to which the Parties' competitors may have spare capacity

6.206 As noted above, the Written Responses argued that the Assessment failed to consider market shares calculated on the basis of sales/occupancy of car parks. The Parties argued that the Commission had erred in the Assessment by not considering the purported spare capacity of the Parties' competitors.

6.207 The Commission has set out its views in respect of the appropriateness of capacity-based market shares above.

6.208 The Commission notes that it was not possible for it to undertake robust analysis of the occupancy/spare capacity of Parties and their competitors in the Galway Relevant Market (or indeed in any Relevant Market) due to the lack of reliable data available to it.

6.209 In the Phase 2 RFIs, the Commission sought information and data from the Parties regarding occupancy in their various carparks.⁶⁹⁹ The Commission acknowledges that the Parties did provide data that was available to them in response to the Phase 2 RFIs. However, the data provided was not of a nature that would allow the Commission to undertake robust and reliable analysis of the occupancy rates of the Parties and a comparison of occupancy rates between each of the Parties and between each of the Parties and their competitors. Furthermore, the Commission was not able to collect occupancy data from the various Third Parties located in the Galway Relevant Market (or indeed in any Relevant Market) in a way that would allow consistent analysis of this evidence to be undertaken. In light of all this, it was not possible for the Commission to undertake analysis of utilisation and spare capacity of the various undertakings active in the Off-Street Car Parking Relevant Markets based on occupancy data provided by the car park itself.

6.210 The Commission considered carrying out its own primary analysis of occupancy levels in the Galway and Dublin Relevant Markets. However, the Commission was not convinced that such primary analysis would yield statistically robust outputs—even if the Commission carried out a significantly more extensive exercise than the

⁶⁹⁹ First Phase 2 RFI and Third Phase 2 RFI.

Parties' utilisation exercise discussed below—which could be relied upon in its analysis. The Commission discusses its concerns in respect of the Parties' exercise below.

6.211 As part of the Q-Park Written Response, Q-Park submitted the AlixPartners Report to the Commission. The AlixPartners Report argued that *“the [Commission] needs to consider whether rivals have sufficient spare capacity to dis-incentivise any price increases – capacity market shares are irrelevant to the question of whether competitors have spare capacity”*. To this end, the AlixPartners Report presented the results of what it referred to as the *“Parties Utilisation Exercise”*.⁷⁰⁰

6.212 In the Galway Relevant Market, the AlixPartners report argued that the Parties' average peak occupancy rate was approximately [55-60]% for the period under observation and that the *“peak occupancy rate of the Parties' competitors on average remains fairly low, just [40-45]% across the eleven competitors”*.⁷⁰¹

6.213 As the Commission stated regarding the Consumer Survey, survey or observation data can be used to provide a particular perspective or insight on some elements of a review, but its significance should not be over-stated.

6.214 The Commission has methodological concerns which lead it to question the robustness of the findings of the Parties Utilisation Exercise.

(a) First, the observations recorded cannot be verified by the Commission. These observations were recorded by employees of the Parties and collated by a Q-Park employee rather than by some independent/accredited polling/market research organisation.

(b) Second, for each car park there are only eight observations (one for each day of the observation period, with one of these being termed a *“test day”* by the Parties) each taken at a specific time. Within this, there is only one

⁷⁰⁰ For consistency, the Commission will also use the term “Parties Utilisation Exercise” when discussing this exercise in this Determination. The Parties Utilisation Exercise consisted of the recording of the number of occupied spaces at peak times in the various car parks under observation (or the number of spaces available in the case of Tazbell controlled car parks) on a daily basis and then expressing the number of spaces occupied as a percentage of the car parks overall capacity.

⁷⁰¹ The AlixPartners Report stated the following regarding [REDACTED]

observation per day – which is recorded at a similar (but not the same) time in each car park. The Commission is not convinced that statistically robust conclusions can be drawn regarding the overall average occupancy of a car park on the basis of eight observations.

- (c) Third, the Parties Utilisation Exercise was carried out over a single week (which included a bank holiday weekend). The Commission cannot, therefore, discount that behaviour in that week (or for certain days during that week) may be atypical or not representative of overall car parking patterns and customer behaviour.

6.215 The Commission acknowledges that the Parties Utilisation Exercise indicates that, on one particular week, there was spare capacity in car parks controlled by competitors of the Parties. This provides some useful evidence, but does not allow the Commission (as contended by the Parties) to conclude that all the Parties' competitors have such spare capacity that would "*dis-incentivise any price increases*". The Commission cannot extrapolate the results of this observational exercise to draw definitive conclusions in light of its concerns set out above.

6.216 The Commission also notes that the Parties' arguments regarding spare capacity would appear to argue against any ability of the Parties to pursue unilateral price increases. This is contradicted by the evidence seen by the Commission which suggests that the Parties have previously successfully increased prices and the Commission's observation above that the Parties' pricing is set at a level above other competitors in the Galway Relevant Market.

Constraints from on-street parking

6.217 The Commission next considers the extent to which on-street parking is a constraint on the Parties' car parks in the Galway Relevant Market.

6.218 Off-street and on-street parking are likely to be realistic alternatives for some customer in certain circumstances. As the Parties have noted in several submissions, car parking spaces are not end products in themselves. Rather, they are a means to enable the customer to get to their end destination, by driving most

of the distance of the journey and parking within a short walking distance of the end destination.

6.219 In Galway city centre, on-street car parking is supplied by Galway City Council. Galway City Council controls the supply of on-street parking which is available to the public, and also sets the pricing tariffs which are applicable to on-street car parking.

On-street car parking policy

6.220 Galway City Council's "Galway Transport Strategy"⁷⁰² sets out its policy objectives to reduce the number of car journeys into the city centre in general, but also to reduce the provision of on-street car parking in particular. In this regard, the *Galway Transport Strategy* states the following:

*"As part of this strategy, it is proposed to reduce the dominance of car parking within the city, and particularly to shift the emphasis from on-street to managed off-street parking provision".*⁷⁰³

and:

*"In order to discourage commuter car parking and encourage transfer to public transport, it is proposed to restrict car parking within the city centre area."*⁷⁰⁴

and, most notably:

*"It is proposed to remove most of the on-street parking in the city centre to provide more road-space for pedestrians and public transport, while retaining disabled driver parking."*⁷⁰⁵

⁷⁰² Galway City Council. Galway Transport Strategy, August 2016, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Executive%20Summary%20Report%20-%20English.pdf.

⁷⁰³ Galway City Council, *Galway Transport Strategy: Technical Report*, September 2016, Page 82, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Technical%20Report.pdf

⁷⁰⁴ Galway City Council, *Galway Transport Strategy: Technical Report*, September 2016, Page 82, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Technical%20Report.pdf

⁷⁰⁵ Galway City Council, *Galway Transport Strategy: Technical Report*, September 2016, Page 83, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Technical%20Report.pdf

Customer views

6.221 The Consumer Survey is discussed in detail in Section 3 of this Determination. As set out in Section 3, of the 204 customers in Galway who responded to the Consumer Survey:

- 9% of respondents stated they would use on-street parking, while 74% stated they would park in another off-street car park in the event that the off-street car park they had parked at was closed for six months; and
- 15% of respondents said they would use on-street parking, while 41% stated that they would use another off-street car park in the event that the price of all off-street car parks in Galway increased by roughly 30 cents per hour.

6.222 While acknowledging the sample size means the results of the Customer Survey in Galway should not be over-stated, the Consumer Survey indicates that relatively few customers believe they would divert to on-street parking in the event of an off-street car park closure or a price increase. And for those customers who say they would choose to use on-street car parking, it is not clear that it would be available, nor that on-street car parking would not also be subject to a price increase.

Parties' views

6.223 Both Parties have claimed in their Written Responses that there is no capacity constraint on on-street parking. For example, Tazbell has stated that:

"On-street parking can be adapted in terms of space allocation by local authorities who can reconfigure, increase, or decrease the number of spaces available in a particular area at will..... If there were any perceived "capacity constraint" associated with on-street spaces, it would also be open to local authorities to introduce measures to change the churn rate of on-street parking. Such measures to manage demand and capacity might include enforcing time limits on the duration of on-street parking

*stays, or prohibiting top-ups on parking apps, or introducing dynamic pricing.”*⁷⁰⁶

6.224 Tazbell also questioned in its Written Response the lack of occupancy data from competitors, and the extent to which this constituted a material gap in the data.⁷⁰⁷

6.225 The Commission notes that, while local authorities do have control over on-street parking, evidence from local authorities does not support Tazbell’s assumption that local authorities may choose to increase the availability of on-street parking. All of the evidence indicates that on-street parking will be made less available.

6.226 The Commission recognises the lack of reliable data on occupancy, both for on-street and off-street parking, and the effect that this has on assessing capacity. In regards to pricing, GCC stated that the price charged for on-street and off-street spaces which GCC operate themselves is not influenced by the prices set at other privately run car parks.⁷⁰⁸ GCC elaborated that decisions are made at council meetings, along with engagement with the NTA to ensure any price change is aligned with NTA objectives and strategies.⁷⁰⁹ Further, GCC stated that while pricing decisions is currently a reserved function of elected council members⁷¹⁰, GCC highlighted the “*Five Cities Demand Management Study*”, where it recommends the standardisation of national parking rates.⁷¹¹ This would mean that pricing decisions for car parking tariffs could be taken away from city councils like Galway.⁷¹²

6.227 Above, the Commission

⁷⁰⁶ Tazbell Written Response, paragraphs 110-111.

⁷⁰⁷ Tazbell Written Response, paragraph 113.

⁷⁰⁸ See page 2 of call note with GCC, dated 16 March 2023.

⁷⁰⁹ See page 2 of call note with GCC, dated 16 March 2023.

⁷¹⁰ See page 2 of call note with GCC, dated 16 March 2023.

⁷¹¹ Department of Transport, *Five Cities Demand Management Study: Recommendations Report*, pages 66-73, available at: <https://www.gov.ie/pdf/?file=https://assets.gov.ie/205399/270ba219-4693-48b1-bef4-7a36e9126c85.pdf#page=null>

⁷¹² See page 4 of call note with GCC, 3 April 2023.

[REDACTED]. This is in contrast to references to Q-Park's Eyre Square car park which, as set out above, is mentioned 10 times in Tazbell's internal documents.

Conclusions on constraints from on-street parking

6.228 The Commission recognises that on-street parking is a viable option for certain customers in certain circumstances and that customers can and do park in on-street spaces. For a certain cohort of customers, this may therefore represent an alternative to the Parties' two car parks, following the implementation of the Proposed Transaction. The Commission notes that, in terms of price and functionality, on-street car parking can be an alternative to off-street car parking. The Commission further notes that 9% and 15% of customers surveyed said they would switch to on-street parking in the event that their chosen car park closed, or all off-street car parking increased its prices by 30c per hour, respectively.

6.229 However, the Commission also notes that:

- given that Galway City Council seeks to encourage customers to use alternative modes of transport, including off-street parking, it appears to the Commission that it is reasonable to propose that Galway City Council does not compete vigorously with off-street car parks for customers. Therefore, it is unlikely that Galway City Council would seek to attract customers from off-street car parks in the event of a price increase by those car parks' operators; and
- the stated policy aim of Galway City Council is to remove on-street car parking over the coming years,⁷¹³ meaning that on-street parking capacity is likely to decline.

6.230 In light of this, the Commission is concerned that on-street parking will not be a sufficient and sustained competitive constraint on the merged entity, such that it

⁷¹³ Galway Transport Strategy, pages 90-91, available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Executive%20Summary%20Report%20-%20English.pdf.

would prevent potential price increases following the implementation of the Proposed Transaction.

Barriers to entry and barriers to expansion.

6.231 The Commission assessed barriers to entry and expansion in the Galway Relevant Market. In considering barriers to entry and barriers to expansion, the Commission seeks to assess the extent to which market power may be constrained by the occurrence or threat of new entry, or by the ability of existing rivals to profitably expand supply. In both cases, the entry and/or expansion needs to fulfil the following three conditions.

6.232 **Timeliness.** The Commission's Merger Guidelines note that *"the longer it takes for potential entrants to become effective competitors, the less likely it is that market participants will be deterred from causing harm to competition"* and that "[w]hile entry that is effective within two years is normally considered timely, the appropriate timeframe for effective new entry will depend on the characteristics and dynamics of the market under consideration."⁷¹⁴

6.233 **Likelihood.** The Commission's Merger Guidelines set out that *"[t]he Commission will assess whether a new entrant would be likely to make a commercial return on its investment at or above current premerger market prices taking into account the entry costs involved (including sunk costs that would not be recovered if the new entrant later exited) and the likely responses of incumbent firms"*⁷¹⁵ and that *"other factors that would affect the likelihood of entry include the level of demand at existing prices, whether demand is growing, the output level the entrant is likely to obtain, the likely impact of entry on prices post-merger, and the scale at which the entrant would operate"*.⁷¹⁶

6.234 **Sufficiency.** The Commission's Merger Guidelines set out that *"[f]or entry to be sufficient, it must be likely that incumbents would lose significant sales to new*

⁷¹⁴ Commission's Merger Guidelines, paragraph 6.5.

⁷¹⁵ Commission's Merger Guidelines, paragraph 6.6.

⁷¹⁶ Commission's Merger Guidelines, paragraph 6.7.

entrants” and that “[e]ntry that is small-scale, localised, or targeted at niche segments is unlikely to be an effective constraint post-merger”.⁷¹⁷

6.235 The Commission also considers potential expansion under the same considerations of timeliness, likelihood and sufficiency.

6.236 The Commission considers that there are two broad ways entry or expansion could occur in the Galway Relevant Market: (i) entry by a new Car Park Management Provider acquiring existing off-street car parks; or, (ii) the establishment of a new off-street car park within the Galway Relevant Market.

6.237 The remainder of this section is set out as follows:

- (a) Parties’ Views on Entry and Expansion;
- (b) Potential entry or expansion by Car Park Management Providers through acquisition of Lease or Management Contracts;
- (c) Potential establishment of a new off-street car park;
- (d) Potential Barrier to entry and expansion: Government Policy.
- (e) History of recent entry and expansion; and,
- (f) The Commission’s conclusion on barriers to entry and expansion.

The Parties’ Views on Entry and Expansion

6.238 The First Francis O’Toole Report states “...it is clear that there are now a larger number of significant private entities involved in the provision of car parking management services”, noting “this growing list of significant competitors highlight the relevant ease of entry into the provision of car parking management services sector as, for example, ex-employees of existing firms can set up new firms and win significant contracts quickly as tenders are in general not for long periods of time.”⁷¹⁸

⁷¹⁷ Commission’s Merger Guidelines, paragraph 6.8.

⁷¹⁸ See page 6 of the First Francis O’Toole Report.

6.239 The First Francis O'Toole Report highlights a number of entrants to the market for the supply of car parking spaces mainly in Dublin, since 2010:

*"Best Car Parks ... e.g., won Marker Hotel car park from Q-Park; Grafton Car Park with direct access to Brown Thomas and Powerscourt Shopping Centre; IPáirc; RFC Car Park Management ... and, Bidvest Noonan".*⁷¹⁹

6.240 The First Francis O'Toole Report further cites *"other more recent new entrants include: Munster Car Parks Services ... ; City Park ... and, YourParkingSpace (a prebooking online website)."*⁷²⁰

6.241 When considering entry and expansion in this market, the Commission considers that it is important to examine the potential for new or existing providers to acquire car parking Management Contracts or Lease Contracts (in particular those pertaining to car parks currently operated by either of the Parties), but it is also important to consider the potential for additional car parking capacity in the market. The Commission considers that entry of such new capacity is likely to have a larger potential impact on market power of relevance to this theory of harm.

Potential entry or expansion by Car Park Management Providers through acquisition of Lease or Management Contracts

6.242 One mechanism through which new entry may occur in the Galway Relevant Market is through Car Park Management Providers acquiring the operation of existing off-street car parks by way of Management Contracts or Lease Contracts, or by a Car Park Owner selling one of their car parks.

6.243 Through this mechanism, a new competitor may enter the Galway Relevant Market without the need to necessarily build a new off-street car park. This may occur in two ways:

- a competitor Car Park Management Provider could assume operation of an off-street car park not currently managed by one of the Parties; or,

⁷¹⁹ See page 6 of the First Francis O'Toole Report.

⁷²⁰ See page 6 of the First Francis O'Toole Report.

- a competitor Car Park Management Provider could assume operation of an off-street car park currently managed by one of the Parties.

6.244 These scenarios are discussed, in turn, by the Commission below.

A competitor Car Park Management Provider assumes operation of an off-street car park not currently managed by one of the Parties

6.245 While it may be possible for a new entrant to acquire a lease or management contract on some of the competitor car parks in the Galway Relevant Market as a result of the ending of a lease or management contract, the Commission is not aware of any ending contract that is up for tender. The Commission has formed the view that the potential for a competitor Car Park Management Provider assuming the management of a competitor off-street car park is not likely to have a significant impact on the market power of the merged entity following the implementation of the Proposed Transaction or address any concerns identified by the Commission during its assessment of the theory of harm above for the reasons set out below.

Timeliness

- 6.246 The Commission considers it plausible that a Car Park Owner of an off-street car park not operated by the Parties in the Galway Relevant Market may change its Car Park Management Provider in the coming two years.
- 6.247 The Commission also considers that a new or an existing Car Park Management Provider may be able to quickly enter the Galway Relevant Market (or expand in the Galway Relevant Market) should it be successful in winning a contract from a Car Park Owner. This will likely be timely where such contracts typically entail lower upfront costs than lease contracts and does not involve significant impediments to a change in operation of an off-street car park from one Car Park Management Provider to another (e.g., low fit-out and marketing costs).
- 6.248 Therefore, the Commission considers that entry in this manner could plausibly occur in a timely manner.

Likelihood

- 6.249 The Commission has found no evidence that Car Park Owners in the Galway Relevant Market are changing (or inclined) to change their car park management provider from one competitor of the Parties to another.
- 6.250 In the Tazbell Written Response, Tazbell note that [REDACTED]
[REDACTED]
[REDACTED]⁷²¹ Tazbell further points to City Park in Galway, which took over operations of three sites in 2018.⁷²²
- 6.251 The Commission is not arguing that an owner cannot put a lease or management contract up for tender, nor that such a tender could not be won by a third party competitor. Furthermore, as Tazbell notes,⁷²³ there is “time and inconvenience” incurred to owners from conducting bidding processes and, all else being equal, a lessening of competition in the downstream market for the provision of off-street car parking spaces to the public is likely to benefit Car Park Owners.
- 6.252 Finally, even if entry or expansion of this type were to occur, it is not clear how that would address the likely impact of the Proposed Transaction in the Galway Relevant Market.
- 6.253 The Commission does note that a close competitor of the Parties (Claddagh Car Parks Spanish Arch) is operated on a self-managed basis, and the Commission has seen no evidence to suggest this car park has previously been operated by a Car Park Management Provider.

Sufficiency

- 6.254 Where a *de novo* entrant acquires an existing car park management services contract, there will be no impact on the market structure of the Galway Relevant Market if the entrant cannot expand on the capacity of the acquired car park. The Commission is therefore of the view that this form of entry, which only replaces

⁷²¹ Tazbell Written Response, paragraph 396.

⁷²² Tazbell Written Response, paragraph 397.

⁷²³ Tazbell Written Response, paragraph 398.

an existing provider, will not likely be sufficient to address the SLC concerns identified in the Assessment in the Galway Relevant Market.

- 6.255 Where a competing Car Park Management Provider assumes operation of a car park not currently operated by the Parties, entry in this way would not directly affect the shares of the Parties as set out in Table 24 or Table 25 above at either the 800 metre or 400 metre walking distance catchment areas.
- 6.256 The Commission has set out above that it considers the Parties to be each other's closest competitors in the Galway Relevant Market, and that this is a crucially important element of the SLC concerns identified in the Assessment. Entry (or expansion) through the acquisition of contracts not held by the Parties would not create a new or stronger competitive constraint on the merged entity.
- 6.257 The physical location of an off-street car park and its proximity to other car parks is a key parameter of closeness of competition. A change in Car Park Management Provider would not affect this parameter at all given that off-street car parks are unmovable physical assets. Therefore, entry or expansion in this manner would not alter the Commission's conclusions on this aspect of closeness of competition as discussed above.
- 6.258 Therefore, the Commission has considered that new entry by a competing Car Park Management Provider into the Galway Relevant Market by way of assuming operation of an off-street car park currently managed by one of the Parties' competitors would not be sufficient to constrain the merged entity following the implementation of the Proposed Transaction for the same reasons expressed by the Commission above.

Conclusion

- 6.259 On the basis of its analysis as set out above, the Commission has concluded that new entry by a *de novo* or competing Car Park Management Provider into the Galway Relevant Market by way of assuming operation of an existing off-street car park not currently managed by one of the Parties may be timely, could possibly occur, but is not likely to be sufficient to remove any SLC concerns identified by the Commission in the Assessment if it does not involve a reduction in capacity

controlled by Q-Park following the implementation of the Proposed Transaction or establish a close competitor to Q-Park.

A competitor Car Park Management Provider assumes operation of an off-street car park currently managed by one of the Parties

6.260 The Commission does not consider it likely or plausible that a competitor of the Parties would assume operation of either the Tazbell Hynes Yard or Q-Park Eyre Square car parks since those car parks are both owned () by the respective Party. The Commission has not been informed by the Parties that they would seek to contract operation of the entirety either of these car parks to another competitor.

6.261 However, one way in which entry or expansion could occur in a manner similar to this could be through the sub-leasing of a portion of a car park by an existing competitor to a third party. Entry in this manner would facilitate the establishment of a very close competitor since the competitor would be located in the same premises as Q-Park. At the time the Commission issued the Assessment to the Parties, the Commission was not aware of any intention of the Parties to enter into an arrangement such as a sub-lease of part of one of their car parks to a new entrant who would provide off-street car parking and compete with the Parties. Therefore, it was not considered in detail in the Assessment.

6.262 Following the issuing of the Assessment, Q-Park submitted draft proposals to the Commission which related to such an arrangement. These draft proposals are discussed further below by the Commission.

Potential establishment of a new off-street car park

6.263 This subsection sets out the Commission's analysis in relation potential barriers to entry and expansion of new capacity in off-street car parking.

Parties' Views

6.264 In the Q-Park Assessment Response, Q-Park highlighted that:

“the [Commission’s] [preliminary] conclusions [that public policy factors are likely to act as a barrier to entry and a barrier to expansion] disregard the fact that it is specifically stated in Chapter 4 of the Galway City

Development Plan 2023 – 2029 that: “a replacement of the existing surface car park on the Dyke Road is accepted on lands included in the Headford Road Regeneration area where re-development accommodating the car parking in a multi-story format would enable more efficient use of the land”.⁷²⁴

- 6.265 The Commission notes that the proposed development highlighted by both Parties specifically refers to a “**replacement** of the existing surface car park on the Dyke Road ... where re-development accommodating the car parking in a multi-story [sic] format would enable more efficient use of the land.” (Emphasis added)
- 6.266 Therefore, the “new” off-street car park is in effect a replacement of an existing car park in a different location. Furthermore, this is included in a draft transport strategy, without reference to a timeline or confirmation that funding has been secured for the development. Moreover, the precise location of the potentially new multi-storey car park does not appear to be finalised, with much of the Headford Road Regeneration Area laying outside of the Galway Relevant Market; this means that even if the Dyke Road surface car park is relocated, it may be located outside of the Galway Relevant Market and would see a reduction in the number of off-street car parking spaces within the Galway Relevant Market.
- 6.267 The Commission therefore does not consider this to indicate that Galway City Council is planning for an expansion of off-street car parking capacity and that, consequently, any concerns the Commission may have as to the competitive effects of the Proposed Transaction should be lessened.

Potential Barrier to Entry and Expansion: Government Policy

- 6.268 The Commission has identified government and public policy as a significant potential barrier to entry and expansion in the provision of off-street car parking. There are two elements to this barrier:
- Government policy which will incentivise modal shift from private car transport to public transport and active travel; and,

⁷²⁴ Q-Park Written Response, paragraph 144. See also Tazbell Written Response, paragraph 39, bullet 1.

- Planning policy and regulation which disfavour land use for new capacity in off-street car parking.

Modal shift in transport – customer availability

6.269 In this subsection, the Commission examines the extent to which the availability of customers, i.e., individuals looking to use car parking spaces, may be considered a barrier to entry and/or a barrier to expansion in the Galway Relevant Market. In considering government public policy the Commission has identified two opposing effects which may impact on customer availability for off-street car parking sites.

6.270 First, national and regional transport policy is explicitly focused on enabling a modal shift away from the car and towards sustainable modes of travel (e.g., walking, cycling, public transport). This is likely to reduce the overall use of private cars (particularly in urban areas) and the related demand for off-street car parking sites.

6.271 The National Investment Framework for Transport in Ireland was published in 2021.⁷²⁵ It sets out a modal investment hierarchy, as to how investment in different modes will be prioritised. Specifically, it notes that *“Sustainable modes, starting with active travel (walking, wheeling and cycling) and then public transport, will be encouraged over less sustainable modes such as the private car”*.⁷²⁶ While national transport infrastructure investment does not apply to off-street car parks, a shift in priority away from the private car could mean reductions in the numbers of private car journeys made.

6.272 Public policy is also focusing on demand management to shift travellers towards using sustainable modes of travel away from private car journeys. The Galway Transport Strategy states that:

“[i]n order to shift the focus within the city centre to walking, cycling and public transport, demand management measures are needed to enhance the function of the city for these users. This may include measures such as

⁷²⁵ See: <https://www.gov.ie/en/publication/cfae6-national-investment-framework-for-transport-in-ireland-nifti/>

⁷²⁶ See page 46 of the National Investment Framework for Transport in Ireland. Available at: <https://www.gov.ie/en/publication/cfae6-national-investment-framework-for-transport-in-ireland-nifti/>.

managing and controlling the availability and cost of parking, restricting traffic flow from certain streets, reducing speed limits, providing additional pedestrian crossings at key locations and a reduced emphasis on facilitating through-traffic.”⁷²⁷

6.273 In its 2022 Global Traffic Scorecard, INRIX ranked Galway as the 7th most congested city in Europe, in terms of the number of hours lost per driver in the city due to congestion-related delays.⁷²⁸ The average driver in Galway city lost 94 hours to delays in 2022. High levels of congestion place a significant limit on the growth in the numbers of cars, and therefore demand for parking in Galway city centre.

6.274 Second, as part of the public policy to shift travellers to sustainable forms of travel, road space for on-street car parking will be significantly reduced. This is likely to increase demand for off-street car parking sites, at least in the short term and significantly reduce or eliminate the ability of on-street parking to provide any constraint on off-street car parking.

6.275 To some extent, this is an explicit policy goal. For example, in the executive summary of the Galway Transport Strategy, “it is proposed to reduce the dominance of car parking within the city, and particularly to shift the emphasis from on-street to managed off-street parking provision.”⁷²⁹ In the course of its engagement with the Commission, Galway City Council referred the Commission to the NTA’s⁷³⁰ the “Five Cities Demand Management Study: Recommendations Report Phase Two Updates November 2021” as being particularly important in guiding the NTA’s work in Galway City. Action 81 of the Department of Environment, Climate and Communications Climate Action Plan 2019 states:

“[D]evelop a regulatory framework on low emission zones and parking pricing policies and provide local authorities with the power to restrict

⁷²⁷ See page 31 of the Galway Transport Strategy 2016. Available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Executive%20Summary%20Report%20-%20English.pdf.

⁷²⁸ See: <https://inrix.com/scorecard/#city-ranking-list>.

⁷²⁹ See page 52 of Galway Transport Strategy Executive Summary. Available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Executive%20Summary%20Report%20-%20English.pdf.

⁷³⁰ See page 4 of Call Note with Michael Lally, Galway City Council, dated 3 April 2023.

access to certain parts of a city or a town to zero-emission vehicles only. Examine the role of demand management measures in Irish cities, including low emission zones and parking pricing policies.”⁷³¹

6.276 Further, in Galway City Council’s “Galway Transport Strategy”⁷³², the following is noted in relation to managing traffic in the Galway city centre:

“As part of a strategy to manage traffic in the central area, it is envisaged that the availability of on-street parking will be reduced, and access routes to off-street parking facilities will be rationalised and managed to minimise car circulation within the city centre. Within this area, there will be greater emphasis on the management of, and accessibility to, off-street parking locations (including wayfinding and parking guidance). Parking measures will also aim to reduce and manage on-street parking on public transport routes outside the core city centre area.”⁷³³

6.277 The Commission considers that the strong policy focus on modal shift from private car to more sustainable modes of travel, and the high levels of congestion in Galway city, is likely to offset any increased demand for off-street car parking as a result of reduced on-street car parking spaces. The Commission notes that similar public policy measures have been progressing in Dublin over a number of years and has not seen evidence of a significant increase in demand for off-street car parking spaces.

Planning policy and regulation which disfavour land use for new capacity in off-street car parking.

6.278 The Commission is not aware of any new off-street car parks currently in the planning system (or any proposal for an expansion of off-street car parks) in the Galway Relevant Market. The Commission has set out its views in respect of the replacement of the existing surface car park on the Dyke Road in paragraphs

⁷³¹ See page 95 of the Department of Environment, Climate and Communications Climate Action Plan 2019, available at <https://www.gov.ie/pdf/?file=https://assets.gov.ie/25419/c97cdecddf8c49ab976e773d4e11e515.pdf#page=null>; as referenced on page 11 of the Five Cities Demand Management Study. Available at: <https://www.gov.ie/pdf/?file=https://assets.gov.ie/205399/270ba219-4693-48b1-bef4-7a36e9126c85.pdf#page=null>.

⁷³² See page 51 of Galway City Council’s Galway Transport Strategy Technical Report Available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Technical%20Report.pdf

⁷³³ See page 51 of Galway Transport Strategy Technical Report. Available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Technical%20Report.pdf

6.265–6.266 above. Therefore, the Commission considers that entry or expansion through building new capacity of off-street car parking spaces is not likely to be timely.

6.279 The Commission also considers it clear that planning policy and land use regulations likely disfavour further use of land for off-street car parks.

6.280 For example, the Galway Transport Strategy states the following on the issue of existing or new car parking spaces:

“A number of the existing car park sites within the city represent development opportunity sites, and over time the development of these sites may see a natural reduction in parking stock.”⁷³⁴⁷³⁵

Conclusion on government and public policy as a barrier to entry and expansion

6.281 On the basis of the available evidence, the Commission considers that a number of public policy factors suggest that demand for car parking in Galway is unlikely to increase, and that this is a barrier to entry and a barrier to expansion in the market for the supply of off-street car parking in the Galway Relevant Market.

6.282 The Commission also considers that planning policy and regulations would also mean that new entry or expansion of off -street carparks through new build capacity is not likely to occur.

History of recent entry and expansion

6.283 The Commission has found no evidence of the building of new off-street car parks being commissioned or expanded and is not aware of any planning applications for the construction or expansion of a car park in Galway city centre.

Commission’s conclusions on barriers to entry and expansion

⁷³⁴ See page 52 of Galway Transport Strategy Executive Summary. Available at: https://www.galwaycity.ie/uploads/downloads/news_items/Traffic-Transport/GTS/GTS%20Executive%20Summary%20Report%20-%20English.pdf

⁷³⁵ It is not readily apparent to the Commission which specific sites are referred to in this document, however the Commission considers it likely that some of the off-street car parks included in the Galway Relevant Market could potentially be among the sites to which this quote refers.

6.284 In considering barriers to entry and barriers to expansion in the provision of off-street car parking, the Commission has assessed the extent to which the exercise of any market power post-merger may be constrained by the ability of rivals in the Galway Relevant Market to profitably expand production and/or by the threat or occurrence of new entry by new competitors. In both cases, expansion and/or entry needs to be timely, likely and sufficient.

6.285 The Commission has examined the timeliness, likelihood, and sufficiency of potential new entry or expansion by way of:

- competitors acquiring new car park management contracts for existing car parks from the Parties or from third parties; and/or
- the creation of new off-street car parking capacity in the Galway Relevant Market.

6.286 Weighing up all the factors and the evidence provided by the Parties and third parties, the Commission remained concerned that the evidence did not support the view that expansion or entry by rivals would be timely, likely and sufficient to constrain any exercise of market power following implementation of the Proposed Transaction. The proposals submitted by Q-Park aim to ameliorate these concerns and are discussed further below.

6.287 The Commission also notes that public policy is strongly in favour of reducing on-street parking capacity and the number of cars travelling into the City of Galway.

Countervailing buyer power

6.288 The Commission's Merger Guidelines state that:

"[c]ountervailing buyer power refers to the ability of a customer or customers, because of their position in the market, successfully to resist supplier price increases. In some circumstances, a customer may possess sufficient negotiating strength to enable it to constrain the ability of a supplier or suppliers to harm competition.

...

Mere size and commercial significance of customers does not, however, necessarily prove sufficient buyer power”⁷³⁶

6.289 The Merger Guidelines recognise that the strength of buyer power may differ between different customer groups based on their size or other characteristics:

“In a market where some but not all buyers possess significant countervailing buyer power, a merger may still result in increased prices (or other competitive harm) for those customers with little or no countervailing buyer power. For example, it may be that only large customers have the ability to exert countervailing buyer power and protect themselves from competitive harm. Small customers may not have sufficient negotiating strength to successfully exert countervailing buyer power. The Commission will examine whether the countervailing buyer power of some customers will benefit sufficient customers to prevent an SLC in the market post merger”⁷³⁷

6.290 The Merger Guidelines explain:

“The effectiveness of buyer power will depend on the characteristics of the market under review. For example, in markets where there are individual negotiations between suppliers and customers, the countervailing buyer power possessed by one or more customers will not typically protect other customers from any anti-competitive effects that may arise post-merger. In contrast, in markets where the price is transparent to all suppliers and customers and price discrimination is not possible, the buyer power possessed by one or more customers may protect all customers in the market by preventing the merged entity from raising its prices to any customer.”⁷³⁸

6.291 According to Tazbell,⁷³⁹ [REDACTED]

⁷³⁶ Commission’s Merger Guidelines, paragraph 7.1 and 7.2.

⁷³⁷ Commission’s Merger Guidelines, paragraph 7.4.

⁷³⁸ Commission’s Merger Guidelines, paragraph 7.6.

⁷³⁹ Email from Tazbell to CCPC, dated 27 February 2023.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁷⁴⁰

6.292 The Commission's view is that countervailing buyer power is unlikely to prevent any concerns from occurring following the implementation of the Proposed Transaction for the following reasons:

- (a) the proportion of spaces at the Hynes Yard car park [REDACTED]
[REDACTED] and
- (b) Corporate Customers negotiate discount arrangements on a bilateral basis between that customer and the Car Park Management Provider. Other customers (including other Corporate Customers and individual consumers) are therefore unlikely to benefit from any successful exercising of buyer power since it is possible for a Car Park Management Provider to price-discriminate between: (i) one Corporate Customer and another Corporate Customer; and (ii) between Corporate Customers and individual consumers.

Out of market constraints

6.293 As stated in paragraph 3.2 above, market definition should not restrict the range of competitive effects to be assessed by the Commission in its merger review. The Commission does not simply identify the cohort of products and firms that may fall within the identified product and geographic markets and ignore all others. The Commission must also consider factors outside the relevant market which may impose competitive constraints on firms in the relevant market.

6.294 This section considers potential constraints from outside the relevant product and geographic catchments – specifically:

- (a) firms located outside the relevant geographic area; and,

⁷⁴⁰ Email from Tazbell to CCPC, dated 27 February 2023.

- (b) public transport.

Firms located outside the relevant geographic area

6.295 In its assessment of the likely impact of the Proposed Transaction on market structure and concentration set out above, the Commission considered several potential constraints on Q-Park following implementation of the Proposed Transaction from firms located outside 800 metres walking distance from the Tazbell car park in Hynes Yard, Galway.

6.296 In its Written Response, Tazbell stated that the Commission's Assessment is defective by not giving proper weight to firms/car parks located outside the relevant geographic area; nor on on-street car parking, and public transport. As outlined at paragraph 6.166 above, the Commission considered as a sensitivity test a hypothetically expanded geographic catchment consisting of off-street car parks located within a radius of 1.2 kilometres of Tazbell's Hynes Yard car park, which resulted in the following three off-street car parks being added to the radius for analysis: (i) [REDACTED] (ii) Cathedral Car Park (Galway City Council); and, Dyke Road Car Park. The Commission formed the view that its analysis of the likely impact of the Proposed Transaction on market structure and concentration was not sensitive to whether the Proposed Transaction is assessed with reference to radii 800 metres or 1.2 kilometres walking distance from this Tazbell off-street car park.

6.297 In undertaking that analysis, the Commission has already assessed some of the firms which could potentially be considered out of (geographic) market constraints on Q-Park following implementation of the Proposed Transaction. The Commission recognises that there are other car parking options, such as the three car parks identified within a 1.2km radius of Tazbell's Hynes Yard car park, available to customers just beyond the boundaries of the Galway Relevant Market. These may be expected to pose some competitive constraint on Q-Park following implementation of the Proposed Transaction. However, the Commission's view is that any constraint likely to be exerted by these car parks will be small given that: (i) they are located further from the Parties' sites in the Galway Relevant Market; and. (ii) are likely to be considered less obvious alternatives to which customers would consider diverting to in the case of a price increase. As illustrated above,

the Commission considers that, all else being equal, car parks which are located closer together are likely to compete more intensely than those located further apart.

Public transport

- 6.298 The Commission has given consideration to whether public transport could exert a competitive constraint on Q-Park and, in particular, its ability to raise prices following the implementation of the Proposed Transaction.
- 6.299 Above, the Commission discussed Tazbell's internal documents regarding pricing decisions and the degree of consideration which was given to Q-Park Eyre Square car park in making those decisions. The Commission notes that public transport in Galway was not explicitly considered in any internal documents of either Tazbell or Q-Park in determining pricing policy in the Galway Relevant Market. This suggests that public transport does not impose a significant competitive constraint on the Parties in Galway.
- 6.300 In addition, as noted by the Commission in section 3, the Commission has seen no evidence that the Parties responded to the decrease in public transport fares in 2022 with price decreases in their off-street car parks. On the contrary, Tazbell increased the Hynes Yard hourly tariff in January 2023, and Q-Park increased some tariffs for the Eyre Square car park in June 2022. The Commission considers that this demonstrates that public transport does not impose a significant competitive constraint in Galway. The Commission considers this noteworthy as the Parties reacted to a price decrease by one of their purported competitors by increasing prices – precisely the opposite to how competitors would be expected to react to price cuts.
- 6.301 As noted above, in the Consumer Survey, customers that parked at either Tazbell Hynes Yard car park or Q-Park Eyre Square car park were asked what they would do in the event of the closure of that off-street car park or a 30 cent per hour price increase. This survey indicated that:

- Of the 204 respondents 74% stated they would park in another off-street car park, while 9% stated they would use on-street parking (in the event of a car park closure);
- Of the 204 respondents, 41% stated that they would use another off-street car park, while 15% would use on-street parking (in the event of a 30 cent per hour price increase);
- In response to the off-street car park closure, 7% of respondents stated that they would use public transport; and
- In the event of a 30 cent per hour price increase, 23% of respondents stated that they would use public transport.

6.302 The Commission considers that the Consumer Survey indicates that customers' preference in the event of an off-street car park closure or a price increase is to continue to use an off-street car park. As seen above, relatively fewer customers said they would switch to public transport. However, this is only one element in the Commission's consideration of the role played by public transport in the Galway Relevant Market.

6.303 Furthermore, while there are bus and train services into Galway, Galway City Council note how public transport in the city faces several challenges:

*"[Galway City Council] said that public transport usage has increased but with a lack of bus connects it has hit an impasse, however, future plans for bus connects in the spine of the city may change this. Current bus routes are unreliable due to pinch points and congestion in Galway City, which is holding people back from using public transport, and is thus not a viable option for many people."*⁷⁴¹ .

6.304 These views of Galway City Council were confirmed by the Commission's observations on its site visit to Galway.

⁷⁴¹ See page 4 of Call Note with Galway City Council, dated 20 April 2023.

6.305 Therefore, the Commission has concluded that public transport is unlikely to exercise a sufficient constraint on Q-Park following the implementation of the Proposed Transaction to ameliorate the SLC concerns that were identified in the Assessment.

Conclusion on out of market constraints

6.306 On the basis of all the evidence available to the Commission and its analysis set out above, the Commission has reached the conclusion that potential out of market constraints would be unlikely to sufficiently constrain Q-Park following the implementation of the Proposed Transaction.

Proposals

6.307 In issuing the Assessment, the Commission was of the preliminary view that the Proposed Transaction would, on the balance of probabilities, result in an SLC in the Galway Relevant Market.

6.308 On 13 July 2023, Q-Park submitted draft proposals to the Commission pursuant to Section 20(3) of the Act which proposed measures which, Q-Park stated, would ameliorate any effects of the merger or acquisition on competition in the Galway Relevant Market.

Overview of the proposals relating to the Galway Relevant Market

6.309 Insofar as the Galway Relevant Market was concerned, the draft proposals consisted of a proposal by Q-Park to lease part of the Hynes Yard car park to a provider of [REDACTED]. In particular, Q-Park proposed that, following implementation of the Proposed Transaction, it would lease the entirety of the top floor of Tazbell's Hynes Yard car park (86 spaces) to a competing provider [REDACTED]:

- “[REDACTED]”,⁷⁴²

⁷⁴² Q-Park presentation dated 13 July 2023 titled “[REDACTED]”.

- “ [REDACTED] ”;⁷⁴³ and/or
- “ [REDACTED] ”.⁷⁴⁴

6.310 Following engagement between the Commission and Q-Park, Q-Park refined the scope of the draft proposal relating to the Galway Relevant Market to that which would be most likely to ameliorate any effects of the merger or acquisition on competition. Pursuant to this draft proposal:

- (a) Q-Park would lease the entirety of the top floor of the Tazbell’s Hynes Yard car park (86 spaces) to a parking marketplace for a period of 10 years;
- (b) The lessee would have a specific and designated area in the Hynes Yard car park from which it could sell car parking to the public through its app/website/other channels;
- (c) The lessee would have full and unrestricted control over its own pricing strategies/policies and would not assign any control or input over its pricing to Q-Park (for instance, pursuant to a revenue sharing arrangement with Q-Park); and,
- (d) The lessee would pay an agreed rent/lease fee to Q-Park in exchange for the lease for its floor (the “Galway Proposal”).

6.311 In addition, Q-Park provided the Commission with [REDACTED]
[REDACTED] pursuant to the Galway Proposal [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

Market Testing the draft proposals

⁷⁴³ [REDACTED] ”.

⁷⁴⁴ Q-Park presentation dated 13 July 2023 titled “ [REDACTED] ”.

⁷⁴⁵ [REDACTED], CRO number [REDACTED].

⁷⁴⁶ [REDACTED] company number [REDACTED].

6.312 Over the period 21 July to 25 July 2023, the Commission market tested the Galway Proposal in order to help establish if it was likely to be appropriate, proportionate, and effective in ameliorating the identified SLC concerns in the Galway Relevant Market.

6.313 The Commission conducted phone interviews with [REDACTED] [REDACTED]⁷⁴⁷ and engaged with [REDACTED] through email correspondence.

6.314 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.315 The findings of the Commission's market testing are discussed below as part of the Commission's evaluation of the Galway Proposal.

6.316 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

The Commission's evaluation of the Galway Proposal

6.317 In assessing proposals submitted to the Commission pursuant to section 20(3) of the Act, the Commission has regard to the Act, the Merger Guidelines . The Commission also takes into account the analytical framework set out in the European Commission's Notice on remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 ("EC Remedies Notice").⁷⁴⁹ As part of this evaluation and having regard to the analytical

⁷⁴⁷ [REDACTED], CRO number [REDACTED].

⁷⁴⁸ [REDACTED] company number [REDACTED].

⁷⁴⁹ Available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008XC1022\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008XC1022(01)).

framework set out in the EC Remedies Notice, the Commission considers three key criteria when assessing proposals:

- (a) Are the proposals comprehensive and effective?
- (b) Are the proposals capable of being implemented effectively within a short period of time?
- (c) Do the proposals eliminate the competition concerns entirely?

6.318 The Commission, having regard to the above three criteria, sets out its reasoning in assessing the Galway Proposal below.

Are the proposals comprehensive and effective?

6.319 Above, the Commission set out its concerns that the Proposed Transaction would likely reduce the competitive pressure on Q-Park and other competitors due to the loss of a close competitor in the Galway Relevant Market.

6.320 In this regard, the Galway Proposal would introduce a new competitor into the Galway Relevant Market and would be the closest competitor to Q-Park at Hynes Yard following the implementation of the Proposed Transaction.

6.321 The Commission notes that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

750 This is discussed further in paragraph 6.326 below.

[REDACTED]

6.322

[REDACTED]

6.323 As the Galway Proposal involves the leasing of an entire floor, a lessee would also be able to run that leased area according to its own preferences and commercial strategy (for example, a lessee could apply its own branding to this area). The Galway Proposal is not a revenue sharing arrangement, and therefore Q-Park will have no say over the pricing of the lessee. In addition, pursuant to the Galway Proposal Q-Park will install signage at the entrance to wayfind customers to the leased area.

6.324 Therefore, the Commission's view is that the Galway Proposal is comprehensive and effective.

Is the Galway Proposal capable of being implemented effectively within a short period of time?

6.325 The market testing strongly indicated that the Galway Proposal could be implemented within a short period of time.

6.326

[REDACTED]

[REDACTED]

6.327 In light of this, the Commission has not identified any factors which would suggest that the Galway Proposal would not be capable of being implemented within a short period of time.

Do the proposals eliminate the competition concerns entirely?

6.328 Q-Park has suggested that the Galway Proposal:

[REDACTED]

6.329 Q-Park expressed the view that:

“the [Galway Proposal] would also create a substantially “closer” competitor to Tazbell’s Hynes Yard car park than Q-Park Eyre Square car park since it would be in Tazbell’s Hynes Yard car [park].”⁷⁵³

6.330 Q-Park also stated that:

“The [Galway Proposal] would also need to be judged in the context that the Parties’ clearly face material competition from other rivals, which also possess substantial spare capacity.”⁷⁵⁴

⁷⁵¹ [REDACTED]

⁷⁵² Q-Park letter to the Commission dated 13 July 2023.

⁷⁵³ Q-Park letter to the Commission dated 13 July 2023.

⁷⁵⁴ Q-Park letter to the Commission dated 13 July 2023.

- 6.331 The Galway Proposal would have the effect of reducing Q-Park's market share following the implementation of the Proposed Transaction in all catchments discussed above since it results in the direct transfer of capacity from Q-Park to a competitor. Consequently, it will also result in a less concentrated market than would be the case following the implementation of the Proposed Transaction in the absence of the Galway Proposals.
- 6.332 The Commission also notes that pursuant to the Galway Proposal there would be a new entrant in the Galway Relevant Market and that there would be a new close competitor to the Hynes Yard car park established in the Galway Relevant Market. This ultimate lessee would then be Q-Park's physically closest competitor to the Hynes Yard car park following the implementation of the Proposed Transaction.
- 6.333 Above, the Commission has set out that it considers geographic proximity between competitors to be a very important aspect of competitive dynamics in the car parking sector. The Commission set out its concerns that the Proposed Transaction would result in the elimination of close competitive rivalry between Q-Park and Tazbell since they are located very close to one-another in the Galway Relevant Market. Through the creation of a new competitor located on the same footprint as the Hynes Yard car park, the Galway Proposal aims to ameliorate these concerns.
- 6.334 Taking all this into account, the Commission considers that the Galway Proposal addresses its competition concerns in relation to the Galway Relevant Market.

Commission's conclusion in respect of horizontal unilateral effects in the Galway Relevant Market

- 6.335 On 14 August 2023, Q-Park submitted to the Commission the binding Proposals which are appended to this Determination. In light of the binding Proposals submitted by Q-Park and in light of its analysis as set out in this Determination, the Commission has determined that the Proposed Transaction will not substantially lessen competition in the Galway Relevant Market.

Assessment of Horizontal Unilateral Effects of the Proposed Transaction in the Dublin Relevant Markets

Introduction

6.336 As stated above, the Commission has organised its consideration of each of the Dublin Relevant Markets under a single subsection as there is some commonality to some of the competitive factors and conditions relevant to each of these Off-Street Car Parking Relevant Markets, for example:

- (a) the same barriers to entry and barriers to expansion apply in each market since each is located in the DCC local authority area and thus subject to the same planning regulations and other relevant public policy;
- (b) on-street car parking is provided by DCC in each catchment area; and
- (c) the provision of public transport is generally similar throughout Dublin city centre.

6.337 The Commission has first assessed the impact of the Proposed Transaction on market structure, concentration and closeness of competition for each of these Dublin Relevant Markets individually.

6.338 Where the Commission cannot rule out competition concerns in specific Relevant Markets, it will further consider, collectively for those markets: constraints from on-street parking; barriers to entry and barriers to expansion; countervailing buyer power; out of market constraints; and the Proposals.

6.339 Overall, each of the Dublin Relevant Markets has been considered in the Commission's analysis in its own right, and the Commission considers that its conclusion in respect of each of these markets stands on its own merits.

Off-Street Car Parking Relevant Markets located in Dublin city centre

6.340 The Dublin Relevant Markets are:

- (a) the ILAC Centre Relevant Market;⁷⁵⁵

⁷⁵⁵ Operated by Tazbell under a management contract.

- (b) the Irish Life Centre Market;⁷⁵⁶
- (c) the Smithfield Relevant Market;⁷⁵⁷
- (d) the Drury Street Relevant Market;⁷⁵⁸ and,
- (e) the Fleet Street Relevant Market.⁷⁵⁹

6.341 The Commission has applied the same theory of harm to each of the Dublin Relevant Markets. An overview of Tazbell's interests in the car parks in the above Dublin Relevant Markets is set out in paragraph 6.5 above.

Theory of Harm

6.342 In respect of each of the Dublin Relevant Markets, the Commission identified and assessed one potential unilateral effects theory of harm that applies individually and separately to each of the Dublin Relevant Markets in relation to the Proposed Transaction. This is:

- **Theory of Harm 2** – the loss of a close competitor in highly concentrated markets for the provision of Off-Street Car Parking in Dublin city centre, which will likely result in an increase in prices in each of the Dublin Relevant Markets.

6.343 For the avoidance of doubt, the Commission has assessed this Theory of Harm with regards to each of the Dublin Relevant Markets in turn. Each of the Commission's sets of views in respect of each one of the Dublin Relevant Markets, and the basis on which it has reached those views, are independent of and in no way reliant on each other.

The Likelihood of Unilateral Effects

⁷⁵⁶ Operated by Tazbell under a management contract.

⁷⁵⁷ Operated by Tazbell under a management contract.

⁷⁵⁸ Operated by Tazbell under a lease contract.

⁷⁵⁹ Operated by Tazbell under a management contract.

6.344 In considering the extent to which the Proposed Transaction is likely to raise unilateral effects concerns in the Dublin Relevant Markets, the Commission sets out below:

- (a) the views of the Parties prior to the Assessment in respect of each Dublin Relevant Market, in turn;
- (b) the views of Third Parties;
- (c) in respect of each Dublin Relevant Market, in turn:
 - (i) the impact of the Proposed Transaction on market structure and concentration, including whether the impact of the Proposed Transaction on market structure and concentration is sensitive to the scope of the relevant geographic catchment;
 - (ii) closeness of competition between the Parties;
- (d) the extent to which the Parties' competitors may have spare capacity;
- (e) constraints from on-street parking;
- (f) barriers to entry and barriers to expansion;
- (g) countervailing buyer power
- (h) out of market constraints (including firms located outside the relevant geographic markets and public transport);
- (i) Proposals; and,
- (j) the Commission's conclusion in respect of horizontal unilateral effects in the Dublin Relevant Markets.

Views of the Parties Prior to the Assessment

ILAC Centre Relevant Market

6.345 With respect to the ILAC car park, Tazbell stated the following:

•

[REDACTED]

- [REDACTED];
- Q-Park Spire is a de facto monopoly based on its location;
- O'Connell Street and pedestrianized zones are a natural partition in the market;
- [REDACTED];
- East/West of O'Connell Street so a long time to drive (e.g., Jervis / Spire);
- The ILAC car park is almost exclusively a short stay (as required /preferred by DCC and the ILAC shopping centre) retail car park. Its competitors are the other retail car parks e.g. *Best Car Parks* Arnotts car park, [REDACTED], and the Jervis shopping centre car park; and
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁷⁶⁰

Irish Life Centre Relevant Market

6.346 With regards to the Irish Life Centre car park, Tazbell stated the following:

- [REDACTED]
- Q-Park Spire is a de facto monopoly based on its location;
- O'Connell Street and pedestrianized zones are a natural partition in the market;
- [REDACTED];
- Irish Life Centre car park is not a downstream competitor to Q-Park as it only has 80 spaces available to the public, and the entrance is facing towards the Liffey and away from the Spire (as was evident the

⁷⁶⁰ See pages 69-70 of Tazbell Presentation, dated 9 May 2023.

Commission's site visit). It serves the Irish Life office blocks and immediate vicinity;

- It is not a close competitor to any Q-Park car park in the downstream market; and

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ⁷⁶¹

Smithfield Relevant Market

6.347 With respect to the Smithfield Market car park, Tazbell stated the following:

- On-street parking is a real constraint in this area;
- Capacity does not tell the full story;
- Q-Park Four Courts is not a competitor to Smithfield Market (450m as the crow flies, but a 1.2km drive);
- River Liffey is a natural geographic partition within the market (DCC) (advertising boards "marshal" traffic);
- There is also the Ashling Hotel;
- The Smithfield Market car park serves traffic from the north and west of the city. Car park customers are visiting the Smithfield area as was evident from the Commission's site visit;
- Competitors include off street private parking (including the apartment parking area in the same complex), on street parking, public transport, e.g. LUAS, [REDACTED], and Jervis Street. Ushers Quay serves traffic from the south of the city, and would not be considered a direct downstream competitor to this car park;

⁷⁶¹ See pages 62-63 of Tazbell Presentation, dated 9 May 2023.

- It is not a close competitor to any Q-Park car park in the downstream market;
- Tazbell is the operator of the car park and has [REDACTED]; and
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁷⁶²

Drury Street Relevant Market

6.348 With respect to the Drury Street car park, Tazbell stated the following:

- [REDACTED];
- There are a significant number of strong competitors in the local area;
- On-street parking is a real constraint;
- Grafton car park and Drury underground car park are the closest car parks to Drury Street;
- Public transport is a constraint;
- Capacity is not a reliable metric;
- Some competitors have market power; and
- The only relevant Q-Park car park from a downstream perspective is the Stephen's Green car park, and traffic routes are different, there is no right turn from Georges Street onto Stephens Street.⁷⁶³

Fleet Street Relevant Market

6.349 With respect to Fleet Street, Tazbell stated:

⁷⁶² See pages 44-45 of Tazbell Presentation, dated 9 May 2023.

⁷⁶³ See pages 52-52 of Tazbell Presentation, dated 9 May 2023.

- that there will be a significant number of competitors in the local area surrounding the Fleet Street car park following the Proposed Transaction;
- Tazbell's car parks are on different sides of the river Liffey;
- Tazbell also noted that Q-Park's car parks are far away from Tazbell's in this local area; and
- there are strong competitors, such as APCOA, in this area.⁷⁶⁴

6.350 The First Francis O'Toole Report provides an overview of 'local competitors' with respect of parking within a 10 minute walk of Q-Park's car park at St. Stephen's Green, and concludes that *"the proposed acquisition would not give rise to an SLC in this part of Dublin 2 or Dublin 2 more generally."*⁷⁶⁵

Views of the Third Parties

6.351 As previously noted, the Commission received two third party submissions in relation to the Proposed Transaction.

6.352 [REDACTED], in its submission stated that it considers that "[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]." ⁷⁶⁶ Furthermore, [REDACTED] stated the [REDACTED]
[REDACTED]
[REDACTED] ⁷⁶⁷

6.353 As noted previously, the Commission engaged with Corporate Customers regarding the Proposed Transaction.

- [REDACTED] stated that *"if Q-Park acquire management of the Parnell and ILAC car parks, Q-Park will manage the Parnell car park, the Spire car park and the ILAC car park, potentially allowing them to drive prices up for*

⁷⁶⁴ See page 57 of Tazbell Presentation, dated 9 May 2023.

⁷⁶⁵ See page 20 of the First Francis O'Toole Report.

⁷⁶⁶ See page 8 of [REDACTED] submission to the CCPC, dated 22 August 2022. [REDACTED] refers to multi-storey or large car parks near retail areas as "retail car parks."

⁷⁶⁷ See page 7 of [REDACTED] submission to the CCPC, dated 22 August 2022.

overnight customers. ■ stated that ■ is adjacent to another Q-Park car park and that ■ have a good relationship with Q-Park. ■ stated that prices have increased at the Q-Park by the ■, but that pricing has increased in all car parks. ■ stated that it does not know of any Park Rite car parks near ■. ■ stated that it does not foresee an issue with the merger unless Q-Park become the management company of the Parnell and ILAC car parks, as Q-Park would then manage all three car parks around the ■. ■ stated that despite Q-Park potentially managing the 3 car parks around the ■, the current agreed overnight rate is still good value for guests.”⁷⁶⁸

Impact of the Proposed Transaction on market structure and concentration, and closeness of competition in each of the Dublin Relevant Markets

6.354 The implementation of the Proposed Transaction would result in the transfer of Tazbell’s interests⁷⁶⁹ in, and therefore the management of, the following five Tazbell operated off-street car parks to Q-Park:

- (a) the ILAC Centre car park;
- (b) the Irish Life Centre car park;
- (c) the Smithfield Market car park;
- (d) the Drury Street car park; and
- (e) the Fleet Street car park;.

6.355 The Commission now considers the competitive effects of the Proposed Transaction in each of the Dublin Relevant Markets in turn, with reference to:

- (a) the impact of the Proposed Transaction on market structure and concentration, including whether the impact of the Proposed Transaction on market structure and concentration is sensitive to the scope of the relevant geographic catchment; and,

⁷⁶⁸ See page 1 of Call Note with ■, dated 12 April 2023.

⁷⁶⁹ See paragraph 6.5 above.

- (b) closeness of competition between the Parties and between the Parties and third parties.

6.356 The Proposed Transaction would result in an increase in concentration in catchment areas (800-metres) surrounding these car parks when compared to the counterfactual of Q-Park and Tazbell continuing to operate independently and competing in the Dublin Relevant Markets. The theory of harm is that the Proposed Transaction would likely reduce the competitive pressure on Q-Park and other competitors due to the loss of a close competitor in the market. This, in turn, would likely lead to higher prices, to customers in each of these areas.

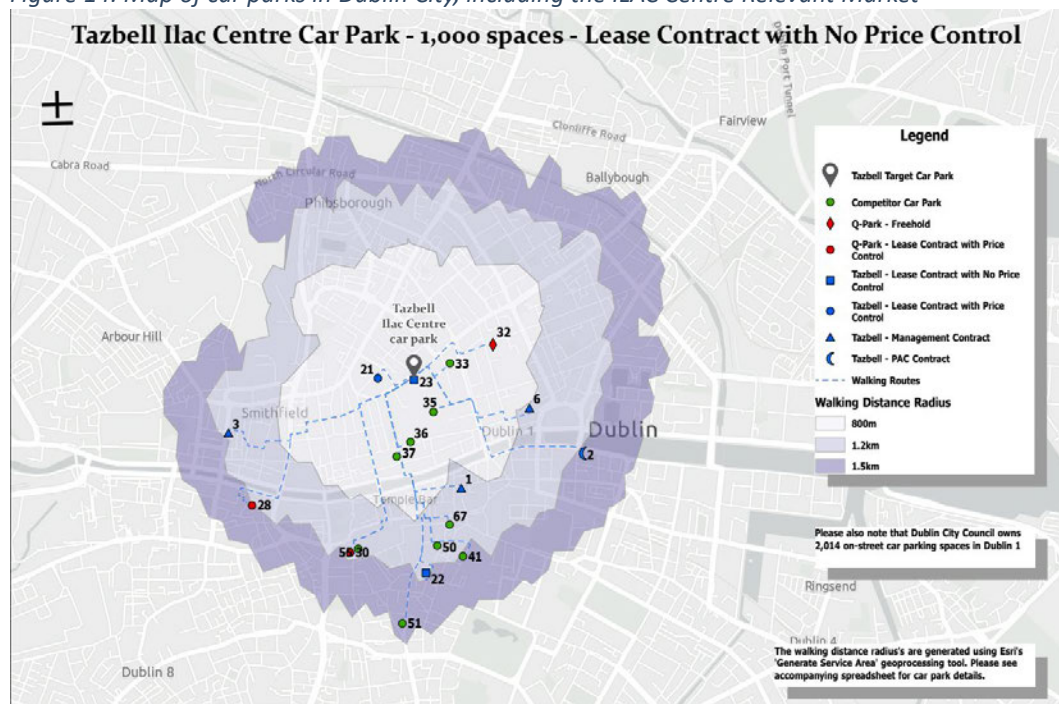
The ILAC Centre Relevant Market

Introduction

6.357 The implementation of the Proposed Transaction would result in the transfer of Tazbell's interests in, and therefore the management of, the ILAC Centre car park from Tazbell to Q-Park.

6.358 The ILAC Centre Relevant Market is illustrated in Figure 14 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell ILAC Centre car park.

Figure 14: Map of car parks in Dublin City, including the ILAC Centre Relevant Market



Source: Q-Park Response to Phase 1 RFI⁷⁷⁰

6.359 Table 26 below sets out details regarding the car parks located within the ILAC Centre Relevant Market.

Table 26: Off-street car parks within 800 metre walking distance radius to ILAC Centre Car Park

Map Key	Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces
23	ILAC Centre Car Park	Tazbell		1000
33	Moore Lane	Owner Operated	243	95
21	Parnell Street	Tazbell	273	500
35	Best Car Parks Arnotts	Best Car Parks	434	350
37	APCOA Jervis Street	APCOA	504	262
36	Jervis Shopping Centre	Owner Operated	535	750
32	The Spire	Q-Park	553	567

Source Commission analysis of information provided by the Parties⁷⁷¹

Market Structure

800-metre walking distance catchment

6.360 The Commission assessed the market structure and market concentration in the ILAC Centre Relevant Market based on the number of paid off-street car parking spaces provided. This is set out in Table 27 below.

Table 27: Market shares in the provision of paid off-street car parking spaces to the public within 800 metres of Tazbell ILAC Centre car park

600 metres of Tazbell ILAC centre car park				
Operator	Car Park	No. of Spaces		Market Share
Tazbell	ILAC Centre	1,000	1,500	[40-45]
	Parnell	500		
Q-Park	The Spire	567		[15-20]

⁷⁷⁰ See response to Question 7 of Q-Park Phase 1 RFI Response.

⁷⁷¹ See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", see response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

Combined share of the Parties		2,067	[55-65]
Owner Operated	Jervis Shopping Centre	750	[20-25]
Best Car Parks	Arnotts	350	[5-10]
APCOA	Jervis Street	262	[5-10]
Owner Operated	Moore Lane	95	[0-5]
Total		3,524	100.00

Source: Commission analysis of evidence provide in Q-Park Response to Phase 1 RFI⁷⁷²

6.361 Tazbell is the largest supplier, with a share of approximately [40-45]% resulting from its two car parks. Jervis Shopping Centre is the second largest supplier in the market, with an approximate [20-25]% market share and operating one car park. Q-Park is currently the third largest supplier with an approximate market share of [15-20]%, and operates one car park. The other three suppliers, *Best Car Parks* ([5-10]%), *APCOA* ([5-10]%) and *Moore Lane* ([0-5]%) each have market shares below [0-10]%.

6.362 As shown in Table 27 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [55-65]%. This is a substantial margin over the next largest firm which is Jervis Shopping Centre.

Including on-street car parking

6.363 As discussed in Section 3, the Commission has primarily assessed the Proposed Transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered the market for all car parking.

Table 28: Market shares in the provision of paid car parking spaces to the public within 800 metres of Tazbell ILAC Centre car park, including on-street

of Tazbell ILAC Centre car park, including on street				
Operator	Car Park	No. of Spaces		Market Share
Tazbell	ILAC Centre	1,000	1,500	[20-25]
	Parnell	500		
Q-Park	The Spire	567		[5-10]

⁷⁷² See response to Question 7 of Q-Park Phase 1 RFI Response.

Combined share of the Parties		2,067	[25-35]
Owner Operated	Jervis Shopping Centre	750	[10-15]
Best Car Parks	Arnotts	350	[5-10]
APCOA	Jervis Street	262	[0-5]
Owner Operated	Moore Lane	95	[0-5]
DCC	On-street car parking	3,000 ⁷⁷³	[45-50]
Total		6,524	100.00

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁷⁷⁴

6.364 DCC is the largest supplier, with a share of approximately [45-50]% resulting from its on-street car parking within 800 metres of the Tazbell ILAC Centre car park. Tazbell is the second largest supplier with an approximate [20-25]% market share and operating 2 car parks. Q-Park is currently the third largest supplier with an approximate market share of [5-10]%, and operates 1 car park.

6.365 As shown in Table 28 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [25-35]%. This would make it the second largest supplier, with DCC remaining the largest supplier.

400-metre walking distance catchment

6.366 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around ILAC Centre car park. Closeness of competition is also considered in more detail in Section 5.

⁷⁷³ The Commission was unable to identify or create a precise, validated estimate of the number of on-street parking spaces in each catchment area in the Dublin Relevant Markets. In the absence of this, the number of on-street parking spaces within 800 metres of the ILAC Centre car park was calculated using Commission analysis of the Smart Dublin dataset linked here: <https://data.smartdublin.ie/dataset/58969481-417e-4f5a-b8ea-18b56419d0ed/resource/5ad94dfe-5e53-4b33-ace8-a612225873dc/download/parking-meter-locations-2021.geojson>, and the catchment areas were identified utilising the Irish Grid Reference Finder ([Irish Grid Reference Finder](#)).

It is necessary to note that this is a rough estimate of the number of on-street spaces, but that the Commission considers that this represents an appropriate approximation for these purposes, and that its conclusions are highly unlikely to materially change with alternative estimates.

⁷⁷⁴ See response to Question 7 of Q-Park Phase 1 RFI Response.

6.367 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell ILAC Centre car park and any Q-Park off-street car park, since the nearest Q-Park off-street car park (the Spire car park) is located approximately 520 metre walking distance from the Tazbell ILAC Centre car park.

Market Concentration

6.368 The Commission calculated HHIs and HHI deltas based on the market share estimates for the ILAC Centre Relevant Market above. As there would be no overlap under a geographic catchment of a 400-metre catchment, the Commission has not calculated a HHI on this basis.

Table 29: The HHI in the ILAC Centre Relevant Market, no. of spaces

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	2,685	2,898
Post-Proposed Transaction	4,055	3,298
HHI delta	1,370	400

Source: Commission analysis of evidence provided by the Parties

6.369 Based on the HHI calculations set out in Table 29 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

- (a) for the 800-metre catchment (excluding on-street parking), the HHI following implementation of the Proposed Transaction would be 4,055. The HHI delta (1,370) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 3,298. The HHI delta (400) is higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.

6.370 The Commission's view, therefore, is that, in line with the Merger Guidelines,⁷⁷⁵ the level of concentration indicates that the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the ILAC Centre Relevant Market.

Consideration of a wider catchment

6.371 While the Commission considers there is no evidence indicating that the geographic catchment should be this wide, the Commission has considered extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

6.372 The medium-shaded middle 'ring' illustrated above encloses the geographic area covered by this extended radius.

6.373 As can be seen above, the following off-street car parks would be included in this broader catchment in addition to those identified above:

- Irish Life Centre Car Park (Tazbell);
- Fleet Street Car Park (Tazbell);
- Trinity Street Car Park (APCOA); and,
- Drury Street (Underground) (Croftville Property Company Ltd).

6.374 The market structure under this enlarged catchment is similar to that under the relevant geographic market of 800m identified by the Commission. Following implementation of the Proposed Transaction, Q-Park would have a share of around [60-65]%, making it the largest competitor in the market. The Commission therefore considers that the likely impact of the Proposed Transaction in this Relevant Market is unaffected by increasing the catchment area to 1.2km.

Closeness of competition

Characteristics of the off-street car parking sites, including location, size, pricing and facilities

⁷⁷⁵ Commission's Merger Guidelines, paragraphs. 3.9-3.12.

6.375 Table 30 below sets out characteristics of the off-street car parks located within the ILAC Centre Relevant Market including: (i) the distances from the target car park; (ii) the number of spaces for all of the Parties' and Third Parties' car parks within an 800m walking distance radius of the Tazbell ILAC Centre car park; the (iii) the hourly price for each car park; and, (iv) the opening hours of each car park.

Table 30: Competitor car parks within 800m walking distance radius of Tazbell ILAC Centre car park

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour ⁷⁷⁶	Opening Hours
ILAC Centre Car Park	Tazbell		1000	€3.60	Monday to Saturday 07:00 – 21:00 Sunday 10:00 – 22:00
Moore Lane	Owner Operated	243	95	€3.00	24/7
Parnell Street	Tazbell	273	500	€3.80	24/7
Arnotts	Best Car Parks	434	350	€3.00	Monday to Wednesday, Friday to Saturday 07:30 – 20:00 Thursday 07:30 – 21:00 Sunday 09:00 – 20:00
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Jervis Shopping Centre	Owner Operated	535	750	€3.00	Monday to Wednesday,

⁷⁷⁶ As of 1 May 2023 per Parkopedia. Available at: <https://www.parkopedia.com/>

					Friday 07:00 – 21:00 Thursday 7:00 – 22:00 Saturday 07:30 – 21:00 Sunday 09:30 – 20:00
The Spire	Q-Park	553	567	€3.60	24/7

Source: Commission analysis of information provided by the Parties and Third Parties⁷⁷⁷

6.376 In terms of proximity, the Commission notes that the nearest competitor car park to Tazbell ILAC Centre car park is Moore Lane. This is also the smallest car park within the 800m radius, with 95 spaces. The Q-Park Spire car park is the furthest of those within 800m and the second largest, with 567 spaces. The Jervis Shopping Centre is closer to Tazbell ILAC Centre and is larger than the Q-Park Spire car park. The Commission has seen no evidence to suggest that there are other geographic factors which limit the extent to which the two car parks compete with one another. The Commission therefore considers that, on the basis of location and capacity, Q-Park likely exerts a limited competitive constraint on the Tazbell ILAC Centre car park.

6.377 In terms of price, the Commission observes that the price levels in Moore Lane (€3.00 per hour), Jervis Shopping Centre (€3.00 per hour), and *Best Car Parks* Arnotts car park (€3.00 per hour) are significantly different to the price levels in the Tazbell ILAC Centre car park, which suggests those car parks may not be close competitors to the Tazbell car park. The price levels of the remaining three car parks are all within 10% of Tazbell ILAC Centre car park, though only one of these car parks is operated by a third party () and one operated by Q-Park (Q-Park The Spire car park).

6.378 In terms of opening hours, Tazbell ILAC Centre car park is not 24/7, but is open from 07:00 to 21:00 Monday-Saturday and 10:00 to 22:00 on Sundays. All off-

⁷⁷⁷ See Q-Park document titled “26. Car Parks Data Sheet (with general market share analysis).xlsx”, see response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31. Parkopedia use for opening hours.

street car parks in the ILAC Centre Relevant Market are open 24/7, or have comparable opening hours to Tazbell ILAC Centre car park.

Customer views

6.379 Of the 103 ILAC Centre customers who answered survey Question 8 regarding alternative options, 62% of them said they would park in another off-street car park, as opposed to an alternative such as use on-street parking or take public transport.⁷⁷⁸ These customers were then asked a follow-up question:

“Which car park would you use?”

6.380 This was first asked as an open-ended question—customers were given the opportunity to name a car park without prompts—and if they did not know, customers were shown a map of possible choices of car park.

6.381 Table 31 contains a breakdown of which car park the 62% of customers who said they would use another off-street car park, selected.

Table 31: Car park selected in response to Q.9 of survey by ILAC Centre customers, 64 customers.

Car Park	Operator	Percentage of Customers
ILAC Centre	Tazbell	
Jervis Shopping Centre	Owner Operated	38%
Parnell Street	Tazbell	23%
Best Car Parks Arnotts	Best Car Parks	19%
St. Stephen’s Green	Q-Park	5%
The Spire	Q-Park	3%
Drury Street	Tazbell	3%
APCOA Jervis Street	APCOA	2%
Brown Thomas	Stanberry Investments Ltd	2%
Moore Lane	Owner Operated	2%
Don’t Know		3%

⁷⁷⁸ The Commission acknowledged the small sample size and, consequently, does not place undue weight on the survey result in coming to its overall conclusions.

Source: Commission analysis of survey data

6.382 Of those customers who said they would park in another off-street car park, 38% of them said they would use Jervis Shopping Centre Car Park. This is followed by Tazbell Parnell Street (23%) and *Best Car Parks* Arnotts (19%). Only 5% of respondents said Q-Park St. Stephen's Green and 3% said Q-Park's The Spire. It is also worth noting that 3% of the sample said they did not know where they would park, so if those respondents are excluded, 8% selected a Q-Park car park. This may indicate that those two third party car parks exert stronger competitive constraints on Tazbell ILAC Centre, than Q-Park car parks, though the Commission acknowledges the small sample of respondents.

Monitoring of competitors

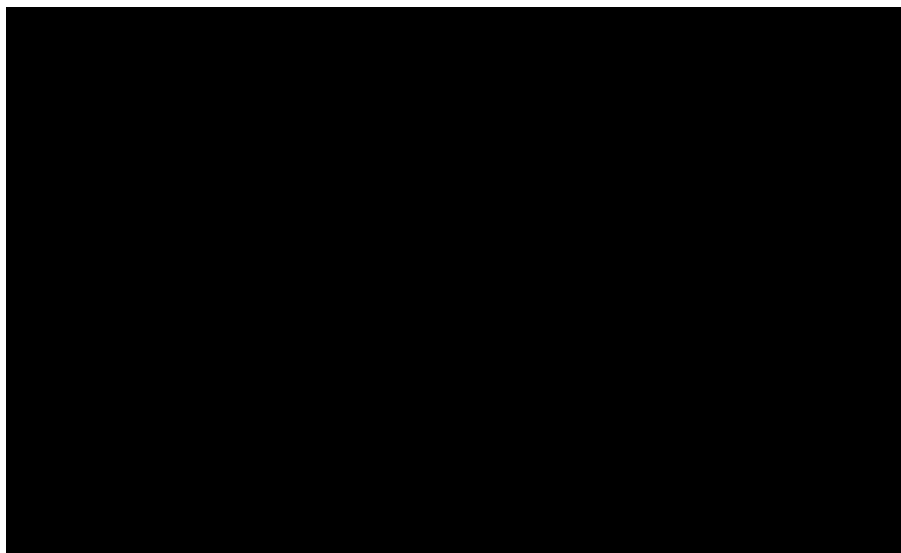
6.383 A Tazbell email with subject line "[REDACTED]", between Tazbell and [REDACTED] dated 18 May 2017, stated the following :

"[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"

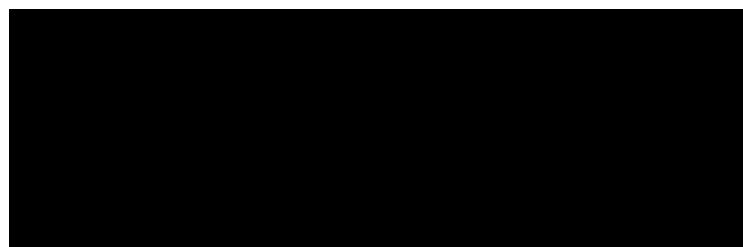
6.384 In the above document, Tazbell is [REDACTED]
[REDACTED]. However, Tazbell [REDACTED]
[REDACTED]
[REDACTED].

⁷⁷⁹ [REDACTED] car park is used to describe [REDACTED] This car park is also referred to as the [REDACTED] car park or "[REDACTED]" car park

6.385 In Tazbell’s internal document entitled “[REDACTED]”, in an email from Tazbell to [REDACTED] dated 13 February 2020 [REDACTED], the following table is listed:



6.386 In Tazbell’s internal document entitled “[REDACTED]”, an email from Tazbell to [REDACTED] dated 23 January 2018, the following table is listed as “[REDACTED]” when [REDACTED]:



6.387 The Commission considers the above documents informative, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

Summary of market structure, concentration, and closeness of competition in the ILAC Centre Relevant Market

6.388 In assessing the theory of harm that the loss of a close competitor in a highly concentrated market will likely result in an increase in prices, the Commission has assessed a number of issues. These include the high levels of concentration in the ILAC Centre Relevant Market; the set of competitors which would be expected to

compete most vigorously as they are located within a 400-metre walking distance catchment; and, the closeness of competition between the Parties based on characteristics of the off-street car parking sites (including location, size, pricing, facilities, and opening hours), customer views, and monitoring of competitors by the Parties. The Commission has set out its assessment of the evidence and information available to it which is summarised here.

6.389 Following the implementation of the Proposed Transaction, Q-Park would have a market share of capacity of:

- (a) [55-65]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be Jervis Shopping Centre with a [20-25]% share;
- (b) [25-35]% of capacity in the 800-metre walking distance catchment, including on-street parking. The largest competitor would be DCC with a [45-50]% share; and

6.390 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell ILAC Centre car park and any Q-Park off-street car park.

6.391 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration.

6.392 Internal documents provided to the Commission suggest that Tazbell [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.393 All five third party competitor car parks in the ILAC Centre Relevant Market are located closer to the Tazbell ILAC Centre car park than Q-Park's The Spire car park, suggesting they may exert greater competitive constraints on Tazbell ILAC Centre car park.

- 6.394 Of those surveyed customers who said they would park in another off-street car park in the event of the Tazbell ILAC Centre being closed, only 8% of them said they would use Q-Park car parks (5% in St Stephens Green and 3% in The Spire).
- 6.395 Of the competitor car parks in the ILAC Centre Relevant Market with similar price levels to the Tazbell ILAC Centre car park, one of them (accounting for 567 spaces) is operated by Q-Park, with one (accounting for 262 spaces) operated by a third party. Therefore, of those similarly priced competitor car parks to the Tazbell ILAC Centre car park, over two-thirds of their capacity ([65-70]%) of them would become part of the merged entity upon implementation of the Proposed Transaction.
- 6.396 All competitor car parks in the ILAC Centre Relevant Market have similar or more extensive opening hours to the Tazbell ILAC Centre car park.

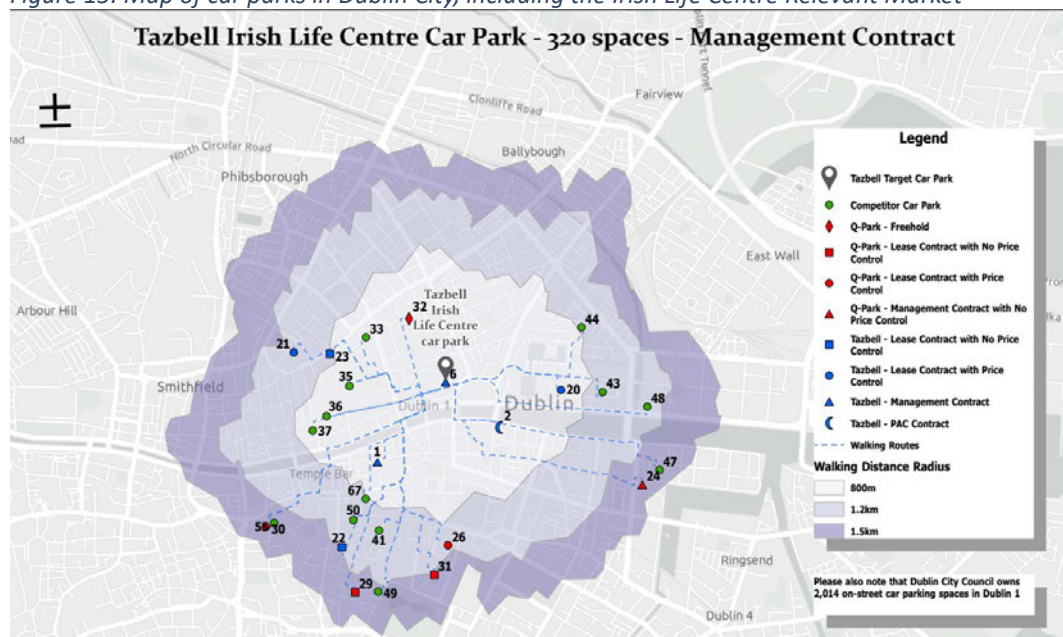
The Irish Life Centre Relevant Market

Introduction

- 6.397 The implementation of the Proposed Transaction would result in the transfer of Tazbell's interests⁷⁸⁰ in, and therefore the management of, the Irish Life Centre car park from Tazbell to Q-Park.
- 6.398 The Irish Life Centre Relevant Market is illustrated below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Irish Life Centre car park.

⁷⁸⁰ See paragraph 6.5 above.

Figure 15: Map of car parks in Dublin City, including the Irish Life Centre Relevant Market



Source : Q-Park Phase 1 RFI Response, Question 7

6.399 Table 32 below sets out details regarding the competitors located within the Irish Life Centre Relevant Market.

Table 32: Off-street car parks within 800 metre walking distance radius of the Irish Life Centre car park

Map Key	Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces
6	Irish Life Centre	Tazbell		■
2	City Quay	Tazbell	492	■
32	The Spire	Q-Park	597	567
35	Best Car Parks Arnotts	Best Car Parks	647	350
36	Jervis Shopping Centre	Owner Operated	655	750
1	Fleet Street	Tazbell	683	393
33	Moore Lane	Owner Operated	710	95
20	IFSC	Tazbell	714	370
37	APCOA Jervis Street	APCOA	767	262

Source: Commission analysis based on information provided by the Parties

Market Structure

800-metre walking distance catchment

6.400 On 9 May 2023, Tazbell provided the Commission with information of:

- [REDACTED]
[REDACTED] 781
- That “[REDACTED]
[REDACTED] in March 2023, [REDACTED] [REDACTED].
782
- In the information submitted, it is explained in an email dated 8 May 2023
from [REDACTED] to [REDACTED], that “[REDACTED]
[REDACTED]
[REDACTED] 783

6.401 The Commission considers that, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 784

6.402 The Commission considers that, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁷⁸¹ Tazbell 9 May 2023 submission to the Commission, email from [REDACTED] to [REDACTED] dated 8 May 2023.

⁷⁸² Tazbell 9 May 2023 submission to the Commission, email from [REDACTED] to [REDACTED] dated 8 May 2023.

⁷⁸³ Tazbell 9 May 2023 submission to the Commission, email from [REDACTED] to [REDACTED] dated 8 May 2023.

⁷⁸⁴ Tazbell asserts, in the Tazbell Written Response (paragraph 451), that [REDACTED]
[REDACTED]. The Commission has not verified this as it does not affect the Commission’s conclusion that the
Proposed Transaction will not lead to an SLC in the Irish Life Centre Relevant Market.

⁷⁸⁵ Tazbell 9 May 2023 submission to the Commission, email from [REDACTED] to [REDACTED] dated 31 March
2023.

6.403 Therefore, the Commission has assessed the market structure in the Irish Life Centre Relevant Market on the basis of Tazbell Irish Life Centre car park's existing capacity.

6.404 The Commission has assessed the market structure and market concentration in the Irish Life Centre Relevant Market based on the number of paid off-street car parking spaces provided. This is set out in Table 33 below.⁷⁸⁶

Table 33: Market shares in the provision of paid off-street car parking spaces to the public within 800 metres of Tazbell Irish Life Centre car park

500 metres of Tazbell Irish Life Centre car park

Operator	Car Park	No. of Spaces		Share (%)
Tazbell	Irish Life Centre	█	█	[35-40]
	City Quay	█		
	Fleet Street	393		
	IFSC	370		
Q-Park	The Spire	567		[15-20]
Combined Share of the Parties		█		[50-60]
Best Car Parks	Arnotts	350		[10-15]
	Jervis Shopping Centre	750		[20-25]
APCOA	Jervis Street	262		[5-10]
Owner Operated	Moore Lane	95		[0-5]
Total		█		100*

Source: Commission analysis of evidence provide in Q-Park Response to Phase 1 RFI⁷⁸⁷

⁷⁸⁶ Tazbell argue that for the Irish Life Centre Relevant Market, the Commission has excluded the National College of Ireland car park and Connolly Station car park. However, the Commission's assessment of this on Google Maps shows that the Connolly Station car park is 1km walking distance from the Irish Life Centre car park and the National College of Ireland car park is 1.1km walking distance away. In addition, the Commission notes that in the Parties' Phase 1 RFI Response, they list the National College of Ireland car park as being a 979metres walking distance from the Irish Life Centre car park, and the Connolly Station car park as 978metres away.

⁷⁸⁷ See response to Question 7 of Q-Park Phase 1 RFI Response.

6.405 Tazbell is the largest supplier, with a share of approximately [35-40]% resulting from its two car parks. Jervis Shopping Centre is the second largest supplier within the 800-metre radius of the Tazbell Irish Life Centre car park, with an approximate [20-25]% market share and also operating one car park. Q-Park is currently the third largest supplier with an approximate market share of [15-20]% and operates one car park. The other three suppliers are *Best Car Parks* ([10-15]%), *APCOA* ([5-10]%) and *Moore Lane* ([0-5]%)

6.406 As shown above, following the implementation of the Proposed Transaction Q-Park would have an approximate market share of [50-60]%. This is a substantial margin over the next largest firm which is Jervis Shopping Centre.

Including on-street car parking

6.407 As discussed in Section 3, the Commission has primarily assessed the Proposed Transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered the market for all car parking.

Table 34: Market shares in the provision of paid off car parking spaces to the public within 800 metres of Tazbell Irish Life Centre car park, including on-street

Operator	Car Park	No. of Spaces		Share (%)
Tazbell	Irish Life Centre	■	■	[20-25]
	City Quay	■		
	Fleet Street	393		
	IFSC	370		
Q-Park	The Spire	567		[10-15]
Combined Share of the Parties		■		[30-40]
Best Car Parks	Arnotts	350		[5-10]
	Jervis Shopping Centre	750		10-15]
APCOA	Jervis Street	262		[0-5]

Owner Operated	Moore Lane	95	[0-5]
DCC	On-street car parking	2,000 ⁷⁸⁸	[35-40]
Total		2,095	100*

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁷⁸⁹

6.408 DCC is the largest supplier, with a share of approximately [35-40]% resulting from its on-street car parking within 800m of the Tazbell Irish Life Centre car park. Tazbell is the second largest supplier with an approximate [20-25]% market share and operating 2 car parks. Jervis Shopping Centre is currently the third largest supplier with an approximate market share of [10-15]% and operates 1 car park.

6.409 As shown in Table 34 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [30-40]%. This would make it the second largest supplier, with DCC remaining the largest supplier.

400-metre walking distance catchment

6.410 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around the Tazbell Irish Life Centre car park.

6.411 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Irish Life Centre car park and any Q-Park off-street car park, since the nearest Q-Park off-street car park (The Spire car park) is located approximately 683 metre walking distance from the Tazbell Irish Life Centre car park.

⁷⁸⁸ The Commission was unable to identify or create a precise, validated estimate of the number of on-street parking spaces in each catchment area in the Dublin Relevant Markets. In the absence of this, the number of on-street parking spaces within 800 metres of the ILAC Centre car park was calculated using Commission analysis of the Smart Dublin dataset linked here: <https://data.smartdublin.ie/dataset/58969481-417e-4f5a-b8ea-18b56419d0ed/resource/5ad94dfe-5e53-4b33-ace8-a612225873dc/download/parking-meter-locations-2021.geojson>, and the catchment areas were identified utilising the Irish Grid Reference Finder ([Irish Grid Reference Finder](#)).

It is necessary to note that this is a rough estimate of the number of on-street spaces, but that the Commission considers that this represents an appropriate approximation for these purposes, and that its conclusions are highly unlikely to materially change with alternative estimates.

⁷⁸⁹ See response to Question 7 of Q-Park Phase 1 RFI Response.

Market concentration

6.412 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Irish Life Centre Relevant Market above. As there would be no overlap under a geographic catchment of a 400-metre catchment, the Commission has not calculated a HHI on this basis.

Table 35: The HHI in the Irish Life Centre Relevant Market, no. of spaces

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	2,391	2,393
Post-Proposed Transaction	3,687	2,881
HHI delta	1,295	488

Source: Commission analysis of evidence provided by the Parties

6.413 Based on the HHI calculations set out in Table 35 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

- (a) For the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 3,687. The HHI delta (1,295) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) Including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 2,881. The HHI delta (488) is higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.

6.414 The Commission's view therefore, is that, in line with the Merger Guidelines,⁷⁹⁰ the level of concentration indicates that the Commission should intensify its

⁷⁹⁰ Commission's Merger Guidelines, paragraphs 3.9-3.12.

analysis of the competitive effects of the Proposed Transaction in the Irish Life Centre Relevant Market.

Consideration of a wider geographic catchment

6.415 While the Commission considers there is no evidence indicating that the geographic catchment should be this wide, the Commission has considered extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

6.416 The medium-shaded middle ‘ring’ illustrated above encloses the geographic area covered by this extended radius.

6.417 As can be seen above, the following off-street car parks would be included in this broader catchment in addition to those identified in above:

- ILAC Centre Car Park (Tazbell);
- [REDACTED]
- [REDACTED]
- NCI Car Park;
- Drury Street (Underground) (Croftville Property Company Ltd);
- Brown Thomas Car park (Stanberry Investments Ltd);
- Parnell Car Park (Tazbell); and
- Convention Centre Car Park (*Euro Car Parks*).

6.418 In this enlarged catchment, Tazbell remains the largest firm in the market, pre-Transaction, with a share of [40-45]%. Following implementation of the Proposed Transaction, Q-Park would have a share of [50-60]%, making it the largest competitor in the market, by a substantial margin over the next largest firm which is the Jervis Street Shopping Centre car park. The Commission therefore considers that the likely impact of the Proposed Transaction in this Relevant Market is unaffected by increasing the catchment area to 1.2km.

Consideration of proposed reduction in capacity at Tazbell Irish Life Centre car park

6.419 Tazbell provided the Commission with [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.420 However, the Commission has considered the impact of this on market structure. In this [REDACTED] Tazbell remains the largest firm in the market, pre-Proposed Transaction, with a share of [30-35]%. Following implementation of the Proposed Transaction, Q-Park would have a share of [45-50]%, making it [REDACTED]
[REDACTED]
[REDACTED]

6.421 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration.

6.422 The Commission considers that this [REDACTED] would not, by itself, change the Commission's conclusions in relation to market structure or market concentration.

Closeness of competition

Characteristics of the off-street car parking sites, including location, size, pricing and facilities

6.423 Table 36 below sets out characteristics of the off-street car parks located within the Irish Life Centre Relevant Market including (i) the distances from the target car park, (ii) the number of spaces for all of the Parties' and third parties' car parks within an 800m walking distance radius of the Tazbell Irish Life Centre car park, the (iii) the hourly price for each car park, and (iv) the opening hours of each car park.

Table 36: Car parks within 800m walking distance radius of Tazbell Irish Life Centre Car park:

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour ⁷⁹¹	Opening Hours ⁷⁹²
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⁷⁹¹ As of 1 May 2023 per Parkopedia. Available at: <https://www.parkopedia.com/>

⁷⁹² Parkopedia.

Irish Life Centre	Tazbell		■	€3.60	Monday to Friday – 06:30 – 23:00 Saturday 08:00 – 23:00 Sunday 10:00 – 21:00
City Quay	Tazbell	492	■	€4.00	Monday to Friday 07:00 – 20:00 Saturday 08:00 - 20:00
The Spire	Q-Park	597	567	€3.60	24/7
Best Car Parks Arnotts	<i>Best Car Parks</i>	647	350	€3.00	Monday to Wednesday, Friday to Saturday 07:30 – 20:00 Thursday 07:30 – 21:00 Sunday 09:00 – 20:00
Jervis Shopping Centre	Owner Operated	655	750	€3.00	Monday to Wednesday, Friday 07:00 – 21:00 Thursday 07:00 – 22:00 Saturday 07:30 – 21:00 Sunday 09:30 - 20:00
Fleet Street	Tazbell	683	393	€4.20	Monday to Wednesday 06:00 – 00:00 Thursday to Sunday 06:00 – 01:00
Moore Lane	Owner Operated	710	95	€3.00	24/7 ⁷⁹³
IFSC	Tazbell	714	370	€4.20	Monday to Friday 06:30 – 00:00

⁷⁹³ Available at: <https://www.parkme.com/lot/204977/moore-lane-car-park-dublin-ireland>.

					Saturday 08:00 – 00:00 Sunday 09:00 – 00:00
APCOA Jervis Street	APCOA	767	262	€3.40	Monday to Saturday 06:00 – 01:00 Sunday 08:00 – 01:00

Source: Commission analysis

6.424 In terms of proximity, the Commission notes that the nearest competitor car park to Tazbell Irish Life Centre car park is Q-Park's The Spire car park. This is the second-largest car park, with 567 spaces. The *Best Car Parks* Arnotts car park and Jervis Shopping Centre car park are the largest and third-largest car parks, respectively. These car parks are marginally further away from Tazbell Irish Life Centre car park than Q-Park's The Spire car park.

6.425 In terms of price, the Commission observes that the price levels in *Best Car Parks* Arnotts car park (€3 per hour), Jervis Shopping Centre car park (€3.00 per hour), Moore Lane car park (€3.00 per hour), Tazbell Fleet Street car park (€4.20 per hour), Tazbell IFSC car park (€4.20 per hour), are significantly different to the price levels in Tazbell Irish Life Centre car park, which suggests those car parks may not be close competitors to the target car park. The price levels of the remaining three car parks are all within 10% of Tazbell Irish Life Centre car park, though only one of these car parks is operated by a third party (), and one is operated by Q-Park (Q-Park The Spire car park).

6.426 In terms of opening hours, Tazbell Irish Life Centre car park is not 24/7, but is open from 06:30 to 23:00 Monday-Friday, 08:00 to 23:00 on Saturdays, and 10:00 to 21:00 on Sundays. A number of off-street car parks in the Irish Life Centre Relevant Market are open 24/7, and a number of others have comparable hours to Tazbell Irish Life Centre car park. The exceptions are Tazbell City Quay car park, *Best Car Parks* Arnotts car park and Jervis Shopping Centre car park. The Commission considers that this suggests that, for at least some potential customers, these car parks may not be close competitors to the target car park, in terms of available opening hours. Of the five car parks that are open 24/7 or have comparable

opening hours to Tazbell Irish Life Centre car park, one of them is operated by Q-Park (Q-Park The Spire car park) with two operated by third parties (Moore Lane car park, and [REDACTED]).

Customer views

6.427 Of the 100 Irish Life Centre customers who answered survey Question 8 regarding alternative options, 61% of them said they would park in another off-street car park, as opposed to an alternative such as use on-street parking or take public transport.⁷⁹⁴ These customers were then asked a follow-up question:

“Which car park would you use?”

6.428 This was first asked as an open-ended question—customers were given the opportunity to name a car park without prompts—and if they did not know, customers were shown a map of possible choices of car park.

6.429 Table 37 contains a breakdown of which car park the 61% of customers who said they would use another off-street car park selected.

Table 37: Car park selected in response to Q.9 of survey by Irish Life Centre Customers, 61 customers.

Car Park	Operator	Percentage of Customers
Irish Life Centre	Tazbell	
Best Car Parks Arnotts	Best Car Parks	21%
The Spire	Q-Park	13%
ILAC Centre	Tazbell	11%
City Quay	Tazbell	10%
Jervis Shopping Centre	Owner Operated	8%
Parnell Street	Tazbell	7%
APCOA Jervis Street	APCOA	5%
St. Stephen’s Green	Q-Park	3%

⁷⁹⁴ The Commission acknowledges the small sample size and, consequently, does not place undue weight on the survey result in coming to its overall conclusions.

Moore Lane	Owner Operated	3%
APCOA Connolly Station	APCOA	3%
Fleet Street	Tazbell	2%
Brown Thomas	Stanberry Investments Ltd	2%
IFSC	Tazbell	2%
The Convention Centre Dublin	Euro Car Parks	2%
Don't Know		5%

Source: Consumer Survey

6.430 Of those customers who said they would park in another off-street car park, 21% of them said they would use *Best Car Parks* Arnotts. This is higher than the next most popular car park: Q-Park's The Spire (13%). 3% of respondents said Q-Park St. Stephen's Green. It is also worth noting that 5% of the sample said they did not know where they would park, so if those respondents are excluded, 17% selected a Q-Park car park. This may indicate that *Best Car Parks* Arnotts exerts a stronger competitive constraint on Tazbell Irish Life Centre, than Q-Park's car parks, though the Commission acknowledges the small sample of respondents.

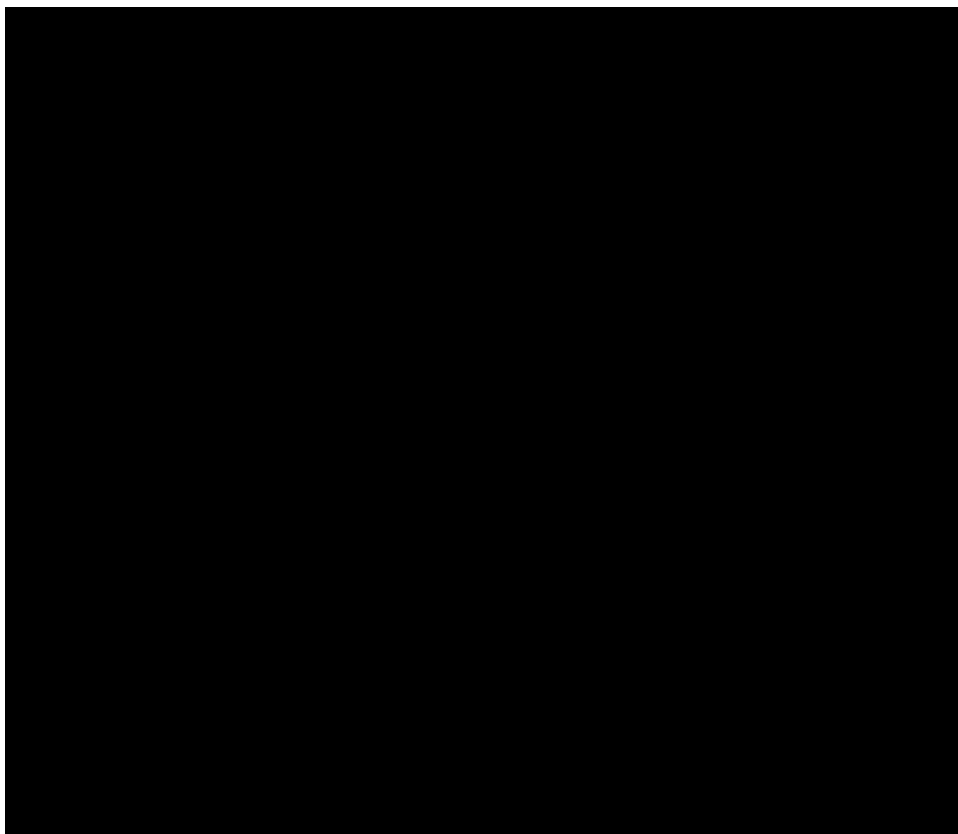
Monitoring of competitors

6.431 In Tazbell's internal document "[REDACTED]"⁷⁹⁵, an email dated 4 January 2018 from Tazbell to the [REDACTED] Car Park Owner notes the following:

6.432 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁷⁹⁵ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

6.433 In Tazbell's internal document "[REDACTED]"⁷⁹⁶, an email dated 14 June 2019 from Tazbell to the [REDACTED] Car Park Owner lists the following table, after noting a tariff increase should be implemented at the same time as [REDACTED] tariff increase:



6.434 A similar table is included in Tazbell's internal document "[REDACTED]"⁷⁹⁷ in an email dated 9 March 2022 from Tazbell to the [REDACTED] Car Park Owner.

6.435 In Tazbell's internal document [REDACTED]"⁷⁹⁸, in an email dated 10 November 2017 from Tazbell to the [REDACTED] Car Park Owner, the following is stated in regard to one of the three key revenue focuses for the [REDACTED] car park:

[REDACTED]

[REDACTED]"⁷⁹⁹ The Commission considers this informative, as it illustrates Tazbell attempting to steer customers towards the [REDACTED] car park and

⁷⁹⁶ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁷⁹⁷ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁷⁹⁸ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁷⁹⁹ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

away from other car parks, specifically naming Q-Park's [REDACTED], as one of its "[REDACTED]".

6.436 In Tazbell's internal document "[REDACTED]"⁸⁰⁰, in email correspondence between Tazbell staff, the following is noted in an email dated 30 December 2015:

"[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]."

6.437 In a later email in the above internal document, [REDACTED] states, in an email dated 31 December 2015, in regards to [REDACTED] [REDACTED] that the [REDACTED] would "[REDACTED]
[REDACTED]
[REDACTED]."

6.438 The Commission considers the above email correspondence informative to note, as it illustrates Tazbell noting the [REDACTED] in Q-Park's [REDACTED] car park, while also quoting to the [REDACTED] Car Park Owner the [REDACTED] in Tazbell's [REDACTED] car park, stating that [REDACTED]
[REDACTED].

6.439 The Commission considers that these internal documents demonstrate Q-Park's [REDACTED] car park as imposing a competitive constraint on Tazbell's [REDACTED] car park. Following the Proposed Transaction, Tazbell's [REDACTED] car park will come under the control of Q-Park, thus eliminating a competitor for Q-Park in the [REDACTED] Centre Relevant Market.

Summary of market structure, concentration, and closeness of competition in the Irish Life Centre Relevant Market

6.440 In assessing the theory of harm that the loss of a close competitor in a highly concentrated market will likely result in an increase in prices, the Commission has set out a number of concerns. These include concerns that arise with high levels

⁸⁰⁰ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

of concentration in the Irish Life Centre Relevant Market, and the resultant reduced ability of customers to switch between off-street car parks; the set of competitors which would be expected to compete most vigorously as they are located within a 400-metre walking distance catchment, and; the closeness of competition between the Parties based on characteristics of the off-street car parking sites (including location, size, pricing, facilities, and opening hours), customer views, and monitoring of competitors by the Parties. The Commission has set out its assessment of the evidence and information available to it which is summarised here.

6.441 Following the implementation of the Proposed Transaction, Q-Park would have a market share of capacity of:

- (a) [50-60]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be Jervis Shopping Centre with a [20-25]% share; and,
- (b) [30-40]% of capacity in the 800-metre walking distance catchment, including on-street parking. The largest competitor would be DCC with a [35-40]% share.

6.442 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Irish Life Centre car park and any Q-Park off-street car park.

6.443 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration.

6.444 Internal documents provided to the Commission suggest that Tazbell [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.445 A number of competitor car parks to the Irish Life Centre car park are located roughly the same distance from the Irish Life Centre car park. These are Q-Park's

The Spire car park (597 metres, second-largest competitor), *Best Car Parks* Arnotts car park (647 metres, second-largest car park) and Jervis Shopping Centre car park (655 metres, largest car park). There are no third-party competitor car parks in the Irish Life Centre Relevant Market which are located closer to Tazbell's Irish Life Centre car park than Q-Park's The Spire car park.

- 6.446 Of those surveyed customers who said they would park in another off-street car park in the event of Tazbell Irish Life Centre car park being closed, only 16% of them said they would use Q-Park car parks (13% in Q-Park The Spire and 3% in Q-Park St Stephen's Green car parks). One car park, *Best Car Parks* Arnotts car park, had a higher diversion ratio, at 21%.
- 6.447 Of the competitor car parks in the Irish Life Centre Relevant Market with similar price levels to Tazbell Irish Life Centre car park, one of them (accounting for [REDACTED] spaces) is operated by Q-Park, with one (accounting for 262 spaces) operated by a third party. Therefore, of those similarly priced competitor car parks to Tazbell Irish Life Centre car park, over two-thirds of their capacity ([65-70]%) would become part of the merged entity upon implementation of the Proposed Transaction.
- 6.448 Of the competitor car parks in the Irish Life Centre Relevant Market with similar or more extensive opening hours to Tazbell Irish Life Centre car park, one of them (accounting for 567 spaces) is operated by Q-Park, with one (accounting for [REDACTED] spaces) operated by a third party. Therefore, of those competitor car parks with similar or more extensive opening hours to Tazbell Irish Life Centre car park, [60-65]% of their capacity would become part of the merged entity upon implementation of the Proposed Transaction.

The Smithfield Relevant Market

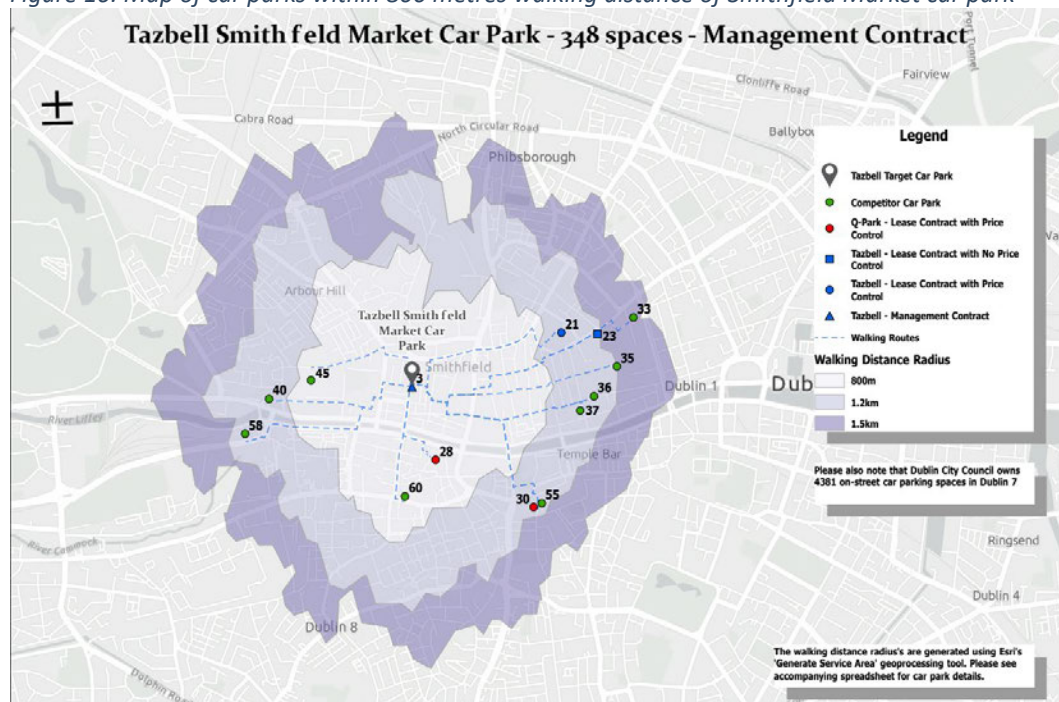
Introduction

- 6.449 The implementation of the Proposed Transaction would result in the transfer of Tazbell's interests⁸⁰¹ in, and therefore the management of Smithfield Market car park from Tazbell to Q-Park.

⁸⁰¹ See paragraph 6.5 above.

6.450 The Smithfield Relevant Market is illustrated in Figure 16 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Smithfield Market car park.

Figure 16: Map of car parks within 800 metres walking distance of Smithfield Market car park



Source : Q-Park Phase 1 RFI, Question 7

6.451 Table 38 below sets out details regarding the competitors located within the Smithfield Relevant Market.

Table 38: Off-street car parks within 800 metre walking radius of the Smithfield car park

Map Key	Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces
3	Smithfield Market Car Park	Tazbell		■
28	Four Courts	Q-Park	524	385
60	Thomas Street	Owner Operated	677	■
45	APCOA National Museum Ireland	APCOA	721	290

Source Commission analysis based on information provided by the Parties⁸⁰²

⁸⁰² See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

Market Structure

800-metre walking distance catchment

6.452 The Commission assessed the market structure and market concentration in the Smithfield Relevant Market based on the number of paid off-street car parking spaces provided. This is set out in Table 39 below.

Table 39: Market shares in the provision of paid off-street car parking spaces to the public within 800 metres of Tazbell Smithfield Market car park

Owner	Car Park	Spaces	Share (%)
Tazbell	Smithfield Market	■	[25-30]
Q-Park	Four Courts	385	[25-30]
Combined Share of the Parties		■	[50-60]
Stanberry Investments Ltd	Thomas Street Car Park	■	[15-20]
APCOA	National Museum of Ireland	290	[20-25]
Total		■	100*

Source: Commission analysis of evidence provide in Q-Park Phase RFI Response⁸⁰³

6.453 Q-Park is the largest supplier within 800m of the Tazbell Smithfield Market Car Park, with a share of approximately [25-30]% resulting from its car park. Tazbell is the second largest supplier, with an approximate [25-30]% market share and also operating one car park. APCOA is currently the third largest supplier with an approximate market share of [20-25]%, and also operates one car park. The other supplier, Thomas Street Car Park, has a market share of approximately [15-20]%.

6.454 As shown in Table 39 above, following the implementation of the Proposed Transaction Q-Park would have an approximate market share of [50-60]%. This is a substantial margin over the next largest firm which is APCOA.

Including on-street car parking

6.455 As discussed in Section 3, the Commission has primarily assessed the transaction by reference to the narrowest plausible product market, that is the market for the

⁸⁰³ See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

provision of off-street car parking. However, the Commission has also considered the market for all car parking.

Table 40: Market shares in the provision of paid off car parking spaces to the public within 800 metres of Tazbell Smithfield car park, including on-street

Owner	Car Park	Spaces	Share (%)
Tazbell	Smithfield Market	■	[5-10]
Q-Park	Four Courts	385	[5-10]
Combined Share of the Parties		■	[10-20]
Stanberry Investments Ltd	Thomas Street Car Park	■	[5-10]
APCOA	National Museum of Ireland	290	[5-10]
DCC	On-street car parking	3,000 ⁸⁰⁴	[70-75]
Total		■	100*

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁸⁰⁵

6.456 DCC is the largest supplier, with a share of approximately [70-75]% resulting from its on-street car parking within 800m of the Tazbell Smithfield car park. Q-Park is the second largest supplier with an approximate [5-10]% market share and operating 1 car park. Tazbell is currently the third largest supplier with an approximate market share of [5-10]%, and operates 1 car park.

6.457 As shown in Table 40 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [10-20]%. This would make it the second largest supplier, with DCC remaining, by far, the largest supplier.

400-metre walking distance catchment

⁸⁰⁴ The Commission was unable to identify or create a precise, validated estimate of the number of on-street parking spaces in each catchment area in the Dublin Relevant Markets. In the absence of this, the number of on-street parking spaces within 800 metres of the ILAC Centre car park was calculated using Commission analysis of the Smart Dublin dataset linked here: <https://data.smartdublin.ie/dataset/58969481-417e-4f5a-b8ea-18b56419d0ed/resource/5ad94dfe-5e53-4b33-ace8-a612225873dc/download/parking-meter-locations-2021.geojson>, and the catchment areas were identified utilising the Irish Grid Reference Finder ([Irish Grid Reference Finder](#)).

It is necessary to note that this is a rough estimate of the number of on-street spaces, but that the Commission considers that this represents an appropriate approximation for these purposes, and that its conclusions are highly unlikely to materially change with alternative estimates.

⁸⁰⁵ See response to Question 7 of Q-Park Phase 1 RFI Response.

6.458 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around the Tazbell Smithfield Market car park. Closeness of competition is also considered in more detail later in this section.

6.459 On the basis of a 400 metre walking distance catchment, there is no overlap between the Tazbell Smithfield Market car park and any Q-Park off-street car park since the nearest Q-Park off-street car park (the Four Courts car park) is located approximately 520 metre walking distance from the Tazbell Irish Life Centre car park. Indeed, there is no off-street car park within 400 metres of Tazbell Smithfield Market car park.

Market concentration

6.460 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Smithfield Relevant Market above. As there would be no overlap under a geographic catchment of a 400-metre catchment, the Commission has not calculated a HHI on this basis.

Table 41: The HHI in the Smithfield Relevant Market, no of spaces

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	2,577	5,179
Post-Proposed Transaction	4,257	5,326
HHI delta	1,680	147

Source: Commission analysis of evidence provided by the Parties ⁸⁰⁶

6.461 Based on the HHI calculations set out in Table 41 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

⁸⁰⁶ See Table 40 above.

- (a) For the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 4,257. The HHI delta (1,680) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) Including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 5,272. The HHI delta (147) is marginally below the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.

6.462 The Commission's view is therefore that, for the reason that not all of the potential markets assessed had HHI deltas below the relevant threshold set out in the Merger Guidelines,⁸⁰⁷ the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the Smithfield Relevant Market.

Consideration of a wider geographic catchment

6.463 While the Commission considers there is not evidence indicating that the geographic catchment should be this wide, the Commission has considered extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

6.464 The medium-shaded middle 'ring' illustrated in above encloses the geographic area covered by this extended radius.

6.465 As can be seen above, the following off-street car parks would be included in this broader catchment in addition to those identified above:

- Ashling Hotel Car Park (Owner operated);
- Parnell Car Park (Tazbell);
- Jervis Street Car Park (APCOA);
- Jervis Shopping Centre (Owner Operated);

⁸⁰⁷ Commission's Merger Guidelines, paras. 3.9-3.12.

- Houston Station Car Park (APCOA); and
- Werburgh Street Car Park (APCOA).

6.466 Under this enlarged geographic catchment, the Parties' market share is reduced. Following implementation of the Proposed Transaction, Q-Park would have a share of around [35-40]%, making it the largest competitor in the market, albeit with two large competitors in APCOA and Jervis Shopping Centre. This is a substantial margin over the next largest firm which is the Jervis Street Shopping Centre car park with approximately [25-30]% share. The Commission therefore considers that the likely impact of the Proposed Transaction in this Relevant Market is unaffected by increasing the catchment area to 1.2km.

Closeness of competition

Characteristics of the off-street car parking sites, including location, size, pricing and facilities


6.467 Table 42 below sets out characteristics of the off-street car parks located within the Smithfield Relevant Market including: (i) the distances from the target car park; (ii) the number of spaces for all of the Parties' and third parties' car parks within an 800m walking distance radius of the Tazbell Smithfield Market car park; (iii) the hourly price for each car park; and, (iv) the opening hours of each car park.

Table 42: Off-street car parks within 800m walking distance radius of the Tazbell Smithfield Market car park

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour ⁸⁰⁸	Opening hours ⁸⁰⁹
Smithfield Market Car Park	Tazbell			€3.60	Monday to Thursday, Sunday 07:00 – 00:00 Friday – Saturday 07:00 – 01:00

⁸⁰⁸ As of 1 May 2023 per Parkopedia. Available at: <https://www.parkopedia.com/>

⁸⁰⁹ Parkopedia.

Four Courts	Q-Park	524	385	€3.70	Monday to Friday 07:00 - 19:00
Thomas Street	Owner Operated	677		€3.00	Monday to Saturday 07:00 - 19:00
APCOA National Museum Ireland	APCOA	721	290	€2.00	Monday to Saturday 07:30 - 18:00 Sunday 13:00 - 17:30

Source: Commission analysis based on information provided by the Parties

6.468 In terms of proximity, the Commission notes that the nearest competitor car park to Tazbell Smithfield Market car park is Q-Park Four Courts. This is also the largest car park, with 385 spaces. The other two competitors within 800m walking distance are both further away and smaller than Q-Park Four Courts.

6.469 Tazbell has stated to the Commission that Tazbell [REDACTED]
[REDACTED]
[REDACTED] :

6.470 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.471 The entrance/exit to Tazbell Smithfield Market is located on a one-way street on which traffic flows to the south, meaning vehicles entering the car park must approach from the north and exit to the south. Tazbell maintains that this means the customer base will primarily have points of origin located to the North of the car park.

6.472 Tazbell stated that its customer base is primarily using the car park [REDACTED]
[REDACTED]

⁸¹⁰ See page 44 of Tazbell Presentation, dated 9 May 2023.

[REDACTED]

6.473 The Commission therefore considers that, on the basis of location and capacity, Q-Park likely exerts a strong competitive constraint on Tazbell Smithfield Market.

6.474 In terms of price, the Commission observes that the price levels in [REDACTED] and Thomas Street car (€3.00 per hour) are significantly different to the price levels in Tazbell Irish Life Centre car park, which suggests those car parks may not be close competitors to the target car park. The price level of the only remaining car park in the 800-metre catchment, Q-Park Four Courts car park, is within 10% of Tazbell Irish Life Centre car park.

6.475 In terms of opening hours, Tazbell Smithfield Market car park is not 24/7, but is open from 07:00 to 00:00 Monday-Thursday and Sunday, and 07:00 to 01:00 on Fridays and Saturdays. Each of the other off-street car parks in the Smithfield Relevant Market offer significantly reduced opening hours compared to Tazbell Smithfield Market car park. The Commission considers that this suggests that, for at least some potential customers, these car parks may not be close competitors to the target car park, in terms of available opening hours.

Customer views

6.476 Of the 100 Smithfield Market car park customers who answered Question 8 of the Consumer Survey regarding alternative options, 48% of them said they would park in another off-street car park, as opposed to an alternative such as use on-street parking or take public transport.⁸¹¹ These customers were then asked a follow-up question:

“Which car park would you use?”

6.477 This was first asked as an open-ended question—customers were given the opportunity to name a car park without prompts—and if they did not know, customers were shown a map of possible choices of car park.

⁸¹¹ The Commission acknowledges the small sample size and, consequently, does not place undue weight on the survey result in coming to its overall conclusions.

6.478 Table 43 contains a breakdown of which car park the 48% of customers who said they would use another off-street car park, selected.

Table 43: Car park selected in response to Q.9 of survey by Smithfield Market car park Customers, 48 customers.

Car Park	Operator	Percentage of Customers
Smithfield Market	Tazbell	
Four Courts	Q-Park	33%
Thomas Street	Third Party	10%
Parnell Street	Tazbell	8%
APCOA National Museum of Ireland	APCOA	6%
Jervis Shopping Centre	Owner Operated	4%
APCOA Jervis Street	APCOA	4%
APCOA Werburgh Street	APCOA	2%
Drury Street	Tazbell	2%
ILAC Centre	Tazbell	2%
Irish Life Centre	Tazbell	2%
APCOA Heuston Station	APCOA	2%
Don't Know		23%

6.479 Of those customers who said they would park in another off-street car park, 33% of them said they would use Q-Park Four Courts car park. This is substantially higher than the next most popular car park: Thomas Street (10%). It is also worth noting that 23% of the sample said they did not know where they would park, so of the sub-sample who did identify a specific car park, 43% selected a Q-Park car park. This may indicate that Q-Park Four Courts exerts a stronger competitive constraint on Tazbell Smithfield car park than competitors in the Smithfield Relevant Market, though the Commission acknowledges the small sample of respondents.

Monitoring of competitors

6.480 In Tazbell's internal document "[REDACTED]"⁸¹², in email correspondence between Tazbell staff, the following is noted in an email dated 7 June 2018, in response to [REDACTED]:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁸¹³

6.481 The Commission considers the above email noteworthy, as it demonstrates two actions from Tazbell: a) [REDACTED]
[REDACTED]
[REDACTED]. The Commission considers this indicative of the extent of monitoring by Car Park Management Providers, and how they would likely respond in the event of [REDACTED]
[REDACTED]

6.482 In Tazbell's internal document "[REDACTED]", in email correspondence between Tazbell staff dated 22 December 2021,⁸¹⁴ attaches a document entitled "[REDACTED]", where competitors' [REDACTED] are listed that includes Q-Park's Four Courts car park.⁸¹⁵

6.483 In a later email to the Smithfield Car Park Owner, [REDACTED] states the following dated 22 December 2021:

[REDACTED]
[REDACTED]

⁸¹² See document [REDACTED], in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸¹³ See document [REDACTED], in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸¹⁴ See Tazbell document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED].

⁸¹⁵ See Tazbell document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED].

[REDACTED]
[REDACTED].

[...]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁸¹⁶

6.484 The Commission considers the above correspondence noteworthy. It illustrates Tazbell informing the [REDACTED]
[REDACTED]
(Tazbell car parks).

6.485 In Tazbell's internal document "[REDACTED]", an email from Tazbell to the [REDACTED] dated 8 December 2014, notes that "[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.486 The Commission considers that these internal documents demonstrate Q-Park's [REDACTED]
[REDACTED]. Following the Proposed Transaction, [REDACTED]
[REDACTED], thus eliminating a competitor for Q-Park in the Smithfield Relevant Market.

Summary of market structure, concentration, and closeness of competition in the Smithfield Relevant Market

6.487 In assessing the theory of harm that the loss of a close competitor in a highly concentrated market will likely result in an increase in prices, the Commission has set out a number of concerns. These include concerns that arise with high levels

⁸¹⁶ See Tazbell document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

of concentration in the Smithfield Relevant Market and the resultant reduced ability of customers to switch between off-street car parks; the set of competitors which would be expected to compete most vigorously as they are located within a 400-metre walking distance catchment; and, the closeness of competition between the Parties based on characteristics of the off-street car parking sites (including location, size, pricing, facilities, and opening hours), customer views, and monitoring of competitors by the Parties. The Commission has set out its assessment of the evidence and information available to it which is summarised here.

6.488 Following the implementation of the Proposed Transaction, Q-Park would have a market share of capacity of:

- (a) [50-60]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be [REDACTED] with a [20-25]% share; and,
- (b) [10-20]% of capacity in the 800-metre walking distance catchment, including on-street parking. The largest competitor would be DCC with a [70-75]% share.

6.489 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Smithfield Market car park and any Q-Park off-street car park.

6.490 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration, where on-street parking is not included as part of the market. Where on-street parking is included as part of the relevant market, the increase in concentration is marginally below the relevant threshold in the Commission's Merger Guidelines.

6.491 There is no competitor car park which is located nearer to the Smithfield Market car park than Q-Park's Four Courts car park. This car park is, however, located on the opposite side of the river Liffey. There is one competitor in the Smithfield Relevant Market which is also on the same side of the river Liffey: [REDACTED]

6.492 Of those surveyed customers who said they would park in another off-street car park in the event of Tazbell Smithfield Market car park being closed, one-third (33%) of them said they would use Q-Park Four Courts. The next most commonly cited car park was Thomas Street car park (10%).

6.493 Internal documents provided to the Commission suggest that Tazbell [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.494 The only competitor car park in the Smithfield Relevant Market with a [REDACTED] level to Tazbell Smithfield Market car park is Q-Park Four Courts. Therefore, following the implementation of the Proposed Transaction, there would be no remaining [REDACTED] competitor car parks to the merged entity in the Smithfield Relevant Market.

6.495 None of the competitor car parks in the Smithfield Relevant Market has similar or more extensive opening hours to Tazbell Smithfield Market car park.

The Drury Street Relevant Market

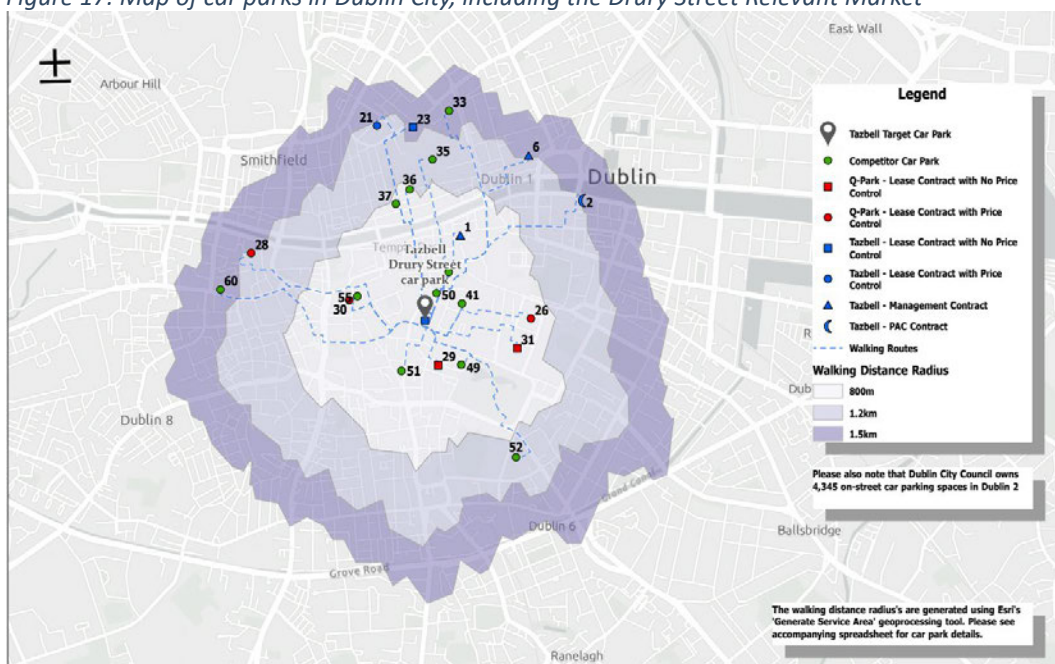
Introduction

6.496 The implementation of the Proposed Transaction would result in the transfer of Tazbell's interests⁸¹⁷ in, and therefore the management of, Drury Street car park from Tazbell to Q-Park.

6.497 The Drury Street Relevant Market is illustrated in Figure 17 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Drury Street car park.

⁸¹⁷ See paragraph 6.5 above.

Figure 17: Map of car parks in Dublin City, including the Drury Street Relevant Market



Source : Q-Park Phase 1 RFI Response, Question 7⁸¹⁸

6.498 Table 44 below sets out details regarding the off-street car parks located within the Drury Street Relevant Market.

Table 44: Off-street car parks within 800m walking distance radius of Drury Street car park

Map Key	Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces
22	Drury Street Car Park	Tazbell		■
50	Drury Street (Underground)	Croftville Property Company Ltd	259	120
29	St. Stephen's Green	Q-Park	261	1127
51	Whitefriars Street Church	Owner Operated	336	■
41	Brown Thomas Car Park	Stanberry Investments Ltd	337	380
■	■	■	■	■
49	FitzWilliam Hotel	Best Car Parks	405	66
30	Christ Church	Q-Park	540	213

⁸¹⁸ See Q-Park document "5 Tazbell Drury Street Car Park Map.pdf", Response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash d165d61668980dd9d8d89709b288c44e.

█	█	█	█	█
1	Fleet Street	Tazbell	634	393
31	Dawson Street	Q-Park	709	370
26	Setanta	Q-Park	734	146
█	█	█	█	█

Source: Commission analysis based on information from the Parties and third parties

Market Structure

800-metre walking distance catchment

6.499 The Commission assessed the market structure and market concentration in the Drury Street Relevant Market based on the number of paid off-street car parking spaces provided. This is set out in Table 45 below.

Table 45: Market shares in the provision of paid off-street car parking spaces to the public within 800 metres of Tazbell Drury Street car park

Operator	Car Park	Spaces		Share (%)
Tazbell	Drury Street	█	█	[20-25]
	Fleet Street	393		
Q-Park	Setanta	146	1856	[45-50]
	Christ Church	213		
	Stephen's Green	1,127		
	Dawson Street	370		
Combined share of the Parties		█		[65-75]
APCOA	Jervis Street	262	449	[10-15]
	Trinity Street	171		
	Werburgh Street	16		
Croftville Property Company Ltd	Drury Street Underground	120		[0-5]
Whitefriars Street Church	Whitefriars Street Church	█		[0-5]

Stanberry Investments Ltd	Brown Thomas Car Park	380	[10-15]
Best Car Parks	Fitzwilliam Hotel	66	[0-5]
Total		■	100%*

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁸¹⁹

6.500 Q-Park is the largest supplier, with a share of approximately [45-50]% resulting from its 4 car parks within 800m of the Tazbell Drury Street car park. Tazbell is the second largest supplier with an approximate [20-25]% market share and operating 2 car parks. APCOA is currently the third largest supplier with an approximate market share of [10-15]%, and operates 3 car parks.

6.501 As shown in Table 45 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [65-75]%. This is a substantial margin over the next largest firm which is APCOA.

Including on-street car parking

6.502 As discussed in Section 3, the Commission has primarily assessed the transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered the market for all car parking.

Table 46: Market shares in the provision of paid off car parking spaces to the public within 800 metres of Tazbell Drury Street car park, including on-street

Metrics of Tazbell Drury Street car park, including on street				
Operator	Car Park	Spaces		Share (%)
Tazbell	Drury Street	█	█	[10-15]
	Fleet Street	393		
Q-Park	Setanta	146	1856	[25-30]
	Christ Church	213		
	Stephen's Green	1,127		
	Dawson Street	370		
Combined share of the Parties		█		[35-45]

⁸¹⁹ See response to Question 7 of Q-Park Phase 1 RFI Response.

APCOA	Jervis Street	262	449	[5-10]
	Trinity Street	171		
	Werburgh Street	16		
Croftville Property Company Ltd	Drury Street Underground	120		[0-5]
Whitefriars Street Church	Whitefriars Street Church	■		[0-5]
Stanberry Investments Ltd	Brown Thomas Car Park	380		[5-10]
Best Car Parks	Fitzwilliam Hotel	66		[0-5]
DCC	On-street car parking	2,484 ⁸²⁰		[35-40]
Total		■		100%*

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁸²¹

6.503 DCC is the largest supplier, with a share of approximately [35-40]% resulting from its on-street car parking within 800m of the Tazbell Drury Street car park. Q-Park is the second largest supplier with an approximate [25-30]% market share from its 4 car parks. Tazbell is currently the third largest supplier with an approximate market share of [10-15]%, and operates 2 car parks.

6.504 As shown in Table 46 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [35-45]%. This would make it the largest supplier, with a small margin over the next largest firm which is DCC.

400-metre walking distance catchment

⁸²⁰ The Commission was unable to identify or create a precise, validated estimate of the number of on-street parking spaces in each catchment area in the Dublin Relevant Markets. In the absence of this, the number of on-street parking spaces within 800 metres of the ILAC Centre car park was calculated using Commission analysis of the Smart Dublin dataset linked here: <https://data.smartdublin.ie/dataset/58969481-417e-4f5a-b8ea-18b56419d0ed/resource/5ad94dfe-5e53-4b33-ace8-a612225873dc/download/parking-meter-locations-2021.geojson>, and the catchment areas were identified utilising the Irish Grid Reference Finder ([Irish Grid Reference Finder](#)).

It is necessary to note that this is a rough estimate of the number of on-street spaces, but that the Commission considers that this represents an appropriate approximation for these purposes, and that its conclusions are highly unlikely to materially change with alternative estimates.

⁸²¹ See response to Question 7 of Q-Park Phase 1 RFI Response.

6.505 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around Tazbell Drury Street car park. Closeness of competition is also considered in more detail below.

Table 47: Market shares in the provision of paid off-street car parking spaces to the public within 400 metres walking distance of Tazbell Drury Street car park

Operator	Car Park	Spaces	Share (%)
Tazbell	Drury Street	■	[20-25]
Q-Park	Stephen's Green	1,127	[45-50]
Combined Share of the Parties		■	[65-75]%
APCOA	Trinity Street	262	[5-10]%
Croftville Property Company LTD	Drury Street Underground	120	[5-10]%
Owner Operated	Whitefriars Street Church	■	[0-5]%
Stanberry Investments Ltd	Brown Thomas	380	[15-20]%
Total		■	100%*

Source: Commission analysis of information provided by the Parties

6.506 Q-Park is the largest supplier, with a share of approximately [45-50]% resulting from its St. Stephen's Green car park. Tazbell is the second largest supplier with an approximate [20-25]% market share within the 400m radius of its Drury Street car park. Brown Thomas is the third largest with [15-20]%, followed by APCOA with an approximate market share of [5-10]%.

6.507 As shown in Table 47 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [65-75]%. This is a substantial margin over the next largest firm which is Brown Thomas car park with [15-20]%.

Market Concentration

6.508 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Drury Street Relevant Market above.

Table 48: The HHI in the Drury Street Relevant Market, 800-metre walking distance catchment, no. of spaces

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (400-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	3,183	3,131	2,737
Post-Proposed Transaction	5,419	5,100	3,548
HHI delta	2,236	1,969	811

Source: Commission analysis of information provided by the Parties

6.509 Based on the HHI calculations set out in Table 48 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

- (a) for the 800-metre catchment, the HHIs following implementation of the Proposed Transaction would be 5,419. The HHI delta (2,236) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) for the 400-metre catchment, the HHI following implementation of the Proposed Transaction would be 5,100. The HHI delta (1,969) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (c) Including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 3,548. The HHI delta (811) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.

6.510 The Commission's view, therefore, is that, in line with the Merger Guidelines,⁸²² the level of concentration indicates that the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the Drury Street Relevant Market.

Consideration of wider geographic catchment

6.511 While the Commission considers there is no evidence indicating that the geographic catchment should be this wide, the Commission has considered extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

6.512 The medium-shaded middle 'ring' illustrated in Figure 17 above encloses the geographic area covered by this extended radius.

6.513 As can be seen from Figure 17, the following off-street car parks would also be included in this broader catchment in addition to those identified in Table 46 above:

- Jervis Street Shopping Centre (owner operated);
- Arnotts Car Park (*Best Car Parks*); and
- Conrad Hilton Hotel (owner operated).

6.514 The market structure under this enlarged geographic catchment is similar to that under the relevant geographic catchment of 800m identified by the Commission, though the Parties' market share is reduced. Following implementation of the Proposed Transaction, Q-Park would have a share of approximately [50-55]% within the 1.2km radius of the Tazbell Drury Street car park. The Commission therefore considers that likely impact of the Proposed Transaction in this Relevant Market is unaffected by increasing the catchment area to 1.2km

Closeness of competition

6.515 In this subsection, the Commission sets out its analysis regarding closeness of competition between: (i) each of the Parties; and (ii) the Parties and third parties

⁸²² Commission's Merger Guidelines, paragraphs 3.9-3.12.

in the Drury Street Relevant Market. The Commission has identified the following potential relevant parameters for assessing closeness of competition in relation to the Drury Street Relevant Market:⁸²³

- (a) Characteristics of the off-street car parking sites, including location, size, pricing and facilities;
- (b) Customer views; and,
- (c) Monitoring of competitors by the Parties.

Characteristics of the off-street car parking sites, including location, size, pricing and facilities

6.516 Table 49 below sets out characteristics of the off-street car parks located within the Drury Street Relevant Market including (i) the distances from the target car park, (ii) the number of spaces for all of the Parties' and third parties' car parks within an 800m walking distance radius of the Tazbell Drury Street car park, the (iii) the hourly price for each car park, and (iv) the opening hours of each car park.






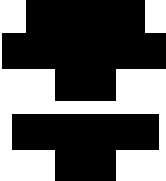











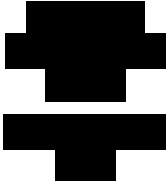
Table 49: Competitor car parks within 800m walking distance radius of Drury Street car park

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour ⁸²⁴	Opening Hours ⁸²⁵
Drury Street Car Park	Tazbell		■	€4.20	24/7
Drury Street (Underground)	Croftville Property Company Ltd	259	120	€4.00	Monday to Friday 7:00 – 22:00 Saturday 8:00-22:00 Sunday 10:00-19:00
St. Stephen's Green	Q-Park	261	1127	€4.10	24/7
Whitefriars Street Church	Owner Operated	336	■	€3.50	24.7

⁸²³ These parameters are the same as those identified in the Galway Relevant Market and the same as will be applied to all the Dublin Relevant Markets.

⁸²⁴ As of 1 May 2023 per Parkopedia. Available at: <https://www.parkopedia.com/>.

⁸²⁵ Parkopedia.

Brown Thomas Car Park	Stanberry Investments Ltd	337	380	€4.00	Monday to Saturday 7:00-00:00 Sunday 9:00 - 00:00
					
FitzWilliam Hotel	Best Car Parks	405	66	€4.00	24/7
Christ Church	Q-Park	540	213	€4.60	24/7
					
Fleet Street	Tazbell	634	393	€4.20	Monday to Wednesday 06:00 – 00:00 Thursday to Sunday 06:00 – 01:00
Dawson Street	Q-Park	709	370	€4.40	24/7
Setanta	Q-Park	734	146	€4.50	24/7
					

Source: Commission analysis base on information provided by the Parties and third parties

6.517 Table 49 above sets out the distance from the Tazbell Drury Street car park, the number of spaces for all of the Parties' and third parties' car parks within an 800m walking distance radius of the Tazbell Drury Street car park, the hourly price for each car park, and the hours of each car park.

6.518 In terms of proximity, the Commission notes that the largest competitor car park to Tazbell Drury Street, Q-Park St Stephen's Green, is the second nearest car park in terms of walking proximity, at 261 metres. The only nearer competitor, Drury Street (Underground) is only very marginally nearer and only offers 120 spaces, compared to the 1,127 offered by Q-Park at its St Stephen's Green car park. The

other three Q-Park competitors each are located more than 500m walking distance from Tazbell Drury Street. However, only one competitor located closer to Tazbell Drury Street has a market share of more than [5-10]%, which is Brown Thomas Car Park ([5-10]%), which has 380 spaces. The Commission therefore considers that, on the basis of location and capacity, Q-Park likely exerts a strong competitive constraint on the Tazbell Drury Street car park.

- 6.519 In terms of price, the Commission observes that the price levels in [REDACTED] [REDACTED] Whitefriars Street Church car park (€3.50 per hour) and [REDACTED] [REDACTED] are significantly different to the price levels in Tazbell Drury Street car park, which suggests those car parks may not be close competitors to the target car park. The price levels of the eight remaining car parks are all within 10% of Tazbell Drury Street car park, with three of these being operated by third parties (Drury Street (Underground), Brown Thomas car park and *Best Car Parks* Fitzwilliam Hotel car park) and four being operated by Q-Park (Q-Park St. Stephen's Green, Q-Park Christ Church, Q-Park Dawson and Q-Park Setanta car parks).
- 6.520 In terms of opening hours, many off-street car parks in the Drury Street Relevant Market are open 24/7, like the Tazbell Drury Street car park. The exceptions are Drury Street (Underground) car park, Brown Thomas car park, [REDACTED] [REDACTED], and Tazbell Fleet Street car park. The Commission considers that this suggests that, for at least some potential customers, these car parks may not be close competitors to the target car park, in terms of available opening hours. Of the seven car parks that are open 24/7 other than Tazbell Drury Street car park, four of them are operated by Q-Park (Q-Park St. Stephen's Green, Q-Park Christ Church, Q-Park Dawson and Q-Park Setanta car parks) with three operated by third parties (Whitefriars Street Church car park, *Best Car Parks* Fitzwilliam Hotel and [REDACTED]), which are the three smallest car parks in the catchment, by capacity.

Customer Views

- 6.521 In the Consumer Survey, surveyed customers were asked:

“imagine that before you started on your trip you knew that this car park was closed for refurbishment for 6 months. Thinking of all the options open to you which of these would be your preferred option instead of using this car park?”.

6.522 Of the 102 Drury Street customers who answered this question, 73% of them said they would park in another off-street car park, as opposed to an alternative such as use on-street parking or take public transport.⁸²⁶ These customers were then asked a follow-up question:

“Which car park would you use?”

6.523 This was first asked as an open-ended question—customers were given the opportunity to name a car park without prompts—and if they did not know, customers were shown a map of possible choices of car park in Dublin city centre.

6.524 Table 50 contains a breakdown of which car park the 73% of customers who said they would use another off-street car park, selected.

Table 50: Car park selected in response to Q.9 of survey by Drury Street customers, 74 customers.

Car Park	Operator	Percentage of Customers
Drury Street	Tazbell	
St. Stephen’s Green	Q-Park	34%
Drury Street Underground	Croftville Property Company Ltd	30%
Brown Thomas	Stanberry Investments Ltd	16%
Dawson Street	Q-Park	5%
Jervis Shopping Centre	Owner Operated	4%
Whitefriars Street Church	Third Party	3%
APCOA Trinity Street	APCOA	3%
The Spire	Q-Park	1%
Don’t Know		3%

⁸²⁶ The Commission acknowledges the small sample size and, consequently, does not place undue weight on the survey result in coming to its overall conclusions.

Source: Commission analysis of survey data

6.525 Of those customers who said they would park in another off-street car park, 34% of them said they would use Q-Park St. Stephen's Green. This is higher than the next most popular car park: Drury Street Underground (30%). Other car parks mentioned include Dawson Street (5%) and The Spire (1%). It is also worth noting that 3% of the sample said they did not know where they would park, so if those respondents are excluded, 40% selected a Q-Park car park. This may indicate that Q-Park exerts a stronger competitive constraint on Tazbell Drury Street car park, of competitors in the Drury Street Relevant Market, though the Commission acknowledges the small sample of respondents.

6.526 Several of the competitor car parks within an 800m walking distance radius of Tazbell Drury Street were selected by zero customers. These are: Fitzwilliam Hotel, Christchurch, Werburgh Street, Fleet Street, Setanta and [REDACTED].

Monitoring of competitors by the Parties

6.527 In Q-Park's internal document [REDACTED]
[REDACTED]
[REDACTED], the following is stated:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] "829

6.528 The Commission considers the above extract noteworthy as it demonstrates [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

⁸²⁷ See document [REDACTED], in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁸²⁸ [REDACTED]

⁸²⁹ See document "[REDACTED]", in response to Question 2 of Q-Park First Phase 2 RFI Response.

6.529 In Q-Park's internal document "[REDACTED]", the following is stated:

[REDACTED]

6.530 The Commission considers the above document noteworthy, as it exhibits [REDACTED]

6.531 In Q-Park's internal document [REDACTED]

6.532 In Tazbell's internal document "[REDACTED] e", in email correspondence between Tazbell staff dated 2 September 2018, the following is stated: [REDACTED]

⁸³⁰ See document "[REDACTED]" in response to Question 2 of Q-Park First Phase 2 RFI Response.

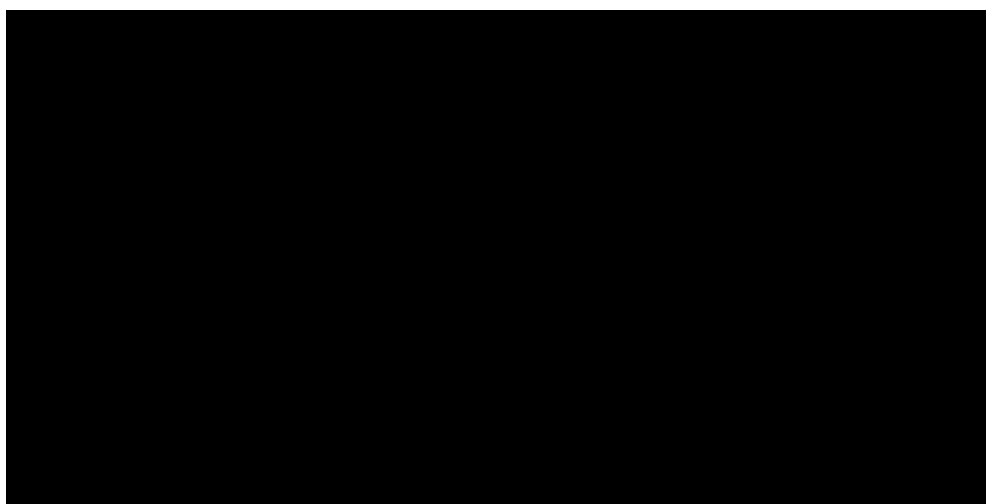
⁸³¹ See document "[REDACTED]", in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁸³² See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.

6.533 In Tazbell's internal document "[REDACTED]"⁸³³, in email correspondence between Tazbell and [REDACTED] dated 20 November 2018, there is discussion between the parties on the approach to [REDACTED] for parking at the Drury Street car park, with [REDACTED] commenting that they had "[REDACTED]"
[REDACTED]
[REDACTED]
[REDACTED]"⁸³⁴

6.534 In addition, and in response to the above, [REDACTED] of Tazbell notes in an email on 21 November 2018, that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"⁸³⁵

6.535 In Tazbell's internal document "[REDACTED]"⁸³⁶, an email from Tazbell to [REDACTED] dated 2 December 2021, lists the following table when [REDACTED] to the Drury Street car park, noting [REDACTED]
[REDACTED]:



⁸³³ See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸³⁴ See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸³⁵ See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸³⁶ See document "[REDACTED]" in response to Question 2 of Tazbell First Phase 2 RFI Response.



6.536 In Tazbell's internal document "[REDACTED]"⁸³⁷, email correspondence between Tazbell staff dated 6 July 2018 states the following in regards to discussing pricing recommendations:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"⁸³⁸

6.537 In Tazbell's internal document [REDACTED]
[REDACTED]"⁸³⁹, an attached document to an email dated 27 December 2017 entitled "[REDACTED]", Tazbell suggest, in discussing marketing strategy, "[REDACTED]
[REDACTED]
[REDACTED]"⁸⁴⁰

6.538 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]"⁸⁴¹

⁸³⁷ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸³⁸ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸³⁹ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸⁴⁰ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

⁸⁴¹ See document "[REDACTED]", in response to Question 2 of Tazbell First Phase 2 RFI Response.

6.539 In Q-Park's internal document [REDACTED]
[REDACTED]
[REDACTED] states the following:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁸⁴³

6.540 The Commission considers the above email correspondence noteworthy, as [REDACTED]
[REDACTED]
[REDACTED].

Following the Proposed Transaction, the Tazbell's Drury Street car park will be under the control of Q-Park.

Summary of market structure, concentration, and closeness of competition in the Drury Street Relevant Market

6.541 In assessing the theory of harm that the loss of a close competitor in a highly concentrated market will likely result in an increase in prices, the Commission has set out a number of concerns. These include concerns that arise with high levels of concentration in the Drury Street Relevant Market and the resultant reduced ability of customers to switch between off-street car parks; and, the closeness of competition between the Parties based on characteristics of the off-street car parking sites (including location, size, pricing, facilities, and opening hours), customer views, and monitoring of competitors by the Parties. The Commission has set out its assessment of the evidence and information available to it which is summarised here.

6.542 Following the implementation of the Proposed Transaction, Q-Park would have a market share of:

⁸⁴² See document [REDACTED]
[REDACTED] in response to Question 2 of Q-Park First Phase 2 RFI Response.

⁸⁴³ See document [REDACTED]
[REDACTED] in response to Question 2 of Q-Park First Phase 2 RFI Response.

- (a) [65-75]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be [REDACTED] with a [10-15]% share;
- (b) [65-75]% of capacity in the 400-metre walking distance catchment. The next largest competitor would be Stanberry Investments Ltd in the Brown Thomas car park with a [15-20]% share; and
- (c) [35-45]% of capacity in the 800-metre walking distance catchment, including on-street parking. The next largest competitor would be DCC with a [35-40]% share.

6.543 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration.

6.544 There is one competitor (Drury Street (Underground)), which is located (marginally) nearer to Tazbell Drury Street car park than [REDACTED], but it only offers 120 spaces, compared with [REDACTED] offering of 1,127, the largest car park in the Drury Street Relevant Market. This suggests that [REDACTED] likely exerts a greater competitive constraint on Tazbell.

6.545 Of those surveyed customers who said they would park in another off-street car park in the event of Tazbell Drury Street car park being closed, more than one-third of them said they would use the Q-Park St. Stephen's Green car park.

6.546 Internal documents provided by the Parties to the Commission and discussed above suggest that Tazbell regularly considers [REDACTED] of Q-Park's [REDACTED] car park, and considers that car park to be a competitor to its Drury Street car park. Furthermore, the Commission has observed that Q-Park considers the price levels at [REDACTED] car park when considering pricing policy for its [REDACTED] car park.

6.547 [REDACTED]
[REDACTED] (accounting for [REDACTED] spaces) are operated by Q-Park, with [REDACTED] of them (accounting for [REDACTED] spaces) operated

by third parties. Therefore, of those similarly priced competitor car parks to Tazbell Drury Street car park, more than three-quarters of their capacity ([75-80]%) would become part of the merged entity upon implementation of the Proposed Transaction.

6.548 Of the competitor car parks in the Drury Street Relevant Market with similar or more extensive opening hours to Tazbell Drury Street car park, [REDACTED] of them (accounting for [REDACTED] spaces) are operated by Q-Park, with [REDACTED] of them (accounting for [REDACTED] spaces) operated by third parties. Therefore, of those competitor car parks with similar or more extensive opening hours to the Tazbell Drury Street car park, the vast majority of their capacity ([90-95]%) of them would become part of the merged entity upon implementation of the Proposed Transaction.

The Fleet Street Relevant Market

Introduction

6.549 The implementation of the Proposed Transaction would result in the transfer of Tazbell's interests in, and therefore the management of, the Fleet Street car park from Tazbell to Q-Park.

6.550 Table 51 below sets out details regarding the competitors located within the Fleet Street Relevant Market.

Table 51: Off-street Car Parks within 800m walking distance radius of Fleet Street Car park

Map Key	Car Park	Operator	Distance from Target Car Park (Metres)
1	Fleet Street car park	Tazbell	
67	APCOA Parking (Ireland) Limited Trinity Street	APCOA	289
50	Drury Street (underground)	Croftville Property Company Ltd	428
36	Jervis Shopping Centre	Owner Operated	487
37	APCOA Parking Ireland Limited Jervis Street	APCOA	492
41	Brown Thomas Car Park	Stanberry Investments Ltd	556

35	Arnotts	<i>Best Car Parks</i>	611
22	Drury Street car park	Tazbell	634
6	Irish Life Centre car park	Tazbell	683
2	City Quay car park	Tazbell	767
55	Werburgh Street	APCOA	793
26	Setanta	Q-Park	794
30	Christ Church	Q-Park	c.700-750
29	St. Stephen's Green	Q-Park	c.750

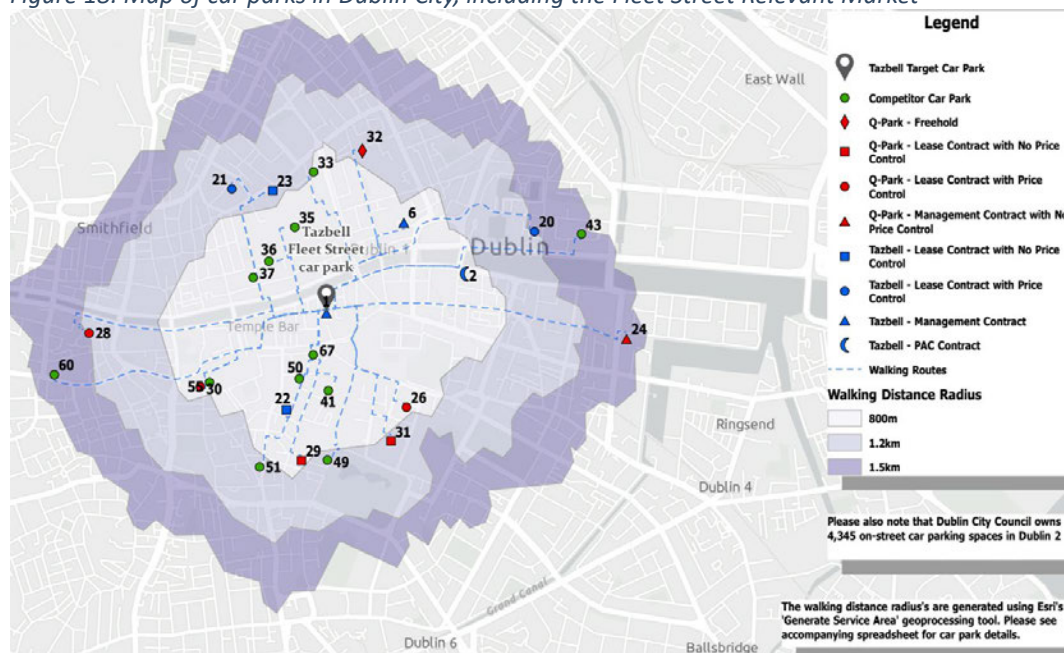
Source: Commission analysis information provided by the Parties⁸⁴⁴

6.551 Table 51 above sets out the distance from the Tazbell Fleet Street car park, and the number of spaces for each of the Parties' and third parties' car parks within an 800m walking distance radius of the Tazbell Fleet Street car park.

6.552 The Fleet Street Relevant Market is illustrated in Figure 18 below. The innermost light-purple shading encloses a radius of 800m walking distance from the Tazbell Fleet Street car park.

⁸⁴⁴ In the data provided by the Parties, Q-Park Christ Church and Q-Park St. Stephen's Green were located outside the 800m catchment. [See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.] However, based on Google Maps analysis, the Commission considers that these car parks should be located within the catchment.

Figure 18: Map of car parks in Dublin City, including the Fleet Street Relevant Market



Source : Q-Park Phase 1 RFI Response, Question 7⁸⁴⁵

Market Structure

800-metre walking distance catchment

6.553 The Commission assessed the market structure and market concentration in the Fleet Street Relevant Market based on the number of paid off-street car parking spaces provided. This is set out in Table 52 below.

Table 52: Market shares in the provision of paid off-street car parking spaces to the public within 800 metres of Tazbell Fleet Street car park

Operator	Car Park	Spaces		Share (%)
Tazbell	Fleet Street	393	[Redacted]	[25-30]
	Drury Street	[Redacted]		
	Irish Life Centre	[Redacted]		
	City Quay	[Redacted]		
Q-Park	Setanta	146	1,486	[30-35]
	Christ Church	213		

⁸⁴⁵ See Q-Park document titled "25 Tazbell Fleet Street Car Park Map", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash a7385f12185d55a00e0ecb7eef7d0e6ee.

	Stephen's Green	1,127		
Combined share of the Parties				[55-65]
APCOA	Jervis Street	262	449	[5-10]
	Trinity Street	171		
	Werburgh Street	16		
Croftville Property Company Ltd	Drury Street Underground	120		[0-5]
Owner Operated	Jervis Shopping Centre	750		[15-20]
Stanberry Investments Ltd	Brown Thomas Car Park	380		[5-10]
<i>Best Car Parks</i>	Best Car Parks Arnotts	350		[5-10]
Total				100%*

Source: Commission analysis of evidence provide in Q-Park Phase 1 RFI Response⁸⁴⁶

6.554 Q-Park is the largest supplier within 800m of the Tazbell Fleet Street car park, with a share of approximately [30-35]% resulting from its 3 car parks. Tazbell is the second largest supplier with an approximate [25-30]% market share and operating 4 car parks.

6.555 As shown Table 52 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [55-65]%. This is a substantial margin over the next largest firm which is the Jervis Street Shopping Centre car park with approximately [15-20]% share.

Including on-street car parking

6.556 As discussed in Section 3, the Commission has primarily assessed the transaction by reference to the narrowest plausible product market, that is the market for the provision of off-street car parking. However, the Commission has also considered the market for all car parking.

⁸⁴⁶ See Q-Park document titled "26. Car Parks Data Sheet (with general market share analysis).xlsx", response to Question 7 of Q-Park Phase 1 RFI Response. MD5 Hash 0d710d63b7f5e8f4563315f771f2ec31.

Table 53: Market shares in the provision of paid off car parking spaces to the public within 800 metres of Tazbell Fleet Street car park, including on-street

Operator	Car Park	Spaces		Share (%)
Tazbell	Fleet Street	393	[REDACTED]	[15-20]
	Drury Street	[REDACTED]		
	Irish Life Centre	[REDACTED]		
	City Quay	[REDACTED]		
Q-Park	Setanta	146	1,486	[20-25]
	Christ Church	213		
	Stephen’s Green	1,127		
Combined share of the Parties		[REDACTED]		[35-45]
APCOA	Jervis Street	262	449	[5-10]
	Trinity Street	171		
	Werburgh Street	16		
Croftville Property Company Ltd	Drury Street Underground	120		[0-5]
Owner Operated	Jervis Shopping Centre	750		[10-15]
Stanberry Investments Ltd	Brown Thomas Car Park	380		[5-10]
Best Car Parks	Best Car Parks Arnotts	350		[5-10]
DCC	On-street car parking	1,800 ⁸⁴⁷		[25-30]
Total		[REDACTED]		100%*

⁸⁴⁷ The Commission was unable to identify or create a precise, validated estimate of the number of on-street parking spaces in each catchment area in the Dublin Relevant Markets. In the absence of this, the number of on-street parking spaces within 800 metres of the ILAC Centre car park was calculated using Commission analysis of the Smart Dublin dataset linked here: <https://data.smartdublin.ie/dataset/58969481-417e-4f5a-b8ea-18b56419d0ed/resource/5ad94dfe-5e53-4b33-ace8-a612225873dc/download/parking-meter-locations-2021.geojson>, and the catchment areas were identified utilising the Irish Grid Reference Finder ([Irish Grid Reference Finder](#)).

It is necessary to note that this is a rough estimate of the number of on-street spaces, but that the Commission considers that this represents an appropriate approximation for these purposes, and that its conclusions are highly unlikely to materially change with alternative estimates.

Source: Commission analysis based on evidence provided in Q-Park Response to Phase 1 RFI⁸⁴⁸

6.557 DCC is the largest supplier, with a share of approximately [25-30]% resulting from its on-street car parking within 800m of the Tazbell Fleet Street car park. Q-Park is the second largest supplier with an approximate [20-25]% market share and operating 3 car parks. Tazbell is currently the third largest supplier with an approximate market share of [15-20]%, and operates 4 car parks.

6.558 As shown in Table 53 above, following the implementation of the Proposed Transaction, Q-Park would have an approximate market share of [35-45]%. This would make it the largest supplier, with a significant margin over the next largest firm which is DCC.

400-metre walking distance catchment

6.559 As discussed in Section 3, all else being equal, car parks which are geographically closer to one another are likely to exert stronger competitive constraints on one another. For this reason, the Commission has also considered a narrower geographic scope of a 400-metre walking distance catchment around Fleet Street car park. Closeness of competition is also considered in more detail below.

6.560 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Fleet Street car park and any Q-Park off-street car park since the nearest Q-Park off-street car park (the Christchurch car park) is located approximately 700 metre walking distance from the Tazbell Fleet Street car park.

Market concentration

6.561 The Commission calculated HHIs and HHI deltas based on the market share estimates for the Fleet Street Relevant Market above. As there would be no overlap under a geographic catchment of a 400-metre catchment, the Commission has not calculated a HHI on this basis.

Table 54: The HHI in the Fleet Street Relevant Market, no of spaces

⁸⁴⁸ See response to Question 7 of Q-Park Phase 1 RFI Response.

	HHI (800-metre walking distance catchment, excl. on-street parking)	HHI (800-metre walking distance catchment, incl. on-street parking)
Pre-Proposed Transaction	2,104	1,858
Post-Proposed Transaction	3,728	2,715
HHI delta	1,624	858

Source: Commission analysis of evidence provided by the Parties

6.562 Based on the HHI calculations set out in Table 54 above, and consistent with the Commission's Merger Guidelines, the Commission's view is that:

- (a) For the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 3,728. The HHI delta (1,624) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.
- (b) Including on-street car parking within the 800-metre catchment, the HHI following implementation of the Proposed Transaction would be 2,715. The HHI delta (858) is significantly higher than the threshold of 150 which would enable the Commission to conclude, on the basis of market concentration, that the Proposed Transaction is unlikely to cause concern.

6.563 The Commission's view, therefore, is that, in line with the Merger Guidelines,⁸⁴⁹ the level of concentration indicates that the Commission should intensify its analysis of the competitive effects of the Proposed Transaction in the Fleet Street Relevant Market.

Consideration of a wider geographic catchment

6.564 While the Commission considers there is not evidence indicating that the geographic catchment should be this wide, the Commission has considered extending the 800m radius by 50% (i.e., to 1.2 kilometres) walking distance.

⁸⁴⁹ Commission's Merger Guidelines, paragraphs 3.9-3.12.

6.565 The medium-shaded middle ‘ring’ illustrated in Figure 15 above encloses the geographic area covered by this extended radius.

6.566 As can be seen from Figure 15, the following additional off-street car parks would be included in this broader catchment in addition to those identified in Table 53 above:

- Moore Lane Car Park (Owner Operated) – 95 spaces;
- Dawson Street (Q-Park) – 370 spaces;
- Whitefriars Street Church (Owner Operated) – ■ spaces;
- Fitzwilliam Hotel (*Best Car Parks*) – 66 spaces;
- ILAC Centre car park (Tazbell) – 1000 spaces;
- The Spire car park (Q-Park) – 567 spaces; and
- Parnell Street car park (Tazbell) – 500 spaces.

6.567 The inclusion of these additional sites results in the following hypothetical market structure and concentration. Under this enlarged geographic catchment, the merged entities market share increased relative to the 800-metre catchment. Following implementation of the Proposed Transaction, Q-Park would have a share of approximately [65-70]%. The Commission therefore considers that the likely impact of the Proposed Transaction in this Relevant Market is unaffected by increasing the catchment area to 1.2km.

Closeness of competition

Characteristics of the off-street car parking sites, including location, size, pricing and facilities

6.568 Table 55 below sets out characteristics of the off-street car parks located within the Fleet Street Relevant Market including: (i) the distances from the target car park; (ii) the number of spaces for all of the Parties’ and Third Parties’ car parks within an 800m walking distance radius of the Tazbell Fleet Street car park; (iii) the hourly price for each car park; and, (iv) the opening hours of each car park.

Table 55: Off-street parks within 800m walking distance radius of Fleet Street car park

Car Park	Operator	Distance from Target Car Park (Metres)	Number of Spaces	Price per hour ⁸⁵⁰	Opening Hours
Fleet Street car park	Tazbell		393	€4.20	Monday to Wednesday 06:00 – 00:00 Thursday to Sunday 06:00 – 1:00
APCOA Parking (Ireland) Limited Trinity Street	APCOA	289	171	€5.00	Monday to Saturday 07:00 – 01:00 Sunday 09:00 - 01:00
Drury Street (underground)	Croftville Property Company Ltd	428	120	€4.00	Monday to Friday 07:00 – 22:00 Saturday 08:00- 22:00 Sunday 10:00- 19:00
Jervis Shopping Centre	Owner Operated	487	750	€3.00	Monday to Wednesday, Friday 07:00 – 21:00 Thursday 07:00 – 22:00 Saturday 07:30 – 21:00 Sunday 09:30 - 20:00
APCOA Parking Ireland Limited Jervis Street	APCOA	492	262	€3.40	Monday to Saturday 06:00 – 01:00 Sunday 08:00 – 01:00
Brown Thomas Car Park	Stanberry Investments Ltd	556	380	€4.00	Monday to Saturday 07:00- 00:00 Sunday 09:00 - 00:00

⁸⁵⁰ As assessed by the Commission on 1 May 2023 per Parkopedia. Available at: <https://www.parkopedia.com/>

Arnotts	<i>Best Car Parks</i>	611	350	€3.00	Monday to Wednesday, Friday to Saturday 07:30 – 20:00 Thursday 07:30 – 21:00 Sunday 9:00 – 20:00
Drury Street car park	Tazbell	634	■	€4.20	24/7
Irish Life Centre car park	Tazbell	683	■	€3.60	Monday to Friday – 06:30 – 23:00 Saturday 08:00 – 23:00 Sunday 10:00 – 21:00
City Quay car park	Tazbell	767	■	€4.00	Monday to Friday 07:00 – 20:00 Saturday 08:00 – 20:00
Werburgh Street	APCOA	793	16	€2.55	24/7
Setanta	Q-Park	794	146	€4.50	24/7
Christ Church	Q-Park	c.700-750	213	€4.60	24/7
St. Stephen's Green	Q-Park	c.750	1127	€4.10	24/7

Source: Commission analysis based on information provided by the parties.

6.569 In terms of proximity, the Commission notes that of the 13 other car parks within the 800-metre walking distance radius, Q-Park's three car parks rank 11th, 12th and 13th, in terms of proximity to Tazbell Fleet Street. In terms of size, the Commission notes that Q-Park Setanta and Q-Park Christ Church are smaller than closer rivals, such as the Jervis Centre. Q-Park St. Stephen's Green is the largest car park, with 1127 spaces but is 750m walking distance.

6.570 However, the Commission considers it noteworthy that some larger off-street car parks (for example, [REDACTED]) likely do not compete as closely with Tazbell Fleet Street as would be expected when [REDACTED]

[REDACTED]. The Commission notes that Tazbell Fleet Street [REDACTED]
[REDACTED]
[REDACTED]:

- Jervis Shopping Centre (owner operated);
- [REDACTED];
- Arnotts (*Best Car Parks*);
- Irish Life (Tazbell); and,
- City Quay (Tazbell).

6.571 Five out of the 14 car parks within the 800m radius and [REDACTED] out of the [REDACTED] off-street car parking spaces located in the Fleet Street Relevant Market [REDACTED]
[REDACTED] Tazbell Fleet Street car park.

6.572 Upon consideration of the available evidence, the Commission considers that, on the basis of [REDACTED] and capacity, Q-Park likely does not exert as strong a competitive constraint on Tazbell Fleet Street as other competitors located within the Fleet Street Relevant Market on the basis of a consideration of proximity alone. However, it cannot be discounted that the largest competitor in the Fleet Street Relevant Market ([REDACTED]
[REDACTED] Tazbell Fleet Street car park whilst all of the Q-Park car parks located in the Fleet Street Relevant Market [REDACTED]
[REDACTED]. The internal documents discussed below highlight that Tazbell considers [REDACTED]
[REDACTED].

6.573 In terms of price, the Commission observes that the price levels in Werburgh Street car park (€2.55 per hour), [REDACTED]), [REDACTED]
[REDACTED], *Best Car Parks* Arnotts car park (€3.00 per hour), Whitefriars Street Church car park (€3.50 per hour), Irish Life Centre car park (€3.60 per hour) and [REDACTED] are significantly different to the price levels in the Tazbell Fleet Street car park, which suggests those car parks may not be close competitors to the Tazbell Fleet Street car park.

The price levels of the remaining eight car parks are all within 10% of Tazbell Fleet Street car park, with two of these being operated by third parties (Drury Street (Underground) car park and Brown Thomas car park) and three being operated by Q-Park (Q-Park Setanta, Q-Park Christ Church and Q-Park St. Stephen's Green car parks).

6.574 In terms of opening hours, Tazbell Fleet Street car park is not open 24/7, but is open from 06:00 to 00:00 Monday-Wednesday and 06:00 to 01:00 on other days. Many off-street car parks in the Fleet Street Relevant Market are open 24/7, and a number of others have comparable hours to Tazbell Fleet Street car park. The exceptions are Drury Street (Underground) car park, [REDACTED], [REDACTED], Best Car Parks Arnotts car park, Tazbell Irish Life Centre car park, and Tazbell City Quay car park, all of which close significantly earlier than Tazbell Fleet Street car park. The Commission considers that this suggests that, for at least some potential customers, these car parks may not be close competitors to the Tazbell Fleet Street car park, in terms of available opening hours. Of the seven car parks that are open 24/7 or have comparable opening hours to Tazbell Fleet Street car park, four of them are operated by Q-Park (Q-Park St. Stephen's Green, Q-Park Christ Church, and Q-Park Setanta car parks) with three operated by third parties ([REDACTED], and Brown Thomas car park).

Customer views

6.575 Customers at the Fleet Street car park were not surveyed as the Commission was not given permission from the relevant Car Park Owner to survey at this location.

Monitoring of competitors

6.576 Regarding the Fleet Street Relevant Market, evidence seen by the Commission suggests that Tazbell regularly considers [REDACTED] of off-street car parks controlled by Q-Park, in particular when Tazbell is considering [REDACTED]. This suggests that, despite the relative greater distance between the Q-Park and Tazbell off-street car parks than, e.g., Tazbell Fleet Street car park and Jervis Shopping Centre car park, that Q-Park and Tazbell might compete closely in the Fleet Street Relevant Market.

6.577 In a Tazbell internal document “[REDACTED]”, dated 17 December 2013 [REDACTED] stated the following in response to apparent [REDACTED]:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ⁸⁵³

6.578 The Commission notes that [REDACTED]
[REDACTED]. The Commission considers that [REDACTED]
[REDACTED] the Commission considers that [REDACTED]
[REDACTED]
[REDACTED].”

6.579 The Commission considers it notable that these internal documents appear to recognise that [REDACTED]
[REDACTED]
[REDACTED] This is consistent with the view of the Commission noted above at paragraph 570 that [REDACTED]
[REDACTED]
[REDACTED].

⁸⁵⁵ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

⁸⁵⁵ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

⁸⁵⁵ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

⁸⁵⁵ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

6.580 In a Tazbell internal document titled “[REDACTED]” dated 21 December 2019, [REDACTED] noted the following in regards to Fleet Street car park⁸⁵⁵:



6.581 The Commission notes that [REDACTED]
[REDACTED]. In another Tazbell internal document entitled “[REDACTED]” dated 5 January 2022, [REDACTED] in an email, where [REDACTED]
[REDACTED].⁸⁵⁶

Summary of market structure, concentration, and closeness of competition in the Fleet Street Relevant Market

⁸⁵⁵ See Tazbell document “[REDACTED]”, in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED]

⁸⁵⁶ See Tazbell document “[REDACTED]” in response to Question 2 of Tazbell First Phase 2 RFI Response. MD5Hash [REDACTED].

6.582 In assessing the theory of harm that the loss of a close competitor in a highly concentrated market will likely result in an increase in prices, the Commission has a number of concerns. These include concerns that arise with high levels of concentration in the Fleet Street Relevant Market and the resultant reduced ability of customers to switch between off-street car parks; the set of competitors which would be expected to compete most vigorously as they are located within a 400-metre walking distance catchment; and, the closeness of competition between the Parties based on characteristics of the off-street car parking sites (including location, size, pricing, facilities, and opening hours), customer views, and monitoring of competitors by the Parties. The Commission has set out below its assessment of the evidence and information available to it which is summarised here.

6.583 Following the implementation of the Proposed Transaction, Q-Park would have a market share of:

- (a) [55-65]% of capacity in the 800-metre walking distance catchment. The next largest competitor would be Jervis Shopping Centre with a [15-20]% share; and,
- (b) [35-45]% of capacity in the 800-metre walking distance catchment, including on-street parking. The next largest competitor would be DCC with a [25-30]% share.

6.584 On the basis of a 400-metre walking distance catchment, there is no overlap between the Tazbell Fleet Street car park and any Q-Park off-street car park.

6.585 The market is highly concentrated both prior to and following the implementation of the Proposed Transaction, with the Proposed Transaction leading to a significant increase in concentration.

6.586 Internal Tazbell documents provided to the Commission suggest that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Fleet Street Relevant Market.

6.587 There are a number of competitors which are located nearer to the Fleet Street car park than Q-Park's three off-street car parks located in the Fleet Street Relevant Market on a strict 'walking distance only' basis, but some large third-party competitors ([REDACTED] [REDACTED] [REDACTED]). This suggests that Q-Park likely exerts a close competitive constraint on Tazbell in the Fleet Street Relevant Market.

6.588 Of the competitor car parks in the Fleet Street Relevant Market with similar price levels to Tazbell Fleet Street car park, three of them (accounting for 1,486 spaces) are operated by Q-Park, with two of them (accounting for 500 spaces) operated by Third Parties. Therefore, of those similarly priced competitor car parks to Tazbell Fleet Street car park, nearly three-quarters of their capacity ([75-80]%) of them would become part of the merged entity upon implementation of the Proposed Transaction.

6.589 Of the competitor car parks in the Fleet Street Relevant Market with similar or more extensive opening hours to Tazbell Fleet Street car park, three of them (accounting for 1,486 spaces) are operated by Q-Park, with three of them (accounting for 813 spaces) operated by third parties. Therefore, of those competitor car parks with similar or more extensive opening hours to Tazbell Fleet Street car park, nearly two-thirds of their capacity ([60-65]%) of them would become part of the merged entity upon implementation of the Proposed Transaction.

Overall conclusions on market structure and concentration and closeness of competition in the Dublin Relevant Markets

6.590 With respect to each of the ILAC Centre Relevant Market, Irish Life Relevant Market and Smithfield Relevant Market, taking these factors together, the Commission considers that there will continue to remain sufficient competitors (some of whom compete more closely with Tazbell than Q-Park) who will continue to exert competitive constraints on the merged entity following implementation of the Proposed Transaction. Therefore, the Commission has determined that the Proposed Transaction will not substantially lessen competition in the:

- (a) ILAC Centre Relevant Market;
- (b) Irish Life Relevant Market; and
- (c) Smithfield Relevant Market.

6.591 With respect to each of the Drury Street Relevant Market and the Fleet Street Relevant Market, these factors suggest that there exist strong competitive constraints between Q-Park and Tazbell. The competitive constraint they impose on each other would be lost if the Proposed Transaction were to be put into effect. The merged entity would control over half of the capacity in each relevant market, close competition between Q-Park and Tazbell would be lost, and the merged entity would therefore have the *de facto* ability to recommend and significantly influence tariffs for over half of the entire capacity in the market. This could likely result in higher prices than would be the case compared to the counterfactual where Q-Park and Tazbell would continue to compete and constrain one another as independent entities on the market.

6.592 In the following sections, the Commission sets out its analysis as to how certain factors would impact the Commission's concerns identified due to the potential loss of close competition between Q-Park and Tazbell, in the Drury Street Relevant Market and Fleet Street Relevant Market.

The extent to which the Parties' competitors may have spare capacity

6.593 As noted above, the Written Responses argued that the Assessment failed to consider market shares calculated on the basis of sales/occupancy of car parks. The Parties argued that the Commission had erred in the Assessment by not considering the purported spare capacity of the Parties' competitors.

6.594 The Commission has set out its views in respect of the appropriateness of capacity-based market shares above. The Commission has also set out its views on its own assessment of occupancy / spare capacity, as well as the analysis conducted on behalf of the Parties set out in the AlixPartners Report. This is set out in paragraphs 6.206 to 6.216. Those views of the Commission also apply to the Dublin Relevant Markets.

Constraints from on-street parking

6.595 The Commission next considers the extent to which on-street parking is a constraint on the car parks being in the Dublin Relevant Markets.

6.596 Off-street and on-street parking are likely to be realistic alternatives for some customers. As the Parties have noted in several submissions, car parking spaces are not end products in themselves. Rather, they are a means to enable the customer to get to their end destination, by driving most of the distance of the journey being made and parking within a short walking distance of the end destination.

6.597 In Dublin city centre, on-street car parking is supplied by DCC. DCC controls the supply of on-street parking which is available to the public, and also sets the pricing tariffs which are applicable to this on-street car parking.

On-street car parking policy

6.598 The DCC Development Plan sets out the importance of transitioning “*away from the private car and fossil fuel based mobility to mitigate against the negative impacts of transport and climate change*”.⁸⁵⁷ Specifically, it sets out the following relevant objectives:

*“To manage on-street car parking to serve the needs of the city alongside the needs of residents, visitors, businesses, kerbside activity and accessible parking requirements, and to facilitate the re-organisation and loss of spaces to serve sustainable development targets such as in relation to, sustainable transport provision, greening initiatives, sustainable urban drainage, access to new developments, or public realm improvements.”*⁸⁵⁸

“To progressively eliminate all ‘free’ on-street parking, both within the canals and in adjacent areas where there is evidence of ‘all day’ commuter parking, through the imposition of appropriate parking controls, including

⁸⁵⁷ DCC Development Plan, Chapter 8: Sustainable Movement and Transport, page 231. Available at: <https://www.dublincity.ie/sites/default/files/2022-12/Final%201-08%20Sus%20Mov.pdf>

⁸⁵⁸ DCC Development Plan, Chapter 8: Sustainable Movement and Transport, page 256. Available at: <https://www.dublincity.ie/sites/default/files/2022-12/Final%201-08%20Sus%20Mov.pdf>

*resident permit parking, pay and display parking, or by the provision of new cycle parking, public realm or greening.*⁸⁵⁹

*“To work with other public bodies to examine opportunities to repurpose surface parking throughout the city for greening and to support the proposal to re-establish the park at the front of Leinster House.”*⁸⁶⁰

6.599 The Greater Dublin Area Transport Strategy 2022-2042 sets out that:

*“The NTA will support local authorities in seeking to reduce the level of free or cheaply available on-street parking with a view to the reallocation of the roadspace to sustainable modes, and/or the implementation of charging regimes which facilitates motorists contributing to the local economy.”*⁸⁶¹

6.600 Additionally, under DCC’s ‘Active travel’ plans, there are measures set to be implemented later in 2023 which will remove car parking at Merrion square.⁸⁶²

6.601 During its investigation, the Commission contacted DCC with a view to understanding, among other things, the occupancy of on-street parking in Dublin city centre. DCC informed the Commission that it does not have such information that it could provide to the Commission.

6.602 During a call with the Commission DCC stated that its “prices are determined subject to the parking control by-laws DCC have and use to control the statutory elements of parking enforcement.”⁸⁶³ DCC also noted that it considers demand when setting the price of on-street parking, and is “encouraging the use of more sustainable transport options instead of driving, e.g public transport, walking or

⁸⁵⁹ DCC Development Plan, Chapter 8: Sustainable Movement and Transport, page 257. Available at: <https://www.dublincity.ie/sites/default/files/2022-12/Final%201-08%20Sus%20Mov.pdf>

⁸⁶⁰ DCC Development Plan, Chapter 8: Sustainable Movement and Transport, page 258. Available at: <https://www.dublincity.ie/sites/default/files/2022-12/Final%201-08%20Sus%20Mov.pdf>

⁸⁶¹ Greater Dublin Area Transport Strategy 2022-2042, page 193. [Greater-Dublin-Area-Transport-Strategy-2022-42-1.pdf \(nationaltransport.ie\)](#)

⁸⁶² *Bus lanes in Ranelagh and car parking at Merrion Square to be reallocated for cyclists*, Irish Times. Available at: <https://www.irishtimes.com/ireland/dublin/2023/01/05/bus-lanes-car-parking-to-be-reallocated-for-cyclists-from-ranelagh-and-ballsbridge-to-city-centre/>, accessed 30 April 2023.

⁸⁶³ See page 3 of DCC Call Note, dated 20 April 2023.

cycling.”⁸⁶⁴ Indeed, DDC stated that it “may seek to encourage [sic] the use of off-street parking by incentivising customers to use Q-Park’s off-street car parks post-transaction during certain busy periods of year e.g. Christmas.”⁸⁶⁵ Given that DCC seek to encourage customers to use alternative modes of transport, and even off-street parking, as opposed on-street parking, it is highly unlikely that DCC would seek to ‘punish’ a price increase by Q-Park following the implementation of the Proposed Transaction. Furthermore, given the limited capacity of on-street parking, it is not likely Q-Park would lose a sufficient volume of customers to render price increase unprofitable in any event.

Customer views

6.603 The Consumer Survey is discussed in detail in Section 3 of this Determination. As set out in Section 3, of the 1,313 customers in Dublin who responded to the Consumer Survey:

- 13% stated they would use on-street parking while 64% stated they would park in another off-street car park, while stated they would park in another off-street car park in the event that the off-street car park they had parked at was closed for six months.
- 11% stated they would use on-street parking while 58% stated that they would use another off-street car park, in the event that the price of all off-street car parks in Galway increased by roughly 30 cents per hour.

6.604 The Consumer Survey indicates that relatively few customers believe they would divert to on-street parking in the event of an off-street car park closure or a price increase. And for those customers who say they would choose to use on-street car parking, it is not clear that it would be available, nor that on-street car parking would not also be subject to a price increase.

Parties’ views

⁸⁶⁴ See page 3 of DCC Call Note, dated 20 April 2023.

⁸⁶⁵ See page 5 of DCC Call Note, dated 20 April 2023.

6.605 Both Parties have claimed in their Written Responses that, in addition to their point of principle, there is no capacity constraint on on-street parking. For example, Tazbell has stated that:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.606 [REDACTED]

[REDACTED]⁸⁶⁷

6.607 The Commission notes that, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.608 The Commission recognises the lack of reliable data on occupancy, both for on-street and off-street parking, and the effect that this has on assessing capacity. However, the Commission notes that DCC stated that if “*they are looking at a price review for Dublin city centre, they will look at and compare their prices with the prices charged by off-street parking providers*”⁸⁶⁸ and that it may seek to “*charge more for on-street parking to encourage the use of off-street parking instead [of on-street parking]*”⁸⁶⁹, it is therefore reasonable to expect that the local authority may not seek to respond to a SSNIP in off-street car parking by abstracting demand from off-street car parking. Indeed, it may be more likely to increase its own prices.

⁸⁶⁶ Tazbell Written Response, paragraphs 110-111.

⁸⁶⁷ Tazbell Written Response, paragraph 113.

⁸⁶⁸ See page 4 of Call Note with DCC, dated 20 April 2023.

⁸⁶⁹ See page 4 of Call Note with DCC, dated 20 April 2023.

6.609 Above, the Commission [REDACTED]

[REDACTED] The Commission notes that, [REDACTED]

[REDACTED].

Conclusions on constraints from on-street parking

6.610 The Commission recognises that on-street parking is a viable option for many customers and that customers can and do park in on-street spaces. For a certain cohort of customers, this may therefore represent an alternative to the Parties' two car parks, following the implementation of the Proposed Transaction. The Commission notes that, in terms of price and functionality, on-street car parking can be a very viable alternative to off-street car parking. The Commission further notes that 13% and 11% of customers said they would switch to on-street parking in the event that their chosen car park closed, or all off-street car parking increased its prices by 30c per hour, respectively.

6.611 However, the Commission also notes that:

- Given that DCC seeks to encourage customers to use alternative modes of transport, and even off-street parking, it appears to the Commission that it is reasonable to propose that DCC does not compete vigorously with off-street car parks for customers. Therefore, it is unlikely that DCC would seek to attract customers from off-street car parks in the event of a price increase by those car parks' operators.
- The stated policy aim of DCC and the NTA is to reduce the availability of on-street car parking over the coming years.

6.612 In light of this, the Commission is concerned that on-street parking will not be a sufficient and sustained competitive constraint on the merged entity, such that it would prevent potential price increases following the implementation of the Proposed Transaction.

Barriers to entry and barriers to expansion.

- 6.613 As explained above, in considering barriers to entry and barriers to expansion, the Commission seeks to assess the extent to which market power may be constrained by the occurrence or threat of new entry, or by the ability of existing rivals to profitably expand production. In both cases, the entry and/or expansion needs to fulfil the following three conditions: (i) timeliness; (ii) likelihood; and, (iii) sufficiency as discussed above.
- 6.614 It is not necessary for the Commission to differentiate between each of the Dublin Relevant Markets when assessing barriers to entry and barriers to expansion since the Commission's view is that the potential barriers identified by the Commission apply *mutatis mutandis* to each of the Dublin Relevant Markets.
- 6.615 The Commission considers that there are two broad ways of entry or expansion could occur in the Dublin Relevant Markets: (i) entry by a new Car Park Management Provider into one of the Dublin Relevant Markets; or, (ii) the establishment of a new off-street car park in one of the Dublin Relevant Markets.
- 6.616 The Commission has already set out and discussed the Parties views on the potential for entry and expansion above, and so these views will not be duplicated here.
- 6.617 The remainder of this section is set out as follows:
- (a) The Parties' Views on Entry and Expansion;
 - (b) Potential entry or expansion by Car Park Management Providers through acquisition of Lease or Management Contracts;
 - (c) Potential establishment of a new off-street car park;
 - (d) Potential Barrier to entry and expansion: government policy.
 - (e) History of recent entry and expansion; and
 - (f) The Commission's conclusion on barriers to entry and expansion.

The Parties' Views on Entry and Expansion

6.618 The Parties' views on entry and expansion have been set out in paragraphs 6.620 to 6.621.

Potential entry or expansion by Car Park Management Providers through acquisition of Lease or Management Contracts

6.619 One mechanism through which new entry may occur in the Dublin Relevant Market is through Car Park Management Providers acquiring the operation of existing off-street car parks by way of Management Contracts or Lease Contracts (or by a Car Park Owner selling one of their car parks).

6.620 Through this mechanism, a new competitor may enter one of the Dublin Relevant Markets without a new off-street car park being established. This may occur in two ways:

- (a) a competitor Car Park Management Provider could assume operation of an off-street car park not currently managed by one of the Parties; or,
- (b) a competitor Car Park Management Provider could assume operation of an off-street car park currently managed by one of the Parties.

6.621 These scenarios are discussed, in turn, by the Commission below.

A competitor Car Park Management Provider assumes operation of an off-street car park not currently managed by one of the Parties

6.622 While it may be possible for a new entrant to acquire a lease or management contract on some of the competitor car parks in the Dublin Relevant Markets as a result of the ending of a lease or management contract, the Commission is not aware of any ending contract (not currently held by the Parties) that is up for tender. The Commission has formed the view that this is not likely to have a significant impact on the market power of the merged entity or address any concerns identified by the Commission during its assessment of the theory of harm above for the reasons set out below.

Timeliness

- 6.623 The Commission considers it plausible that a Car Park Owner of an off-street car park not operated by the Parties in one of the Dublin Relevant Markets may change its Car Park Management Provider in the coming two years.
- 6.624 The Commission also considers that a new or an existing Car Park Management Provider may be able to quickly enter (or expand in) one of the Dublin Relevant Markets should it be successful in winning a contract from a Car Park Owner. This will likely be timely where such contracts typically entail lower upfront costs than lease contracts and does not involve significant impediments to a change in operation of an off-street car park from one Car Park Management Provider to another (e.g., low fit-out and marketing costs).
- 6.625 Therefore, the Commission considers that entry in this manner could plausibly be timely.

Likelihood

- 6.626 The Commission has found no evidence that Car Park Owners in the individual Dublin Relevant Markets are changing (or inclined) to change their car park management provider from one competitor of the Parties to another competitor.

- 6.627 In the Tazbell Written Response, Tazbell note that [REDACTED]
[REDACTED]
[REDACTED]⁸⁷⁰ Tazbell further points to [REDACTED]
[REDACTED]⁸⁷¹

- 6.628 The Commission is not arguing that an owner cannot put a lease or management contract up for tender, nor that such a tender could not be won by a third party competitor. [REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

⁸⁷⁰ Tazbell Written Response, paragraph 396.

⁸⁷¹ Tazbell Written Response, paragraph 397.

⁸⁷² Tazbell Written Response, paragraph 398.

6.629 Finally, even if entry or expansion of this type were to occur, it is not clear how that would address the likely impact of the Proposed Transaction in the Dublin Relevant Markets.

Sufficiency

6.630 Where a competing Car Park Management Provider assumes operation of a car park not currently operated by the parties, entry in this way would not directly affect the shares of the Parties as set out in above at either the 800-metre or 400 metre walking distance catchment areas.

6.631 The Commission has set out above that it considers capacity to be the appropriate measure of share (and an appropriate indicator of market power) in relation to off-street car parking. Entry (or expansion) through the acquisition of contracts not held by the Parties would not alter the capacity controlled by the merged entity following the implementation of the Proposed Transaction.

6.632 The Commission also notes that it has set out above that physical location of an off-street car park and its proximity to other car parks is a key parameter of closeness of competition. A change in Car Park Management Provider would not affect this parameter at all given that off-street car parks are unmovable physical assets. Therefore, entry or expansion in this manner would not alter the Commission's conclusions on this aspect of closeness of competition as discussed above.

Conclusion

6.633 On the basis of its analysis as set out above, the Commission has concluded that new entry by a *de novo* or competing Car Park Management Provider into one of the Dublin Relevant Markets by way of assuming operation of an existing off-street car park not currently managed by one of the Parties may be timely, could possibly occur, but is not likely to be sufficient if it does not involve a reduction in capacity controlled by Q-Park following the implementation of the Proposed Transaction or establish a close competitor to Q-Park.

A competitor Car Park Management Provider assumes operation of an off-street car park currently managed by one of the Parties

6.634 While it may be possible for a new entrant to acquire a lease or management contract on one (or more) of the Parties off-street car parks in the Dublin Relevant Markets as a result of the ending of a lease or management contract due to effluxion of time and/or new tendering of the management of an off-street car park, the Commission has formed the view that this will not have a significant impact on the market power of the merged entity or address the concerns set out in the theory of harm.

Timeliness

6.635 The Commission’s Merger Guidelines state that *“entry that is effective within two years is normally considered timely ...”*.⁸⁷³

6.636 For each of the off-street car parks operated by the Parties in the Drury Street Relevant Market, the Fleet Street Relevant Market, the Irish Life Centre Relevant Market and the Smithfield Relevant Market (in turn), the tables below sets out: the year in which the relevant Party commenced operating each car park, and the current (or anticipated) expiration of the current Lease/Management Contract concerned.

Table 56: Drury Street Relevant Market

Operator	Car Park	Operated since	Expected expiration
Tazbell	Drury Street Car Park	At least 2013	██████████
	Fleet Street Car Park	At least 2014	████
Q-Park	Setanta	2010	████
	Christ Church	2019	████
	St Stephen’s Green	At least 2003	████
	Dawson Street	2016	████

Source: The Parties

⁸⁷³ See paragraph 6.5.

6.637 In the Drury Street Relevant Market, as can be seen below:

- [REDACTED]
[REDACTED],
- [REDACTED]
[REDACTED].

Table 57: Fleet Street Relevant Market

Operator	Car Park	Operated since	Expected expiration
Tazbell	Fleet Street Car Park	At least 2014	[REDACTED]
	Drury Street Car Park	At least 2013	[REDACTED]
	Irish Life Centre	At least 2014	[REDACTED]
	City Quay	2015	[REDACTED]
Q-Park	Setanta	2010	[REDACTED]
	Christ Church	2019	[REDACTED]
	St Stephen's Green	2003	[REDACTED]

Source: The Parties

6.638 In the Fleet Street Relevant Market, as can be seen in Table 57:

- [REDACTED]
[REDACTED]
[REDACTED]; and,
- [REDACTED].

6.639 As shown in tables 56 and 57, out of the eight car parks operated by the Parties in these three Dublin Relevant Markets, [REDACTED]

[REDACTED]
[REDACTED]

6.640 Therefore, the Commission finds that entry in this manner could, in principle, be timely in respect of [REDACTED] out of the eight off-street car parks operated by the Parties in the Drury Street and Fleet Street Relevant Markets, and is unlikely to be timely in the remaining [REDACTED] off-street car parks.

Likelihood

6.641 Although entry by way of a competitor acquiring a contract which is currently held by one of the Parties may be timely in respect of the [REDACTED] off-street car parks set out in paragraph above, the Commission has formed the view that entry in this manner is unlikely to occur for the following reasons:

- the Parties have operated each of these respective contracts for many years and have been successful in multiple tenders/contract renewals; and
- the incentives of these Car Park Owners and the merged entity would be aligned following the implementation of the Proposed Transaction and both Q-Park and Car Park Owners would benefit from higher prices.

Parties' tenure in off-street car park concerned

6.642 The information and evidence available to the Commission suggests that [REDACTED] [REDACTED] for many years and have been successful in multiple tender/contract renewal processes [REDACTED]

6.643 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.644 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.645

The incentives of Q-Park and the relevant Car Park Owners would be aligned following the implementation of the Proposed Transaction

6.646 The Commission's theory of harm is that the loss of a close competitor in highly concentrated markets for the provision of Off-Street Car Parking in Dublin city centre will likely result in an increase in prices in each of the Dublin Relevant Markets set out in Section 3.

6.647 As discussed above, incentives of Car Park Owners and Car Park Management Providers are likely aligned in maximising revenue from a given car park. The Commission, therefore, does not consider it likely that it would be in the interests of a Car Park Owner whose carpark is operated by Q-Park following the implementation of the Proposed Transaction to switch away from Q-Park in the context of higher prices than would be the case in the counterfactual since that Car Park Owner would likely be benefitting from those higher prices.

6.648 Therefore, the Commission does not consider that new entry to the Drury Street Relevant Market, Fleet Street Relevant Market, or Smithfield Relevant Market by way of Car Park Owners switching to a new Car Park Management Provider would be likely.

6.649 On 14 August 2023, Q-Park submitted the Proposals to the Commission in accordance with section 20(3) of the Act. Pursuant to the Proposals, Q-Park committed [REDACTED]. The Proposals are discussed further in paragraphs 6.669-6.715 below.

Sufficiency

6.650 The Commission notes that if Q-Park were to lose one or more of the [REDACTED] contracts set out in paragraph above, that this would have the effect of potentially ameliorating any competition concerns since the market structure of and competitive constraints on Q-Park in the Drury Street Relevant Market or the Fleet Street Relevant Market would be directly affected by this occurrence. This is discussed further below by the Commission in the context of its evaluation of the Proposals.

Conclusion

6.651 As the Commission has concluded above, the Commission does not consider it likely that new entry into the Drury Street Relevant Market or the Fleet Street Relevant Market is likely to occur by way of a new Car Park Management Provider acquiring a contract currently held by one of the Parties absent the Parties [REDACTED]. The evidence and information available to the Commission indicates that:

- (a) there are only a limited number of contracts set to expire in the coming two years; and,
- (b) the Parties have held these contracts for a number of years and through numerous tendering/renewal exercises and there is no evidence to suggest that Q-Park would be less likely to win/extend these contractual relations than Tazbell has been to this point.

Potential establishment of a new off-street car park

6.652 This subsection sets out the Commission's analysis in relation potential barriers to entry and expansion of new capacity in off-street car parking.

Potential Barrier to Entry and Expansion: Government Policy

6.653 The Commission has identified one significant potential barrier to entry and expansion in the provision of off-street car parking, namely government and public policy. There are two elements to this barrier:

- Government policy which will incentivise modal shift from private car transport to public transport and active travel; and,
- Planning policy and regulation which disfavour land use for new capacity in off-street car parking.

Modal shift in transport – customer availability

6.654 In this subsection, the Commission examines the extent to which customer availability, i.e., individuals looking to use car parking spaces, may be considered a barrier to entry and/or a barrier to expansion in the Galway Relevant Market. In considering government public policy the Commission has identified two opposing effects which may impact on customer availability for off-street car parking sites.

6.655 First, national and regional transport policy is explicitly focused on enabling modal shift away from the car and towards sustainable modes of travel (e.g., walking, cycling, public transport). This is likely to reduce overall use of private cars (particularly in urban areas) and the related demand for off-street car parking sites.

6.656 The National Investment Framework for Transport in Ireland was published in 2021.⁸⁷⁴ It sets out a modal investment hierarchy, as to how investment in different modes will be prioritised. Specifically, it notes that *“Sustainable modes, starting with active travel (walking, wheeling and cycling) and then public transport, will be encouraged over less sustainable modes such as the private car”*.⁸⁷⁵ While national transport infrastructure investment does not apply to off-street car parks, a shift in priority away from the private car could mean reductions in the numbers of private car journeys made.

6.657 In calls with DCC, a shift towards reducing car use in cities was confirmed. DCC stated that *“In general, driving through Dublin City is now harder than it has been previously...”* and, while attempts are made to make traffic flow more efficient, DCC *“hope people use other modes of transport.”*⁸⁷⁶ DCC elaborated on this point by noting how, if plans for Busconnects go ahead, they *“expect this would have a*

⁸⁷⁴ See: <https://www.gov.ie/en/publication/cfae6-national-investment-framework-for-transport-in-ireland-nifti/>

⁸⁷⁵ See page 46 of the National Investment Framework for Transport in Ireland. Available at: <https://www.gov.ie/en/publication/cfae6-national-investment-framework-for-transport-in-ireland-nifti/>

⁸⁷⁶ See page 4 of call note with DCC, dated 20 April 2023.

big impact on car usage in Dublin city". Further, when commenting on changes in car usage in the future, DCC stated that *"they don't expect car usage will change in suburbia, but that it will change for people coming into the city."*⁸⁷⁷

- 6.658 Secondly, in its 2022 Global Traffic Scorecard, INRIX ranked Dublin as the 12th most congested city globally, in terms of the number of hours lost per driver in the city due to congestion-related delays.⁸⁷⁸ The average driver in Dublin city lost 114 hours to delays in 2022. High levels of congestion mean that growth in the numbers of private cars, and therefore demand for parking, simply cannot be accommodated in Dublin city.
- 6.659 The National Transport Authority also notes that the number of cars entering the city centre between 7 am and 10 am has already fallen from 65,000 in 2015 to 58,000 in 2019, while the total *"person trips"* increased from 200,000 to 217,000 during the same period.⁸⁷⁹
- 6.660 In the Tazbell Written Response, Tazbell queries whether a modal shift in Ireland away from cars may mean that *"Q-Park will have even less ability to increase prices post-transaction"*.⁸⁸⁰ To be clear, the Commission is not suggesting that private car journeys within Dublin City Centre will significantly decline over the next 2-3 years,⁸⁸¹ but rather that it is a market characterised by demand growth which may incentivise entry and increased capacity in the market.
- 6.661 The Commission considers that the strong policy focus on modal shift from private car to more sustainable modes of travel, and the high levels of congestion in Dublin City Centre, means that demand for car parking spaces is highly unlikely to increase such as to incentive entry or expansion.

⁸⁷⁷ See page 4 of call note with DCC, dated 20 April 2023.

⁸⁷⁸ See: [Global Traffic Scorecard | INRIX Global Traffic Rankings](#)

⁸⁷⁹ National Transport Authority Greater Dublin Area Transport Strategy 2022- 2042, page 13. Available at: <https://www.nationaltransport.ie/wp-content/uploads/2023/01/Greater-Dublin-Area-Transport-Strategy-2022-42-1.pdf>

⁸⁸⁰ Tazbell Written Response, paragraph 410.

⁸⁸¹ According to the *GDA Transport Strategy for the Greater Dublin Area 2022-2042, Strategy Development and Modelling Report*, Table 6-4, implementation of the strategy would see car journeys within the Canal Cordon decline by 22% between 2016 and 2042, less than 1% per year. <https://www.nationaltransport.ie/wp-content/uploads/2021/11/GDATS-Transport-Strategy-Development-and-Modelling-Report.pdf>.

Planning policy and regulation which disfavour land use for new capacity in off-street car parking

- 6.662 The Commission is not aware of any new off-street car parks currently in the planning system (or any proposal for an expansion of off-street car parks) in the Dublin Relevant Markets. Therefore, the Commission considers that entry or expansion through building new capacity of off-street car parking spaces is not likely to be timely.
- 6.663 The Commission also considers it clear that planning policy and land use regulations likely disfavour further use of land for off-street car parks.
- 6.664 Indeed, DCC appears to be considering repurposing existing off-street car parks, which would reduce capacity in the market. For example, in the DCC Development Plan 2022-2028, DCC states that it is its policy:

“To support the repurposing of multi-storey car parks for alternative uses such as central mobility hubs providing high density bike parking, shared mobility services, ‘last mile’ delivery hubs and recreational or cultural uses.”⁸⁸²

Conclusion on government and public policy as a barrier to entry and expansion.

- 6.665 Therefore, the Commission considers that a number of public policy factors suggest that demand for car parking in Dublin is unlikely to increase, and that this is a barrier to entry and a barrier to expansion in the market for the supply of off-street car parking in the Dublin Relevant Markets.
- 6.666 The Commission also considers that planning policy and regulations would also mean that new entry or expansion of off-street carparks through new build capacity is not likely to occur.

History of recent entry and expansion

⁸⁸² DCC Development Plan, Chapter 8: Sustainable Movement and Transport, page 256. Available at: <https://www.dublincity.ie/sites/default/files/2022-12/Final%201-08%20Sus%20Mov.pdf>

- 6.667 The Commission has found no evidence of new car parks being commissioned or expanded and no applications to An Bórd Pleanála for the construction of a car park in Dublin city centre.
- 6.668 An Bórd Pleanála has an upcoming case, whereby, Fitzwilliam Real Estate Developments intend to apply for planning permission to decommission and demolish the top three open-air levels of the Arnotts' car park resulting in the removal of 145 car parking spaces in Dublin City Centre.⁸⁸³
- 6.669 An Bórd Pleanála received an application for retention of the Moore Lane car park for a period of 4 years and 11 months. The application seeks to continue use of the development as a commercial off-street car park.⁸⁸⁴ An Bórd Pleanála has not yet reached a decision here. The applicant was previously granted planning permission in 2017 for a period of 4 years. If An Bórd Pleanála denies retention permission for the 2023 application, this will result in a loss of 90-100 car parking spaces in Dublin City Centre⁸⁸⁵.
- 6.670 The Commission conducted a call with owner of the Connolly Station car park.⁸⁸⁶ The Connolly Station Car Park Owner stated that there are currently [REDACTED] car parking spaces at the Connolly Station car park but that the Connolly Station car park will be downsized to [REDACTED] spaces when the developer takes control.

Commission's conclusions on barriers to entry and expansion

- 6.671 In considering barriers to entry and barriers to expansion in the provision of off-street car parking, the Commission has assessed the extent to which the exercise of any market power post-merger may be constrained by the ability of rivals in the Dublin Relevant Markets to profitably expand production and/or by the threat of new entry. In both cases, expansion and/or entry needs to be timely, likely and sufficient.

⁸⁸³ Citizen Portal Planning, Reference number 4880/22. Available at: <https://planning.agileapplications.ie/dublincity/application-details/152185>

⁸⁸⁴ Citizen Portal Planning, Reference number 5513/22. Available at: <https://planning.agileapplications.ie/dublincity/application-details/153618>

⁸⁸⁵ Available at: <https://www.parkme.com/lot/204977/moore-lane-car-park-dublin-ireland>

⁸⁸⁶ See Section 1.

6.672 As set out above, the Commission considers that there are likely to be significant barriers to entry and barriers to expansion in the Dublin Relevant Markets. The Commission considers that planning permission for new car parking spaces (including the expansion of existing car parks) is increasingly difficult to obtain, and also that public policy is disincentivising the use of the private car, particularly in urban spaces, versus other modes.

6.673 Weighing up all the factors and the evidence provided by the Parties and third parties, the Commission's conclusion is that the evidence does not support the view that expansion or entry by rivals would be timely, likely and sufficient to constrain any exercise of market power following implementation of the Proposed Transaction.

Countervailing buyer power

6.674 Countervailing buyer power *"refers to the ability of a customer or customers, because of their position in the market, successfully to resist supplier price increases"* but that, in order for countervailing buyer power to prevent an SLC, it is necessary to establish whether countervailing buyer power of some customers would "protect"⁸⁸⁷ a sufficient number of other customers in the market

6.675 For the three Tazbell car parks at the focal point of the Drury Street, Fleet Street, and Smithfield Relevant Markets, Tazbell provided the following information as it relates to their car parks and the approximate proportion of customers who are Corporate Customers:⁸⁸⁸

- Fleet Street – 50%;⁸⁸⁹
- Drury Street – 50%;⁸⁹⁰ and
- Smithfield – 50%.⁸⁹¹

⁸⁸⁷ Commission's Merger Guidelines, paragraph 7.6.

⁸⁸⁸ Letter from [REDACTED] to the CCPC, dated 30 January 2023.

⁸⁸⁹ See page 5 of Letter from [REDACTED] to the CCPC, dated 30 January 2023.

⁸⁹⁰ See page 5 of Letter from [REDACTED] to the CCPC, dated 30 January 2023.

⁸⁹¹ See page 5 of Letter from [REDACTED] to the CCPC, dated 30 January 2023.

6.676 The Commission's view is that countervailing buyer power is unlikely to ameliorate any competition concerns following the implementation of the Proposed Transaction for the reasons set out below.

6.677 First, from the Commission's engagement with Corporate Customers, very few of the Corporate Customers raised major concerns about the Proposed Transaction.

- [REDACTED], which has discount arrangements with Tazbell at the Parnell car park, located beside the [REDACTED], noted that *"that despite Q-Park potentially managing the 3 car parks around the [REDACTED], the current agreed overnight rate is still good value for guests."*⁸⁹²
- [REDACTED], who are Corporate Customers of Q-Park's Dawson Street car park, noted that [REDACTED]
[REDACTED]".⁸⁹³ When asked whether they would still purchase parking tickets if prices were to increase, [REDACTED] noted that they "[REDACTED]"⁸⁹⁴

6.678 Second, Corporate Customers negotiate discount arrangements on a bilateral basis between that customer and the Car Park Management Provider. Other customers (including other Corporate Customers and individual consumers) are therefore unlikely to benefit from any successful exercising of buyer power since it is possible for a Car Park Management Provider to price-discriminate between (i) one Corporate Customer and another Corporate Customer; and (ii) between Corporate Customers and individual consumers.

6.679 Internal documents furnished by the Parties indicate that while there are instances of Corporate Customers disagreeing and negotiating price increases with the Parties, the vast majority of the time the increases and quoted prices to Corporate Customers are accepted by Corporate Customers. Further, when there is a push back against a price increase, the decision to not increase the price for the

⁸⁹² See page 1 of Call Note with [REDACTED], dated 12 April 2023.

⁸⁹³ See Call Note with [REDACTED] dated 27 April 2023.

⁸⁹⁴ See page 2 of Call Note with [REDACTED], dated 17 April 2023.

Corporate Customer will only apply to that particular Corporate Customer (i.e, the price does not apply the same across the Corporate Customer market.

6.680 In the Tazbell Written Response, Tazbell argued that countervailing buyer power “*should have been given greater weight than is given in the Assessment*”.⁸⁹⁵ Tazbell argues that “*the Assessment never mentions the proportion of corporate custom/discount arrangements for Q-Park or the merged entity – and it is that which is more important in assessing CBP post-merger. Q-Park is known to target corporate accounts and it would not wish to alienate the business sector*”.⁸⁹⁶

6.681 The Commission does not suggest that Q-Park would not compete for Corporate Customers, however, the Commission’s review of the evidence suggests that agreements are specific to individual Corporate Customers, and price offerings and other terms vary depending on length of agreement, total car park space usage per month, and the number of car parking spaces the Corporate Customer avails of.

6.682 Therefore, based on the fact that Corporate Customers are not entities that act in unison and often agree to different arrangements depending on their own particular demands, it is the Commission’s view that any countervailing buyer power possessed by Corporate Customers applies exclusively to the terms which that particular Corporate Customer is able to negotiate.

Out of market constraints

6.683 Market definition should not restrict the range of competitive effects to be assessed by the Commission in its merger review. The Commission does not simply identify the cohort of products and firms that may fall within the identified product and geographic markets and ignore all others. The Commission must also consider factors outside the relevant market which may impose competitive constraints on firms in the relevant market.

⁸⁹⁵ Tazbell Written Response, paragraph 357.

⁸⁹⁶ Tazbell Written Response, paragraph 357.

6.684 This section considers potential constraints from outside the relevant product and geographic catchments – specifically:

- (a) firms located outside the relevant geographic catchments; and
- (b) public transport.

Firms located outside the relevant geographic catchments

6.685 In its assessment of the impact of the Proposed Transaction on market structure and concentration, the Commission considered several potential constraints on Q-Park following implementation of the Proposed Transaction located outside the geographic catchments. The Commission considered a hypothetically expanded geographic catchment of 1.2 kilometres in each of the Dublin Relevant Markets. The Commission formed the view that its analysis of the likely impact of the Proposed Transaction on market structure and concentration was not sensitive to whether the Proposed Transaction is assessed with reference to walking distance catchments of 400 metres, 800 metres or 1.2 kilometres.

6.686 In undertaking that analysis, the Commission has already assessed some of the firms which could potentially be considered out of (geographic) market constraints on Q-Park following implementation of the Proposed Transaction. Therefore, the Commission has concluded that off-street car parks located outside the relevant geographic catchment will likely not sufficiently constrain Q-Park following the implementation of the Proposed Transaction

Public transport

6.687 The Commission has given consideration to whether public transport could exert a competitive constraint on Q-Park and, in particular, its ability to raise prices.

6.688 Above, the Commission discussed [REDACTED]
[REDACTED]. The Commission notes that, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

6.689 In addition, as noted by the Commission in section 3, the Commission has seen no evidence that the Parties responded to the decrease in public transport fares in 2022 with price decreases in their off-street car parks. As outlined in paragraph 3.141 in Section 3, Tazbell increased tariffs in almost all of its owned or operated off-Street car parks in Dublin city during 2022. Furthermore, [REDACTED]

[REDACTED]. The Commission considers that this demonstrates that public transport would does not impose a significant competitive constraint in Dublin city.

6.690 In the Tazbell Written Response, Tazbell argues that:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ⁸⁹⁷

6.691 The reason for the public transport [REDACTED] is irrelevant. If a strong competitive constraint on off-street car parking significantly reduces its prices, then one should expect either a competitive response by providers of off-street car parking, or a significant diversion of customers from off-street car parking to public transport. Neither were observed.

6.692 In the Second Francis O'Toole Report, it is argued that "*publicly provided public transport is quantity constrained*" which explains why "*the near-30% reduction in real prices for publicly public transport was not as dramatic as it sounds in terms of expected (or required/necessary) competitor response*".⁸⁹⁸

6.693 While evidence of public transport being at full capacity is not provided, the Commission notes that the reason public transport is not constraining off-street car parking is not important, merely the fact that it is not. If public transport is at full capacity, then it cannot constrain off-street car parking effectively, unless capacity is significantly increased.

⁸⁹⁷ Tazbell Written Response, paragraph 279.

⁸⁹⁸ Second Francis O'Toole Report, page 12.

6.694 In terms of public transport capacity, Tazbell argues that “ [REDACTED] [REDACTED] [REDACTED] ”.⁹⁰⁰ The Commission understands that the Busconnects network redesign includes an overall increase in bus services of 23%.⁹⁰¹ The Commission further notes that five phases of the Busconnects have already been launched. Three of these involved new radial (i.e., serving the city centre services), and were launched, respectively, in June 2021, November 2021, and October 2022. The evidence the Commission has reviewed has not demonstrated any discernible impact of these services on off-street car parking demand. While the full impact of the bus network redesign may take some time to be fully realised, the Commission considers that it would be highly speculative to assume it will result in a strong competitive constraint on off-street car parking, where there was none previously.

Conclusion on out of market constraints

6.695 On the basis of its analysis set out above, the Commission has reached the conclusion that potential out of market constraints would be unlikely to sufficiently constrain Q-Park following implementation of the Proposed Transaction.

The views of the Parties following the Assessment;

6.696 The Parties’ disagreed with Commission’s analysis of the Dublin Relevant Market and outlined their views in their respective responses to the Assessment.

6.697 Tazbell disagreed with the Commission’s analysis of the each of the Dublin Relevant Market in the Assessment and outlined its views substantial detail. Tazbell’s key points are summarised as follows:

- The Commission incorrectly included off-street car parks in several of the Dublin Relevant Markets;
- Tazbell does not have market power in each of the Dublin Markets;

⁸⁹⁹ Tazbell Written Response, paragraph 48, bullet 4.

⁹⁰⁰ Tazbell Written Response, paragraph 49.

⁹⁰¹ <https://busconnects.ie/cities/dublin/new-dublin-area-bus-network/>.

- On-street parking and public transport should be included in the Dublin Relevant Markets; and
- Tazbell does not set prices in its car parks in the Dublin Relevant Markets.

6.698 The Commission disagrees with Tazbell's view on its analysis as outlined in the Assessment. The Commission has previously outlined its position with respect to on-street parking and public transport in Section 3. Nonetheless, but on-street parking and public transport were considered as out of market contracts in the Assessment.

Proposals

6.699 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

Overview of the proposals relating to the Dublin City

6.700 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.701 [REDACTED]
[REDACTED]
[REDACTED]:

- [REDACTED]
[REDACTED]
[REDACTED] and
- [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED] (the “Dublin City Proposal”).

Market Testing the draft proposals

6.702 The Commission did not consider it necessary to market test the Dublin City Proposal.

The Commission’s evaluation of the Dublin City Proposal

6.703 As noted above, in assessing proposals submitted to the Commission pursuant to section 20(3) of the Act, the Commission has regard to the Act, the Merger Guidelines, and its Mergers and Acquisitions Procedures. The Commission also takes into account the analytical framework set out in the EEC Remedies Notice. As part of this evaluation and having regard to the analytical framework set out in the EC Remedies Notice, the Commission considers three key criteria when assessing proposals:

- (a) Are the proposals comprehensive and effective?
- (b) Are the proposals capable of being implemented effectively within a short period of time?
- (c) Do the proposals eliminate the competition concerns entirely?

6.704 The Commission, having regard to the above three criteria, sets out its reasoning in assessing the Dublin City Proposal below.

Are the proposals comprehensive and effective?

6.705 Above, the Commission set out its concerns the Proposed Transaction would likely reduce the competitive pressure on Q-Park and other competitors due to the loss of a close competitor and Q-Park’s high market share in each of the Drury Street and Fleet Street Relevant Markets.

6.706 The Dublin City Proposal [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

6.707 Therefore, the Commission's view is that the Dublin City Proposal is comprehensive and effective.

Is the Dublin City Proposal capable of being implemented effectively within a short period of time?

6.708 [REDACTED]

6.709 The Commission considers the Dublin City Proposal is capable of being implemented effectively within a short period of time.

Do the proposals eliminate the competition concerns entirely?

6.710 Q-Park stated that the Dublin Proposal "would remove any competitive overlap between the Parties."⁹⁰²

6.711 The Dublin City Proposal [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] the Dublin City

⁹⁰² Q-Park Written Response, para 160.

Proposal, [REDACTED]
[REDACTED] Taking all this into account, the Commission considers that the Dublin City Proposal eliminates its competition concerns in relation to the Drury Street Relevant Market.

6.712 The Dublin City Proposal [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] The Dublin City Proposal [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

6.713 Taking these two factors together, the Commission considers that the Dublin City Proposal addresses the Commission's competition concerns in the Fleet Street Relevant Market.

Commission's conclusion in respect of horizontal unilateral effects in the Dublin Relevant Markets

6.714 In light of its analysis as set out in this Determination, the Commission has determined that the Proposed Transaction will not substantially lessen competition in:

- (a) the ILAC Centre Relevant Market;
- (b) the Irish Life Centre Relevant Market; and,
- (c) the Smithfield Relevant Market.

6.715 On 14 August 2023, Q-Park submitted to the Commission the binding Proposals which are appended to this Determination. In light of the binding Proposals submitted by Q-Park and in light of its analysis as set out in this Determination, the Commission has determined that the Proposed Transaction will not substantially lessen competition in:

- (a) the Drury Street Relevant Market; and,

- (b) the Fleet Street Relevant Market.

Commission's overall conclusion on horizontal unilateral effects in respect of Off-Street Car Parking Relevant Markets.

6.716 For the reasons set out in this section and considering all of the evidence described above, the Commission has determined that the Proposed Transaction will not result in an SLC compared with the counterfactual in the:

- (a) Limerick Relevant Market;
- (b) Dún Laoghaire Relevant Market;
- (c) Galway Relevant Market;
- (d) ILAC Centre Relevant Market;
- (e) Irish Life Centre Relevant Market;
- (f) Smithfield Relevant Market
- (g) Drury Street Relevant Market; and
- (h) Fleet Street Relevant Market.

7. COMPETITIVE ASSESSMENT COORDINATED EFFECTS

- 7.1 Coordinated effects can occur where a proposed transaction changes the nature of competition in the relevant market by making it more likely that the merged entity and some, or all, of its competitors will coordinate their behaviour by, for example, raising prices and/or decreasing output. Thus, the key question⁹⁰³ is whether the Proposed Transaction would materially increase the likelihood that firms active in Relevant Markets, would successfully coordinate their behaviour or would strengthen existing coordination between firms in these relevant markets.
- 7.2 On the basis of the information in the possession of the Commission in its review of the Proposed Transaction, no plausible coordinated effects theory of harm was identified given the relevant counterfactual.
- 7.3 Therefore, on this basis, the Commission considers that the Proposed Transaction does not raise any coordinated effects concerns in the State.
- 7.4 Therefore, no further discussion of coordinated effects is carried out for the purposes of assessing the likely effects of the Proposed Transaction in the Relevant Markets.

⁹⁰³ See paragraph 4.23 of the Commission's Merger Guidelines.

8. VERTICAL RELATIONSHIP

8.1 The Commission has identified the following vertical relationship between the parties:

- the provision of car parking management services in the State: each of the Parties provides car parking management services in the State and each of the Parties is also a Car Park Owner of one or more off-street car parks.⁹⁰⁴ Therefore, each of the Parties could, in principle, provide car park management services to the other.

8.2 Vertical effects can occur where a proposed transaction changes the ability and incentives of the parties involved in the transaction, making it more likely that the merged entity will engage in either customer foreclosure or input foreclosure. Thus, the key question for the Commission to consider is whether a proposed transaction would materially increase the likelihood of customer foreclosure or input foreclosure due to the merger's effects on the merged entity's ability and incentive to foreclose its upstream and/or downstream competitors.⁹⁰⁵

8.3 Pursuant to the Proposed Transaction, Q-Park would acquire ownership of only one additional off-street car park following the implementation of the Proposed Transaction – Tazbell's Hynes Yard car park.⁹⁰⁶ Therefore, Q-Park will only have the ability to determine the Car Parking Management Provider for one additional carpark if the Proposed Transaction were to be put into effect than would be the case in the counterfactual.

8.4 Therefore, on this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

⁹⁰⁴ [REDACTED]

⁹⁰⁵ Commission's Merger Guidelines, paragraphs 5.7 – 5.17

⁹⁰⁶ Page 21 of the Merger Notification Form states that Hynes yard is owned by "Amber Ventures Ltd., a subsidiary of Tazbell" and that the ground floor is owned by Galway City Council.

9. EFFICIENCIES

9.1 Paragraphs 8.1 and 8.2 of the Commission's Merger Guidelines state that:

"A merger may generate various efficiencies for the merged entity. The Commission's analysis of efficiencies goes beyond the impact of efficiencies on the merged entity and focuses on whether verifiable efficiencies mitigate adverse competitive effects and prevent an SLC".

"The onus rests on the parties to show that claimed efficiencies are (i) merger-specific, (ii) verifiable and (iii) benefit consumers sufficiently to prevent an SLC".

9.2 The Commission has not received any submission from the Parties on efficiencies which meets the criteria set out in paragraph 8.2 of the Commission's Merger Guidelines.

10. CONCLUSION

- 10.1 In light of the Proposals submitted by Q-Park, the evidence available to it, and in light of its analysis as set out in this Determination, the Commission has formed the view that the Proposed Transaction, will not substantially lessen competition in any market for goods or services in the State.
- 10.2 Before making a determination in this matter, the Commission, in accordance with section 22(8) of the Act, has had regard to any relevant international obligations of the State, and concluded that there were none.

11. ANCILLARY RESTRAINTS

- 11.1 The Parties state in the Merger Notification Form that Clauses 11.2(a) and 11.2(f) of the SPA constitute restrictions which are directly related and necessary to the implementation of the Proposed Transaction.
- 11.2 The Commission notes that Clauses 11.2(a) and 11.2(f) of the SPA impose certain non-compete obligations on the vendors of Tazbell, Sarlon and Maukin (with the exception of Davycrest Nominees Unlimited Company). The Commission considers that the duration and scope of these obligations do not exceed the maximum duration and scope acceptable to the Commission. The Commission therefore considers the restrictions contained in Clauses 11.2(a) and 11.2(f) of the SPA to be directly related and necessary to the implementation of the Proposed Transaction, in so far as they relate to the State.

12. DETERMINATION

Pursuant to section 20(3) of the Competition Act 2002, as amended (the “Act”), Q-Park Ireland Limited (“Q-Park”) has submitted to the Competition and Consumer Protection Commission (the “Commission”) the proposals set out below regarding measures to be taken to ameliorate any effects of the proposed acquisition on competition in markets for goods or services in the State, with a view to the said proposals becoming binding on Q-Park.

The Commission has taken the proposals into account and, in light of the said proposals (which form part of the basis of its determination), has determined, in accordance with section 22(3)(a) of the Act that the result of the proposed acquisition whereby Q-Park would acquire sole control of Tazbell Services Group Designated Activity Company, Sarlon Limited and Maukin Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

Before making a determination in this matter, the Commission, in accordance with section 22(8) of the Act, had regard to any relevant international obligations of the State, and concluded that there were none.

For the Competition and Consumer Protection Commission

Brian McHugh

Chairperson
Competition and Consumer Protection Commission

APPENDIX A PROPOSALS

M/22/040 – Q-Park/Tazbell Services

Proposals submitted by Q-Park Ireland Limited to the Competition and Consumer Protection Commission (“Proposals”)

Strictly private and confidential

14 August 2023

Recitals

- A. On 5 August 2022, Q-Park (as hereinafter defined) notified the CCPC (as hereinafter defined) under Part 3 of the Act (as hereinafter defined) of a proposed acquisition whereby Q-Park (as hereinafter defined) would acquire sole control of Tazbell (as hereinafter defined), Sarlon Limited (“**Sarlon**”) and Maukin Limited (“**Maukin**”) including the Dublin Business and Galway Business (both as hereinafter defined) (the “**Proposed Transaction**”).
- B. On 19 December 2022, the CCPC determined in accordance with section 21(2)(b) of the Act that it intended to carry out a full investigation under section 22 of the Act in relation to the Proposed Transaction.
- C. Q-Park has submitted the following Proposals pursuant to section 20(3) of the Act, for the purposes of ameliorating any effect of the Proposed Transaction on competition in markets for goods or services in the State with a view to the Proposals becoming binding on Q-Park on the date of the Determination (as hereinafter defined).
- D. Under these Proposals, Q-Park has agreed with the CCPC to undertake to cease to operate the Dublin Business and to commit to divest the Galway Business in accordance with the terms and procedures set out in these Proposals.
- E. Prior to the date of the Determination, the following has occurred:
 - 1) Q-Park has identified each of the Upfront Potential Lessees (as hereinafter defined) as a Suitable Lessee of the Galway Business.
 - 2) The CCPC has verified the potential suitability of each of the Upfront Potential Lessees (as hereinafter defined) as a Suitable Lessee of the Galway Business. For the avoidance of doubt, the Galway Business will be divested to a single Suitable Lessee.
 - 3) Q-Park has entered into non-binding Heads of Agreement with each of the Upfront Potential Lessees (as hereinafter defined) for the lease of the Galway Business.

Definitions

For the purpose of these Proposals, the following terms shall have the following meaning:

"**Act**" means the Competition Act 2002, as amended;

"**Car Parking Services**" means car parking services provided to customers by the Galway Business;

"**CCPC**" means the Competition and Consumer Protection Commission and its successors;

"**DCC**" means Dublin City Council as owner of the [REDACTED] Car Park and its successors in that capacity;

"**Determination**" means the Determination of the CCPC pursuant to section 22(3)(a) of the Act that the Proposed Transaction may be put into effect, taking into account these Proposals, which form part of the basis of the Determination;

"**Documented Report**" has the meaning ascribed to it in paragraph 12 of these Proposals;

"**Documented Proposal**" has the meaning ascribed to it in paragraph 24(a) of these Proposals;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"**Dublin Business**" means Tazbell's interest, rights and obligations in respect of the [REDACTED] (i.e., the operation of a car park including ancillary services at that premises);

"**Galway Business**" means the business consisting of Tazbell's interest, rights and obligations in respect of the top floor of the Tazbell Hynes Yard Car Park (i.e., the operation of a car park consisting of 86 car parking spaces including ancillary services on that floor);

"**Heads of Agreement**" means the heads of agreement entered into between Q-Park and each of the Upfront Potential Lessees signed by Q-Park on 9 August 2023, which relate to the proposed lease to any one of the Upfront Potential Lessees respectively of the Galway Business;

"**Hold Separate Manager**" has the meaning ascribed to it in paragraph 6 of these Proposals;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

"**Mandate**" means the mandate agreement to be entered into between Q-Park and the Monitoring Trustee in accordance with paragraph 34 of these Proposals, the terms of which shall have been previously agreed with the CCPC;

"Material Change" means a change whereby a lessee of the Galway Business does not fulfil the requirements of a **"Suitable Lessee"**, as defined below;

"Monitoring Trustee" means the trustee approved, or deemed to have been approved, by the CCPC with whom Q-Park shall enter into the Mandate in accordance with paragraph 34 of these Proposals;

"Monitoring Trustee Reports" has the meaning ascribed to it in paragraph 36 of these Proposals;

[REDACTED]

"Q-Park" means Q-Park Ireland Limited, a private company limited by shares incorporated in Ireland under registration number 363276 and with a registered office at Q-Park Head Office, Marlborough Street, Dublin 1, and its subsidiaries, representatives, franchisees and agents and all the undertakings they control either directly or indirectly, solely or jointly from time to time. For the purposes of this definition, "control" and its variants have the meaning ascribed by section 16(2) of the Act;

"Q-Park Competitively Sensitive Information" means any specific disaggregated information concerning Q-Park where the disclosure of such information (in particular information relating to the current and future strategic intentions of Q-Park) to a competing undertaking would constitute a breach of section 4(1) of the Act, in particular information relating to planned Q-Park discounts, pricing and promotional activity. For the avoidance of doubt, information that is available in any form to the public by lawful means, other than as a result of a breach of these Proposals, shall not be considered to constitute "Q-Park Competitively Sensitive Information";

"Share Purchase Agreement" means the agreement between Q-Park and the sellers of Tazbell, dated 25 July 2022 (a copy of which has been provided to the CCPC);

"Suitable Lessee" means a lessee who meets all of the following four criteria:

- 1) the lease to the lessee of the Galway Business or the terms and conditions of any such lease would not be likely to create *prima facie* competition concerns;
- 2) the lessee is unconnected to and independent of Q-Park and Tazbell;
- 3) the lessee is able to maintain and develop the Galway Business as an active competitive force, including by providing Car Parking Services to the customers of the Galway Business on a financially viable basis; and
- 4) the lessee has or is reasonably likely to obtain all permits or access to assets required to provide the Car Parking Services;

"Tazbell" means Tazbell Services Group Designated Activity Company, a designated activity company (limited by shares) incorporated in Ireland under registration number 616829 and with a registered office at Ground Floor, 2 Custom House Plaza, Harbourmaster Place, IFSC, Dublin 1, and its subsidiaries, representatives, franchisees and agents and all the undertakings they control either directly or indirectly, solely or jointly. For the purposes of this definition, "control" and its variants have the meaning ascribed by section 16(2) of the Act;

"Tazbell Hynes Yard Car Park" means the car park operated by Tazbell at Hynes Yard, Merchants Road, Galway, H91 XA6P;

"Term" means the period beginning on the date of commencement of the term of the lease of the Galway Business effected by Q-Park under paragraph 8 or paragraph 19 or paragraph 42 of these Proposals and ending [REDACTED] after this date, provided that the effecting of any further lease of the Galway Business which Q-Park may be required to effect on account of the circumstances referred to in paragraph 19(e) of these Proposals shall not operate to extend this period;

"Third Party Operator Competitively Sensitive Information" means any specific disaggregated information concerning any of the Upfront Potential Lessees or an alternative lessee of the Galway Business where the disclosure of such information (in particular information relating to the current and future strategic intentions of the operator of the Galway Business) to a competing undertaking would constitute a breach of section 4(1) of the Act, in particular information relating to planned discounts, pricing and promotional activity. For the avoidance of doubt, information that is available in any form to the public by lawful means, other than as a result of a breach of these Proposals, shall not be considered to constitute "Third Party Operator Competitively Sensitive Information";

"Upfront Potential Lessee" means [REDACTED];

"working day" means a day other than a Saturday or a Sunday or a public holiday in Ireland, and section 18(h) of the Interpretation Act 2005 shall apply to the calculation of periods of time referred to in these Proposals;

[REDACTED]

A. Proposal to cease to operate the Dublin Business following the completion of the Proposed Transaction

- 1 Q-Park undertakes that for a period of [REDACTED] from the date of the Determination neither it nor any company related to it (including for the avoidance of doubt Tazbell) shall bid for or enter into any contract whereby it or any company related to it would manage or lease or operate [REDACTED].
- 2 For the avoidance of doubt, the reference in paragraph 1 to "any contract" does not include reference to [REDACTED] insofar as that contract will expire on [REDACTED]

[REDACTED], but does include reference to any extension of [REDACTED] beyond that date and/or any contract which would replace [REDACTED] upon or following its expiration on that date.

B. Interim position of the Dublin Business

- 3 Following the Determination and pending the expiration of [REDACTED], Q-Park undertakes to hold separate the Dublin Business and to preserve the economic viability, marketability, and competitiveness of the Dublin Business until the date of the expiration of [REDACTED] in accordance with good commercial practice, and to ensure that the Dublin Business is managed separately by the Hold Separate Manager in the best interests of the Dublin Business as a distinct economic entity.
- 4 Q-Park shall implement verifiable measures to ensure that it does not obtain any competitively sensitive information relating to the Dublin Business during the period from the date of the Determination until the date of the expiration of [REDACTED] (save, by agreement with the Monitoring Trustee under the terms of the Mandate, where such information is required for the operation of the Dublin Business in accordance with good commercial practice or for the purpose of assisting the transfer of the operation of [REDACTED] to a third party as instructed by DCC).
- 5 Following the Determination and pending the expiration of [REDACTED], Q-Park undertakes not to carry out any act upon its own authority which may reasonably be expected to have a significant adverse impact on the economic value, the management, or the competitiveness of the Dublin Business until the date of its disposal. Furthermore, Q-Park undertakes not to carry out upon its own authority any act which may be of such a nature as to alter the nature or the scope of activity, or the industrial or commercial strategy, or the investment policy of the Dublin Business.
- 6 Q-Park further undertakes to appoint a manager for the Dublin Business (who may be the existing manager of the Dublin Business or such similar person, who is unconnected to, and independent of, Q-Park and any other car park leased or managed or otherwise operated by Q-Park) who shall be responsible for the day-to-day management of all operations in relation to the Dublin Business (the “**Hold Separate Manager**”).
- 7 The Hold Separate Manager shall manage the Dublin Business independently of Q-Park and in the best interest of the Dublin Business with a view to ensuring its continued economic viability, marketability, and competitiveness. Further, subject to the provisions of paragraph 4, the Hold Separate Manager shall be responsible for ensuring that no competitively sensitive information relating to the Dublin Business and its operation is provided to Q-Park during the period from the date of the Determination until the date of the expiration of [REDACTED], save with the agreement of the Monitoring Trustee under the terms of the Mandate and where one of the following conditions is satisfied:
 - (a) such information is necessary to ensure the efficient transfer of Tazbell to Q-Park, and the continued operation of Tazbell (including the Dublin Business) throughout

this period (during which the parties will work together to ensure that the transition has been successful), or

- (b) such information is required for the operation of the Dublin Business in accordance with good commercial practice, or to enable compliance with legal or regulatory obligations by Q-Park and/or the Dublin Business, or
- (c) such information is required for the purpose of assisting the transfer of the operation of [REDACTED] to a third party as instructed by DCC.

C. Proposal to divest the Galway Business following the completion of the Proposed Transaction

8 Q-Park undertakes, subject to the provisions set out herein, to effect the lease of the Galway Business to any one of the Upfront Potential Lessees for the duration of the Term within [REDACTED] of the Determination.

9 Q-Park shall immediately inform the CCPC if any one of the Upfront Potential Lessees exercises its rights in accordance with the Heads of Agreement to decide not to proceed with the lease of the Galway Business.

10 Q-Park shall be deemed to have complied with paragraph 8 above if—

- (a) within [REDACTED] from the Determination (or such longer period as may be allowed by the CCPC), Q-Park has entered into a binding contract for the lease of the Galway Business to any one of the Upfront Potential Lessees (subject to due diligence, regulatory permits and any other necessary conditions not within the control of Q-Park or the relevant Upfront Potential Lessee) provided that such lease is completed within [REDACTED] from the date of the binding contract (or such longer period as may be allowed by the CCPC); or
- (b) where, Q-Park having entered into a binding contract for the lease of the Galway Business to one of the Upfront Potential Lessees in accordance with this paragraph 10—
 - i. the CCPC withdraws its approval of the suitability of that Upfront Potential Lessee as a Suitable Lessee of the Galway Business for the reasons referred to in paragraph 14 of these Proposals or Q-Park informs the CCPC pursuant to paragraph 11 of these Proposals that that Upfront Potential Lessee has exercised its rights pursuant to such binding contract not to proceed with the lease of the Galway Business, and
 - ii. within [REDACTED] of the occurrence of the event referred to in (i) above (or such longer period as may be allowed by the CCPC), Q-Park has entered into a binding contract for the lease of the Galway Business to another of the Upfront Potential Lessees (subject to due diligence, regulatory permits and any other necessary conditions not within the control of Q-Park or the relevant Upfront Potential Lessee) provided that

such lease is completed within [REDACTED] from the date of the binding contract (or such longer period as may be allowed by the CCPC).

- 11 Q-Park shall immediately inform the CCPC if, having entered into a binding contract with Q-Park for the lease of the Galway Business, an Upfront Potential Lessee exercises any relevant rights it has pursuant to such binding contract not to proceed with the lease of the Galway Business.
- 12 When Q-Park and any one of the Upfront Potential Lessees have entered into a binding contract for the lease of the Galway Business, Q-Park shall submit to the Monitoring Trustee and the CCPC a copy of the binding contract together with a fully documented and reasoned report which enables the Monitoring Trustee and the CCPC to verify that the conditions laid down in these Proposals are fulfilled and that there has been no Material Change (a "**Documented Report**"), subject to the CCPC agreeing to keep confidential all such information received. For the avoidance of doubt, a Documented Report submitted pursuant to this paragraph shall enable the Monitoring Trustee and the CCPC to verify that that there has been no Material Change since the date of these Proposals.
- 13 Within [REDACTED] of receipt of the binding contract for the lease of the Galway Business and accompanying Documented Report in accordance with paragraph 12, the Monitoring Trustee shall provide a report to the CCPC verifying whether the requirements set out in these Proposals have been fulfilled and that there has been no Material Change since the date of these Proposals. Within [REDACTED] of the receipt by the Monitoring Trustee and the CCPC of a copy of the binding contract for the lease of the Galway Business and accompanying Documented Report in accordance with paragraph 12, the CCPC shall communicate in writing its view as to whether the conditions laid down in these Proposals have been fulfilled and, in particular, as to whether there has been any Material Change since the date of these Proposals. If the CCPC does not communicate its approval or non-approval of the relevant Upfront Potential Lessee as a Suitable Lessee of the Galway Business within [REDACTED] of receipt as aforesaid, such approval shall be deemed to have been given unconditionally.
- 14 Q-Park recognises that, if at any time prior to completion of the lease of the Galway Business to any one of the Upfront Potential Lessees, the CCPC reasonably considers on the basis of information available to it that a Material Change has occurred since the date of these Proposals, the CCPC may withdraw its approval of the relevant Upfront Potential Lessee as a Suitable Lessee of the Galway Business. In the event that the CCPC withdraws its approval of each of the Upfront Potential Lessees as a Suitable Lessee of the Galway Business as provided for in this paragraph, the procedure provided for in Section D of these Proposals shall be followed.
- 15 Q-Park undertakes, subject to the provisions set out herein, that pending the divestiture of the Galway Business it will do nothing to undermine the viability or marketability of the Galway Business and shall ensure that it is managed in the ordinary course of business, pursuant to good business practice.

- 16 Q-Park will require the prior written consent of [REDACTED] to grant the lease of the Galway Business to a Suitable Lessee. Pursuant to [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED], such consent shall not be [REDACTED]. Q-Park shall use all reasonable endeavours to obtain this consent as soon as possible. The grant of a lease to a Suitable Lessee shall be conditional upon obtaining consent from [REDACTED].
- 17 The lease of the Galway Business shall not prevent or delay the completion of the Proposed Transaction in accordance with the terms of the Share Purchase Agreement.
- 18 Q-Park undertakes not to carry out any act upon its own authority which may reasonably be expected to hinder access to and/or frustrate the operation of the Galway Business from the date of the Determination until the expiry of the Term.

D. Divestment by Q-Park of the Galway Business to an Alternative Lessee

- 19 Q-Park undertakes, subject to the provisions set out herein, to effect the lease of the Galway Business for the duration of the Term (or, if subparagraph (e) below applies, for the remaining duration of the Term) to an alternative prospective lessee approved by the CCPC (whose approval [REDACTED]) in the following circumstances, such lease to be effected within [REDACTED] of the occurrence of any one of these events:
- (a) if the CCPC withdraws its approval of the suitability of each of the Upfront Potential Lessees as a Suitable Lessee of the Galway Business for the reasons referred to in paragraph 14 of these Proposals;
 - (b) if Q-Park informs the CCPC, pursuant to paragraph 9 of these Proposals, that each of the Upfront Potential Lessees has exercised its rights in accordance with the Heads of Agreement not to proceed with the lease of the Galway Business;
 - (c) if [REDACTED] (or such longer period as may be allowed by the CCPC) have elapsed after the date of the Determination without Q-Park having entered into a binding agreement with any one of the Upfront Potential Lessees for the lease of the Galway Business, or if [REDACTED] (or such longer period as may be allowed by the CCPC) have elapsed after the date of an event referred to in paragraph 10(b)(i) without Q-Park having entered into a binding agreement with another of the Upfront Potential Lessees for the lease of the Galway Business;
 - (d) if, having entered into a binding agreement with any one of the Upfront Potential Lessees for the lease of the Galway Business, Q-Park informs the CCPC, pursuant to paragraph 11 of these Proposals, that the relevant Upfront Potential Lessee has exercised its rights pursuant to such binding agreement not to proceed with the lease of the Galway Business, except where there remains at least one Upfront Potential Lessee (i) which has not exercised its rights in accordance with the Heads of Agreement or pursuant to a binding agreement for the lease of the Galway

Business not to proceed with the lease of the Galway Business and (ii) in respect of which the CCPC has not withdrawn its approval of same as a Suitable Lessee of the Galway Business for the reasons referred to in paragraph 14 of these Proposals; and/or

- (e) if, Q-Park having already effected a lease of the Galway Business pursuant to paragraph 8 or this paragraph 19 or paragraph 42, any such lease is terminated prior to the expiration of the Term.
- 20 Q-Park undertakes that the lease of the Galway Business shall be upon such conditions as the CCPC may reasonably consider proper and that the lease of the Galway Business to a prospective lessee must not be likely to create, in light of information available to the CCPC, *prima facie* competition concerns.
- 21 Q-Park undertakes that for a prospective lessee to obtain the CCPC's approval, such lessee shall be a Suitable Lessee.
- 22 Subject to Q-Park's obligation under paragraph 19 if the circumstances referred to in paragraph 19(e) should arise, Q-Park shall be deemed to have complied with paragraph 19 of these Proposals if, within a [REDACTED] period after the occurrence of any one of the events set out in paragraph 19 above (or such longer period as may be allowed by the CCPC or as may result from the delays referred to in paragraph 27 below), it has entered into a binding contract for the lease of the Galway Business to a single prospective lessee, (subject to due diligence, regulatory permits and any other conditions not within the control of Q-Park or the lessee), provided that each such lease is completed within a [REDACTED] [REDACTED] period from the date of the relevant binding contract (or such longer period as may be allowed by the CCPC).
- 23 Q-Park shall immediately inform the Monitoring Trustee and the CCPC in writing if, having entered into a binding contract with Q-Park for the lease of the Galway Business, a prospective lessee exercises any relevant rights it has pursuant to the binding contract not to proceed with the proposed lease.
- 24 Q-Park shall:
 - (a) promptly inform the Monitoring Trustee and the CCPC in writing, with a fully documented and reasoned proposal, of any prospective lessee who indicates a serious desire to lease the Galway Business, and to whom Q-Park is seriously considering the lease of the Galway Business, in order to enable the Monitoring Trustee and the CCPC to verify the suitability of the prospective lessee (a "**Documented Proposal**");
 - (b) when the parties have entered into a binding contract for the lease of the Galway Business, submit a copy of the binding contract and accompanying Documented Report to the Monitoring Trustee and the CCPC in order to enable the Monitoring Trustee and the CCPC to verify that the conditions laid down in these Proposals are fulfilled and that there has been no Material Change since the CCPC assessed

that lessee's suitability under paragraph 24(a), subject to the CCPC agreeing to keep confidential all such information received.

- 25 Within [REDACTED] of receipt of a Documented Proposal from Q-Park in accordance with paragraph 24(a), the Monitoring Trustee shall provide a written report to the CCPC verifying the suitability of the prospective lessee. Subject to the provisions of paragraph 27, the CCPC shall communicate in writing its approval or non-approval of a prospective lessee within [REDACTED] of the receipt by the CCPC of a Documented Proposal from Q-Park identifying a prospective lessee in accordance with paragraph 24(a).
- 26 Within [REDACTED] of receipt of a copy of the binding contract and accompanying Documented Report from Q-Park in accordance with paragraph 24(b), the Monitoring Trustee shall provide a report to the CCPC verifying whether the requirements set out in these Proposals have been fulfilled and that there has been no Material Change in the status of the prospective lessee since the CCPC assessed that lessee's suitability under paragraph 24(a). Subject to the provisions of paragraph 27, within [REDACTED] of the receipt by the CCPC of a copy of the binding contract and accompanying Documented Report in accordance with paragraph 24(b), the CCPC shall communicate in writing its view as to whether the conditions laid down in these Proposals have been fulfilled and as to whether there has been any Material Change as provided for in paragraph 24(b).
- 27 Failure of the CCPC to communicate its approval or non-approval of a prospective lessee within [REDACTED] of the receipt by the CCPC of a Documented Proposal and/or Documented Report in accordance with paragraph 24(a) or paragraph 24(b) shall in each case suspend the running of the [REDACTED] period established in paragraph 19 above until the CCPC communicates its approval or non-approval. If the CCPC does not communicate its approval or non-approval within [REDACTED] of receipt as aforesaid, such approval shall be deemed to have been given unconditionally.
- 28 In the case of a plurality of offers from prospective lessees to whom the CCPC does not object, Q-Park shall be free to accept any offer or to select the offer it considers best.

E. Confidentiality Commitment

- 29 Following the Determination until the end of the Term, Q-Park undertakes that:
- (a) Q-Park and its personnel shall not provide Q-Park Competitively Sensitive Information to any of the Upfront Potential Lessees or to any alternative lessee of the Galway Business (including to any natural or legal person who it is reasonably foreseeable may become an alternative lessee of the Galway Business).
 - (b) Q-Park shall not (and shall not permit Q-Park Personnel to) solicit, directly or indirectly, Third Party Operator Competitively Sensitive Information from any of the Upfront Potential Lessees or from an alternative lessee of the Galway Business (including from any natural or legal person who it is reasonably foreseeable may become an alternative lessee of the Galway Business).

- (c) These Proposals shall not prevent any disclosure of Third Party Operator Competitively Sensitive Information to Q-Park (or to any Q-Park personnel) which is required in order for Q-Park to comply with any applicable law or regulation, or judicial or arbitral process of competent jurisdiction, or which is required to be disclosed by law by a competent authority.

F. Appointment of a Monitoring Trustee

- 30 Within [REDACTED] after the Determination, Q-Park will propose to the CCPC a trustee, who is independent of Q-Park and Tazbell (the "**Proposed Monitoring Trustee**"). The appointment of the Proposed Monitoring Trustee is subject to the approval of the CCPC. If the CCPC does not reject the Proposed Monitoring Trustee by notice in writing within [REDACTED] of the proposal by Q-Park, the Proposed Monitoring Trustee shall be deemed to have been approved.
- 31 If the Proposed Monitoring Trustee is rejected by the CCPC, Q-Park will propose the name of a new trustee (the "**New Monitoring Trustee**") within [REDACTED] of being informed by the CCPC of the rejection. If the CCPC does not reject the New Monitoring Trustee by notice in writing to Q-Park within [REDACTED] of the new proposal, the New Monitoring Trustee shall be deemed to have been approved.
- 32 At the time of proposing the Proposed Monitoring Trustee or the New Monitoring Trustee to the CCPC, Q-Park shall furnish to the CCPC sufficient information to enable the CCPC to assess the suitability of the person so proposed, including (without limitation) a curriculum vitae.
- 33 If the New Monitoring Trustee, proposed under paragraph 31, is rejected by the CCPC, the CCPC shall nominate a suitable trustee (the "**CCPC Monitoring Trustee**") which Q-Park will appoint or cause to be appointed.

G. Monitoring Trustee's Mandate

- 34 Within [REDACTED] of the date on which the CCPC has approved or is deemed to have approved either the Proposed Monitoring Trustee, the New Monitoring Trustee or the CCPC Monitoring Trustee, Q-Park shall enter into a mandate agreement (that is, the "Mandate" as defined in the "Definitions" section above) with the approved trustee (the "**Monitoring Trustee**"), the terms of which shall have previously been agreed with the CCPC, which confers on the Monitoring Trustee all the rights and powers necessary to permit the Monitoring Trustee to monitor Q-Park's compliance with the terms of these Proposals.
- 35 The Monitoring Trustee shall be independent of Q-Park and Tazbell, possess the necessary qualifications and experience to carry out its mandate, and shall neither have nor become exposed to a conflict of interest.
- 36 Throughout the duration of the Monitoring Trustee's appointment, the Monitoring Trustee shall:

- (a) provide written reports ("**Monitoring Trustee Reports**") to the CCPC on the progress of the discharge of its duties under the Mandate, identifying any respects in which the Monitoring Trustee has been unable to discharge such duties;
- (b) monitor and advise the CCPC as to the development of the procedure for selecting a lessee of the Galway Business and as to the conduct of the negotiations;
- (c) monitor and advise the CCPC as to whether any of the Upfront Potential Lessees or any other prospective lessees with whom Q-Park or the Trustee intends to negotiate are likely to be, and pending completion of the lease continue to be, a Suitable Lessee, including providing a written report to the CCPC within [REDACTED] of receipt of a Documented Proposal from Q-Park, pursuant to paragraph 24(a) of these Proposals, verifying the suitability of a prospective lessee;
- (d) provide a written report to the CCPC within [REDACTED] of receipt of a copy of the binding contract and accompanying Documented Report from Q-Park, pursuant to paragraph 12 and/or paragraph 24(b) of these Proposals, verifying whether the requirements set out in these Proposals have been fulfilled and that there has been no Material Change;
- (e) pending the effecting of the lease of the Galway Business, monitor the maintenance of the viability and marketability of the Galway Business and ensure that it is managed in the ordinary course of business, pursuant to good commercial practice; and
- (f) pending the expiration of [REDACTED], monitor the holding separate of the Dublin Business and ensure that its economic viability, marketability and competitiveness are preserved in accordance with good commercial practice and that it is managed separately by the Hold Separate Manager in its best interests as a distinct economic entity.

37 The first Monitoring Trustee Report shall be provided within one (1) month of the date of the appointment of the Monitoring Trustee and thereafter Monitoring Trustee Reports shall be provided:

- (a) with respect to Sections A and B of these Proposals, at monthly intervals until the expiration of [REDACTED] and
- (b) with respect to Sections C and D of these Proposals, at monthly intervals until the beginning of the Term and thereafter at six-monthly intervals until the expiry of the Term; or

at such other times or time periods as the CCPC may specify and are notified in writing to Q-Park.

38 Q-Park shall receive a non-confidential copy of such Monitoring Trustee Reports.

- 39 The Monitoring Trustee Report shall:
- (a) address the compliance or otherwise of Q-Park with these Proposals during the period since the date of the previous Monitoring Trustee Report (or, in the case of the first Monitoring Trustee Report, since the date of the Determination);
 - (b) pending the effecting of the lease of the Galway Business, address the maintenance of the viability and marketability of the Galway Business and whether and to what extent it is managed in the ordinary course of business, pursuant to good business practice; and
 - (c) pending the expiration of [REDACTED], address the holding separate of the Dublin Business and whether and to what extent its economic viability, marketability and competitiveness are preserved in accordance with good commercial practice and whether and to what extent it is managed separately by the Hold Separate Manager in its best interests as a distinct economic entity.
- 40 The Monitoring Trustee's duties and functions as set out above shall not be extended or varied in any way by Q-Park, save with the express consent of the CCPC. Any instruction or request to the Monitoring Trustee from Q-Park which conflicts with the terms of the Mandate, and the duties and functions as set out above, will be considered null and void.
- 41 The CCPC may, on its own initiative or at the request of the Monitoring Trustee, give any orders or instructions to the Monitoring Trustee that are required in order to ensure compliance with the conditions and obligations attached to the Determination so long as Q-Park is first given an opportunity to comment on any such orders or instructions in advance.
- 42 In the circumstances specified below, the Monitoring Trustee shall be given an irrevocable mandate to negotiate and conclude arrangements for the lease of the Galway Business for the duration of the Term (or, if paragraph 19(e) applies, for the remaining duration of the Term) to a prospective alternative lessee, upon such terms and conditions and for such consideration as it considers appropriate for an expedient lease to a viable and independent third party (subject to the CCPC having approved both the lessee and the binding contract for the lease of the Galway Business in accordance with paragraph 24 and paragraphs 25, 26 and/or 27 of these Proposals):
- (a) if [REDACTED] (or such longer period as may be allowed by the CCPC or as may result from the delays referred to in paragraph 27 of these Proposals) have elapsed after the date of the occurrence of any one of the events set out in paragraph 19 above without Q-Park having entered into a binding contract for the lease of the Galway Business; or
 - (b) if a lease pursuant to a binding contract referred to in (a) above is not completed within a [REDACTED] period from the date of date of the relevant binding contract (or such longer period as may be allowed by the CCPC, or any prospective alternative lessee exercises any relevant rights it has pursuant to any binding

contract with Q-Park not to proceed with the proposed lease within that [REDACTED] period.

- 43 The Monitoring Trustee shall have regard to the legitimate financial interests of Q-Park in respect of such divestment, subject to Q-Park's unconditional obligation to divest the Galway Business for such consideration as the Monitoring Trustee considers appropriate.
- 44 The CCPC and Q-Park shall endeavour to ensure that the Monitoring Trustee shall act reasonably and responsibly.

H. Miscellaneous

- 45 Q-Park will provide the Monitoring Trustee with all reasonable assistance and will procure (so far as it is able) that all relevant third parties provide such assistance required to ensure compliance with these Proposals. Q-Park will provide or cause to be provided to the Monitoring Trustee all such assistance and information, including copies of all relevant documents accessible by Q-Park, as the Monitoring Trustee may require in carrying out its Mandate, and will pay reasonable remuneration for the Monitoring Trustee's services.
- 46 In addition, at the expense of Q-Park, the Monitoring Trustee may appoint advisors (in particular for legal advice), subject to Q-Park's approval, such approval [REDACTED], if the Monitoring Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the Mandate, provided that any fees and other expenses incurred by the Monitoring Trustee are reasonable. Should Q-Park refuse to approve the advisors proposed by the Monitoring Trustee, the CCPC may approve the appointment of such advisors instead, after first having received Q-Park's views in writing. Only the Monitoring Trustee shall be entitled to issue instructions to the advisors.
- 47 Notwithstanding the Monitoring Trustee's overall responsibility to discharge its functions and in particular notwithstanding the Monitoring Trustee's position as an independent unrelated third party, the Monitoring Trustee (who shall undertake in the Mandate to do so) shall have to the extent possible given the nature of its tasks due regard to the commercial interests of Q-Park.
- 48 The Monitoring Trustee shall have full and complete access to the Hold Separate Manager and any other employees or other personnel relevant to the Dublin Business and Galway Business, in order to ensure compliance by Q-Park with these Proposals.
- 49 Q-Park shall indemnify the Monitoring Trustee and its employees and agents (each an "**Indemnified Party**") and hold each Indemnified Party harmless against, and hereby agrees that an Indemnified Party shall have no liability to Q-Park for, any liabilities arising out of the performance of the Monitoring Trustee's duties under these Proposals and the Mandate, except to the extent that such liabilities result from the wilful default, recklessness, gross negligence or bad faith of the Monitoring Trustee, its employees, agents or advisors. The Monitoring Trustee and all other relevant third parties' powers of attorney and appointment shall be irrevocable.

- 50 The CCPC and Q-Park shall act at all times in a reasonable manner with a view to achieving the effective and efficient implementation of these Proposals.

I. Review clause

- 51 The CCPC may at its sole discretion extend any of the time periods provided for in these Proposals in response to a reasoned request from Q-Park or the Monitoring Trustee. The CCPC may further at its sole discretion waive, modify or substitute any provision in these Proposals in response to a reasoned request from Q-Park or the Monitoring Trustee showing good cause.

Q-PARK

Signed:

Name:

(Print)

Position:

Date:

