

DETERMINATION OF MERGER NOTIFICATION M/25/018 – SPEED FIBRE GROUP/BT COMMUNICATIONS IRELAND

Section 21 of the Competition Act 2002

Proposed acquisition by Speed Fibre Group Limited of sole control of BT Communications Ireland Limited

Dated: 11 April 2025

Introduction

1. On 3 March 2025, 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 notification of a proposed acquisition whereby Speed Fibre Group Limited (“SFG”) would acquire the entire issued share capital, and thus sole control, of BT Communications Ireland Limited (“BT”) (the “Proposed Transaction”).¹

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a put & call option agreement, dated 4 February 2025, between Extraclick Limited² and SFG (the “Transaction Agreement”). Pursuant to the Transaction Agreement, SFG is granted the option to acquire the entire issued share capital, and thus sole control, of BT from Extraclick Limited.³
3. Prior to the completion of the Proposed Transaction, the businesses of BT in relation to: (i) the provision of telecommunications services to certain large retail customers (referred to as the “*global customer retail*” business); and (ii) the operation of co-location data centres at Ballycoolin, Dublin and Citywest, Dublin are to be transferred to separate BT entities⁴ by BT

¹ SFG and BT are referred to collectively in this determination as the “Parties”.

² Extraclick Limited is a wholly owned subsidiary of BT Group plc (the “BT Group”) and is the sole shareholder of BT.

³ The option to acquire the entire issued share capital of BT applies during an “option period” and subject to satisfaction of certain “option conditions” as defined and detailed in the Transaction Agreement.

⁴ BT Business Telecoms Ireland Limited (incorporated in the State under registered number 776812) and BT Datacentres Ireland Limited (incorporated in the State under registered number 774650), respectively.

pursuant to separate business transfer agreements, and accordingly will not form part of the Proposed Transaction.

4. The scope of the Proposed Transaction (i.e. the target business) comprises: (i) BT's wholesale infrastructure business in the State (i.e. owned and leased duct, fibre, switch and network assets), which has around [...] wholesale customers; and (ii) around [...] retail corporate customers who are not included in the "*global customer retail*" business.

The Undertakings Involved

The Acquirer – SFG

5. SFG is a private limited company, incorporated in the State, under the control of the Cordiant group. The Cordiant group consists of Cordiant Digital Infrastructure Limited ("CDIL"), a UK-listed investment company incorporated in Guernsey,⁵ and Cordiant Capital Inc. ("CC"), a private company domiciled in Canada, which manages CDIL.⁶
6. CDIL primarily invests in digital infrastructure such as data centres, mobile telecommunications/broadcast towers, distributed sensor networks and fibre optic network assets. In the State, the only CDIL-controlled portfolio companies generating turnover are SFG and its subsidiaries. CC is an investment management firm which focuses on energy infrastructure, digital infrastructure, and agriculture.
7. SFG operates two businesses in the State: *enet*,⁷ and *Magnet Plus* ("*Magnet +*"),⁸ the activities of which are described in greater detail below.
8. For the financial year ending 31 December 2023, SFG's worldwide turnover was approximately €[...] million, of which approximately €[...] million was generated in the State.

enet

9. *enet* is a wholesale telecoms business. Pursuant to a contract entered into with the Minister for Communications in 2004 (the "Concession Agreement"), *enet* operates State-owned

⁵ CDIL is incorporated in Guernsey under registered number CMP68630.

⁶ CC is incorporated in Montreal, Quebec under registered number 3621472.

⁷ *enet* is a business name with registered number 259847. The *enet* business name is owned by E-Nasc Éireann Teoranta, which is a company incorporated in the State under registered number 332982. E-Nasc Éireann Teoranta is wholly owned by SFG.

⁸ *Magnet +* is a business name with registered number 689667. The *Magnet +* business name is owned by Airspeed Communications Limited, which is a company incorporated in the State under registered number 360929. Airspeed Communications Limited is wholly owned by SFG.

Metropolitan Area Networks (“MANs”).⁹ MANs consist of fibre rings in urban areas which wholesale customers use to either:

- connect their national network to the vicinity of an end customer’s premises which they wish to service; or
- connect their national network to their local network.¹⁰

10. In the merger notification form received by the Commission on 3 March 2025 (the “Merger Notification Form”), the Parties noted that MANs are essentially “*islands of connectivity*” and therefore MANs customers need further connectivity services to connect the MANs to their national network.¹¹ These connectivity services may be self-supplied by the customer or supplied by *enet* using infrastructure which is not included in their MANs provision.

11. *enet* operates the MANs subject to the Concession Agreement. The Concession Agreement imposes upon *enet* obligations relating to pricing, access, and the separation of wholesale and retail functions.

12. Separate to the MANs, *enet*:

- owns and operates circa 179km of network in Dublin, Newbridge, Shannon and Castlebar;
- leases and resells fibre loops owned by third party telecoms operators including Eircom Limited (“Eircom”);¹²
- leases and resells national fibre lines owned by third party telecoms operators including Eircom; Córas Iompair Éireann (“CIÉ”);¹³ Gas Networks Ireland, through its business, *Aurora Telecom*;¹⁴ and Exa Networks Limited.¹⁵ *enet*’s largest lessor, CIÉ, leases 2,616km of fibre under a lease expiring in 2030; and

⁹ The Concession Agreement runs until 2030.

¹⁰ MANs are made up of approximately 1,230km of duct.

¹¹ Merger Notification Form, page 14.

¹² Eircom is incorporated in the State under registered number 98789.

¹³ CIÉ was founded on 1 January 1945 under the Transport Act 1944 and was transformed into a semi-State body by the Transport Act 1950.

¹⁴ Gas Networks Ireland is a designated activity company incorporated in the State under registered number 555744. *Aurora Telecom* is a business name with registered number 551891.

¹⁵ Exa Networks Limited is incorporated in the UK under registered number 04922037.

- operates its own fixed wireless network, which it operates under a licence issued by the Commission for Communications Regulation (“ComReg”).
13. *enet* operates an open-access model, meaning that any of its wholesale customers (i.e., telecoms service providers) can access any part(s) of *enet*’s network.
14. A telecoms provider will generally supply retail services using a mix of its own network infrastructure (so-called ‘on-net’) and wholesale inputs purchased from another telecoms provider (so-called ‘off-net’). Through its operation of the MANs, and its on-net and off-net transactions, *enet* offers a range of wholesale telecoms services, including:
- **Wholesale dedicated capacity (“WDC”)/leased line services:** these services are provided to wholesale customers who require a dedicated, uncontended connection between two points. These services offer symmetrical capacity to customers (i.e., upload speed and download speed are equal). The provision of WDC involves the provision of access to *enet*’s (owned or leased) network infrastructure to wholesale customers (such as [...],¹⁶ [...]¹⁷ and [...]¹⁸) who, in turn, provide data connectivity services to their customers at the retail level (typically medium and large businesses or public sector organisations);
 - **Wholesale broadband services:** these services include wholesale local access (“WLA”) and wholesale central access (“WCA”), both of which are used to provide retail broadband services. Wholesale broadband involves a connection of a particular premises to the internet, through Fibre-to-The-Cabinet (“FTTC”) or Fibre-To-The-Premises (“FTTP”). WCA involves wholesale access at a central point in the wholesale provider’s network. WLA involves wholesale access at a local point in the wholesale provider’s network. *enet* has *de minimis* sales of wholesale broadband;
 - **Duct rental services:** *enet* operates MANs on behalf of the State. MANs include a network of ducts connecting chambers. Fibre is carried through the ducts. Telecom service providers can lease capacity on *enet*’s fibres and, in some cases, can install

¹⁶ [...] is incorporated in the State under registered number [...].

¹⁷ [...] is incorporated in the State under registered number [...].

¹⁸ [...] is incorporated in the State under registered number [...].

their own fibres in *enet*'s ducts. When installing their own fibres, the telecom providers rent duct space per metre.

- **Co-location services:** this allows a customer to install equipment at a location managed by *enet* across the MANs locations;¹⁹ and
- **Dark fibre rental services:** this is the provision of an unlit/unused fibre line which has already been laid in the ground (thus saving the customer the cost of digging the route, laying the fibre, etc.).

15. As SFG carries out wholesale telecoms business only through *enet*, all wholesale market overlaps relevant to the Proposed Transaction involve an overlap between the activities of *enet* and those of BT.

Magnet +

16. *Magnet +* is a retail telecoms business, providing residential and business customers with retail voice and internet access services. According to ComReg's *Quarterly Key Data Report* for Q2 of 2024,²⁰ *Magnet +* has a *de minimis* share of: (i) the retail voice market; and (ii) the retail broadband market.
17. As SFG carries out retail telecoms business only through *Magnet +*, all retail market overlaps relevant to the Proposed Transaction involve an overlap between the activities of *Magnet +* and those of BT.

The Target – BT

18. BT is an indirect, wholly owned subsidiary of the BT Group. In accordance with the Transaction Agreement, the BT Group is to restructure and split its business activities in the State prior to completion of the Proposed Transaction. As outlined in paragraph 3 above, the effect of this

¹⁹ In this context, a rack is a customer's equipment that it installs at an operator's co-location site. Therefore, "*rented per rack*" means that the rent payable is based on how many pieces of equipment the customer has installed at the co-location site.

²⁰ ComReg, '*Irish Communications Market Summary: Quarterly Key Data Report - Data as of Q2 2024*'. Available at: <https://www.comreg.ie/media/2024/09/ComReg-2471.pdf>

restructuring is that neither the BT Group's data centre business in the State,²¹ nor the BT Group's "*global customer retail*" business²² forms part of the Proposed Transaction.

19. The scope of the Proposed Transaction (described by the Parties in the Merger Notification Form as the "transaction perimeter") comprises: (i) the BT Group's wholesale infrastructure business in the State (i.e., owned and leased duct, fibre, switch and network assets), which has around [...] wholesale customers; and (ii) around [...] retail corporate customers who are not included in the "*global customer retail*" business. BT's wholesale infrastructure business includes network which is owned by BT and network which is leased from third parties.²³ For example:
- Under an agreement with CIE/Irish Rail, BT has built a fibre network along CIE rail tracks which consists of approximately 1,800km of fibre lines. CIE leases access to this fibre network from BT. This agreement is due to expire in [...]; and
 - BT leases and resells fibre lines owned by third parties such as Eircom. BT also has roughly 100 ethernet points of presence located around the State, to allow internet access providers to connect to each other's networks.
20. Like SFG, BT offers wholesale broadband services to retail broadband service providers. Retail broadband service providers provide retail fixed services to end-users. BT's wholesale services include end-to-end, fully managed services, such as FTTP. However, unlike SFG, BT does not generally market wholesale access to duct or dark fibre services.
21. At the retail level, BT provides business telecommunications services (e.g., voice, data, broadband, and internet) to approximately [...] small- and medium-sized businesses, and to some government organisations.
22. BT offers fixed voice services to customers at both the wholesale and retail level.

²¹ The proposed acquisition of the BT Group's data centre business in the State is currently being reviewed by the Commission in [M/25/003 – Equinix \(Ireland\) Limited/BT Datacentres Ireland Limited](#).

²² In the Merger Notification Form, the Parties stated that the BT Group's "*global customer retail*" business "*consists of what [the BT Group] regards to be its primary strategic business in Ireland, which is the provision of telecommunications services to large financial institutions (e.g. [...]), global multinationals (e.g. [...]) and domestic multinationals (e.g. [...]).*"

²³ Such as: Eircom; NBI Infrastructure Designated Activity Company, trading as National Broadband Ireland ("NBI"); and SIRO Designated Activity Company ("SIRO"). NBI is incorporated in the State under registered number 631656. SIRO is incorporated in the State under registered number 540946.

23. For the financial year ending 31 December 2023, BT's worldwide turnover was approximately €[...] million,²⁴ all of which was generated in the State.²⁵

Rationale for the Proposed Transaction

24. In the Merger Notification Form, the Parties stated that:

"The Proposed Transaction will enable the Merged Entity to achieve scale and, ultimately, the ability to sustainably offer lower prices and compete more effectively against Eircom but also SIRO, Virgin Media [Ireland Limited]²⁶ and the like."²⁷

"In our view, the Proposed Transaction will generate pro-competitive efficiency gains for the ultimate benefit of the business customers of the Parties' services, for the following reasons in particular:

Extending the Benefits of [SFG]'s Open Access Model: *[SFG] operates an open access model to its entire network (although it is only obliged by the Concession Agreement to do this in relation to MANs network), whereby all individual network elements are marketed and sold on an unbundled basis. [SFG] would intend to voluntarily apply its open access model to its entire business, including [BT]'s network, following the Proposed Transaction. This means that customers will have increased choice and increased supply by virtue of the merged entity offering elements of the [BT] network which generally were not marketed previously by [BT] as noted above, including dark fibre and duct.*

[...]

Increasing the Merged Entity's Ability to Offer Lower Prices & Compete Effectively Against Eircom, SIRO and Virgin Media: *A significant proportion of customer demand in the WDC Market is for 'multi-site' leased lines. Where [SFG] or [BT] competes for such business at present, each must compete with a mixture of 'on-net' and 'off-net' leased lines (e.g., Eircom leased lines to be resold). Post-transaction, any such mixture*

²⁴ On page 12 of the Merger Notification Form, the Parties stated that this turnover relates only to the business falling within the transaction perimeter (i.e., the target business, as described in paragraphs 4 and 19 above).

²⁵ However, on page 2 of the Merger Notification Form, the Parties stated that, as a result of a [...] loss of revenue (circa [...]%) due to [...] switching from BT to [...], BT's projected revenue for 2025 will be roughly €[...] million.

²⁶ Virgin Media Ireland Limited ("Virgin Media") is incorporated in the State under registered number 435668.

²⁷ Merger Notification Form, page 3.

is likely to include a greater proportion of ‘on-net’ leased lines. For example, [SFG] would own c.384km of fibre in no-overlap areas where it currently has no network and buys from Eircom and others periodically. Having a higher proportion of ‘on-net’ leased lines in any sale transaction facilitates the merged entity being better able to offer more competitive prices to retail leased line service providers since, on average, it should incur fewer external wholesale costs to provide a multi-site service (to leased line resellers such as Eircom). This facilitates further competition between the various retail service providers in the retail market and ultimately the end customer who has requested the multi-site bid.

Increasing the Merged Entity’s Attractiveness & Ability to Compete Effectively Against Eircom: *When acting as a customer in the MI WDC market²⁸ and looking to purchase wholesale leased lines (e.g., in the above ‘multi-site tender’ context), each Party finds that it is often commercially convenient to purchase from Eircom (rather than from a smaller alternative network owner like each other) because Eircom has a larger network and it is convenient to rely on one supplier rather than multiple suppliers. Also, the rise of FTTP (increasing peak speeds) and related growth over time in fixed network usage per user are putting massive demands on capacity leading again to needs for greater investment. We include further information on this point in the annex on [SFG].*

Leveraging Synergies to Enhance Competitiveness: *Synergies (such as creating increased economies of scale) can be leveraged to ensure that two older networks continue to benefit from investment, including new IT system upgrades, ensuring customers of the network have another reliable and competitive alternative in the market.”²⁹*

Third-Party Submissions

25. One third-party submission was received during the Commission’s investigation. This submission was made by a competitor of the Parties in the State. The competition concerns

²⁸ According to page 8 of ComReg’s ‘Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision’, MI, or modern interface, refers to the means by which WDC is provided over fibre and includes ethernet, wavelength division multiplexing, and dark fibre.

²⁹ Merger Notification Form, pages 28-29.

expressed in this submission have been considered by the Commission as part of its review of the likely competitive impact of the Proposed Transaction.

Industry Background

26. The Proposed Transaction principally involves the acquisition of fixed telecoms infrastructure in the form of a fibre network that is used to carry voice and data services. A secondary part of the Proposed Transaction is the acquisition of a number of wholesale and retail business customers, mainly small and medium enterprises that do not fall within the BT Group's "*global customer retail*" business. BT's fibre network is used to provide services on a wholesale basis to other telecoms operators. While the fibre network can be used to provide a range of communications services including wholesale broadband, its main use is for the supply of WDC or leased lines.³⁰
27. Telecoms operators buy WDC in order to extend their own networks and in order to offer retail services to end users. WDC is used, for example, by mobile operators seeking to connect their base stations to their networks. A telecoms operator may also lease WDC from another operator in order to provide retail dedicated capacity to a retail customer. The decision to lease could be because the retail customer's premises is not already connected to the telecoms operator's network, and the cost of building out its network to provide a new connection to a customer's premises may be too high. Retail leased lines are used by businesses to provide a variety of retail communications services. They are used by larger business customers and government, typically to provide communications between multiple sites. According to ComReg, multisite customers account for the majority of all retail leased line demand.³¹ Leased lines offer higher quality, greater reliability and more security than shared connectivity such as broadband.
28. Fixed telecoms infrastructure is regulated on an *ex ante* basis by ComReg. Regulation applies to Eircom as an incumbent provider with significant market power ("SMP") in a number of wholesale fixed markets, including WDC, WLA, and Physical Infrastructure Access ("PIA"). In some of these markets, *ex ante* regulation applies only to certain geographic areas.

³⁰ The terms "*leased lines*" and "*dedicated capacity*" are used interchangeably, as synonyms, throughout this determination.

³¹ ComReg, 'Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision', page 8, paragraph 1.6. Available at: <https://www.comreg.ie/media/2024/11/ComReg-Documents-2492.pdf>.

29. In the Merger Notification Form, the Parties have submitted that *enet*'s management of the MANs and Concession Agreement also provides a form of regulatory control.³²
30. The customers of wholesale fixed telecoms services are telecoms providers. As mentioned in paragraph 14 above, a telecoms provider will generally supply retail services using a mix of on-net and off-net infrastructure. *enet* is a wholesale-only telecoms provider, so all of its customers are telecoms operators. *Magnet +* has retail customers, the majority of which are consumers purchasing broadband services. BT has wholesale customers for WDC and wholesale broadband. Its retail customers are exclusively business customers.

Competitors of the Parties

31. Eircom has a fibre network spanning across the State. Wholesale services (largely on the basis of regulatory obligations) are provided over that network, under the brand name *Open Eir*.
32. In the Merger Notification Form, the Parties submitted that Virgin Media's network is far larger than either Party's network and added that Virgin Media is upgrading its network to fibre and, as part of that process has, since 2022, started offering wholesale access services to other telecoms providers.³³ This service offering includes WDC.
33. In the Merger Notification Form, the Parties submitted that, between 2005 and 2015, many new competitors built or acquired their own fixed networks across parts of the State including: Vodafone; Colt; Verizon; Viatel Technology Group Limited ("*Viatel*");³⁴ euNetworks Ireland-Private Fibre Limited ("*euNetworks*");³⁵ Zayo Infrastructure Ireland Limited ("*Zayo*");³⁶ ESB Telecoms Limited ("*ESB Telecoms*");³⁷ *ElioNetworks* (previously *Host Ireland*);³⁸ and *Aurora Telecom*.
34. In 2015, SIRO (a joint venture between ESB Telecoms and Vodafone) was launched to build another alternative network. In the Merger Notification Form, the Parties have submitted that, while initially marketed as a wholesale provider of FTTP broadband services to residential

³² Merger Notification Form, page 39.

³³ Merger Notification Form, page 20.

³⁴ Viatel is incorporated in the State under registered number 512402.

³⁵ euNetworks is incorporated in the State under registered number 314398.

³⁶ Zayo is incorporated in the State under registered number 299662.

³⁷ ESB Telecoms is incorporated in the State under registered number 339991.

³⁸ *ElioNetworks* is a business name with registered number 743985. *Host Ireland* is a business name with registered number 627685. Both business names are ultimately owned by Digital 9 Wireless Limited and an individual, Mr David Russell. Digital 9 Wireless Limited is incorporated in the UK under registered number 13665629.

premises, SIRO's network also provides retail leased line/dedicated capacity services and wholesale leased line/WDC services and is now competing strongly in both markets.

35. In 2020, NBI was launched to build a wholesale fibre network in areas of the State that were deemed not to be commercially viable to serve with fibre (the "Intervention Area" or the "IA"). The Parties stated that, like SIRO, NBI provides wholesale broadband services and wholesale leased line/WDC services in the IA.

36. Detailed competitor information is available from ComReg, including:

- market reviews;³⁹ and
- *Quarterly Key Data Reports*.⁴⁰

Competitive Analysis

Horizontal overlap

37. In the Merger Notification Form, the Parties stated the following:

"Certain wholesale access services are provided by both enet and [BT] and thus give rise to a horizontal overlap between the Parties, namely:

Wholesale Dedicated Capacity / Leased Line Services: enet and [BT] both offer a range of MI WDC Market services; and

Wholesale Broadband Services: enet and [BT] both offer WLA and WCA broadband services, by reselling services from Eircom, SIRO and NBI.

Certain retail services are provided by both Magnet+ and BT and thus give rise to a horizontal overlap between the Parties, as listed below:

Retail Leased Lines: Magnet+ and [BT] offer retail leased lines services which constitutes the provision of a dedicated, fixed-bandwidth / data connection directly for business customers (i.e. private, high speed connection for

³⁹ For example, ComReg, 'Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision'. Available at: <https://www.comreg.ie/media/2024/11/ComReg-Documents-2492.pdf>.

⁴⁰ ComReg's *Quarterly Key Data Reports* for 2024 are available at: <https://www.comreg.ie/industry/electronic-communications/market-information/quarterly-key-data-report/>.

sophisticated business customers who do not share this connection / network with other operators);

Retail Broadband Services: Magnet+ and [BT] offer retail business fixed internet access services to business customers (SME's and large corporates), enabling customers to access the internet via narrowband (i.e., 'dial-up') services or broadband services; and

*Retail Fixed Line Services: Magnet+ and [BT] offer fixed line services to allow users to make or receive telephone calls over the Internet to or from the public switched telephone network."*⁴¹

38. There is therefore a horizontal overlap between the Parties in respect of:

- the provision of access to WDC/leased lines;
- the provision of access to wholesale broadband;
- the provision of access to retail dedicated capacity/leased lines;
- the provision of access to retail broadband; and
- the provision of access to retail fixed line (voice).

Vertical relationship

39. In the Merger Notification Form, the Parties stated the following:

"Certain wholesale access services provided by enet are purchased by [BT], as listed below. However, these are not purchased on an exclusive basis and [...]:

Wholesale Dedicated Capacity / Leased Line Services; and

Duct and Dark Fibre.

Certain wholesale access services provided by [BT] are purchased by Magnet+ and enet, as listed below. However, these are not purchased on an exclusive basis and [...]:

⁴¹ Merger Notification Form, pages 20-21.

Wholesale Dedicated Capacity / Leased Line Services.”⁴²

40. There is therefore a vertical relationship between the Parties in respect of:

- BT purchasing WDC/leased line access from *enet*;
- BT purchasing duct and dark fibre from *enet*; and
- *enet* and *Magnet +* purchasing WDC/leased line access from BT.

Relevant Markets

Product market

Views of the Parties

41. In the Merger Notification Form, the Parties submitted that the relevant product markets to be considered by the Commission during its review of the Proposed Transaction are those used by ComReg in its regulatory decisions. The Parties have noted the availability of ComReg data in relation to these markets. However, as discussed in the *Competitive Assessment* section below, the Parties have also queried aspects of ComReg’s market definitions and data collection methodology.⁴³

42. On the basis of ComReg’s data, the Parties have provided information in relation to the following five potential markets:⁴⁴

- the provision of access to WDC/leased lines;
- the provision of access to wholesale broadband;
- the provision of access to retail dedicated capacity/leased lines;
- the provision of access to retail broadband; and

⁴² Merger Notification Form, page 21.

⁴³ Broadly speaking, the Parties noted the provisional nature of ComReg’s analysis, cited certain claimed uncertainties around calculation methodologies, and disagreed with ComReg’s inclusion of dark fibre in its assessment.

⁴⁴ The Parties also provided information in respect of the wholesale fixed line (voice) market but, given that SFG is not active in this market, there is no horizontal overlap between the Parties. As such, the Commission has not considered it as part of its assessment of the competitive effects of the Proposed Transaction.

- the provision of access to retail fixed line (voice).

Previous approach of the Commission

43. The Commission has previously considered mergers involving CDIL and SFG.⁴⁵ Furthermore, the Commission's predecessor, the Competition Authority (the "Authority"), considered a merger involving BT in *M/09/015 – Vodafone Ireland / BT Ireland*.⁴⁶ In its determination, while ultimately leaving the product market definition open, the Authority assessed the horizontal competitive effects of that transaction by reference to the provision of retail fixed-line broadband services and retail fixed-line voice services,⁴⁷ in the State.⁴⁸ Vertical competitive effects were assessed by reference to whether the transaction would result in input foreclosure to competitors of Vodafone Ireland Limited and customer foreclosure to competitors of BT Communications Ireland Limited.⁴⁹
44. The Commission also considered the telecommunications market in *M/17/045 – IIF / GMC*.⁵⁰ While ultimately leaving the product market definition open, the Commission assessed the competitive effects of that transaction by reference to a single potential market for the provision of telecommunications services.⁵¹

Approach of ComReg to product market definition

45. ComReg has defined a product market for WDC as the provision of WDC over fibre, which includes ethernet, wave multiplication systems, and other modern interfaces. All bandwidths

⁴⁵ *M/24/074 – Cordiant Digital / DCU Invest/Datacenter United*, website page available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-24-074-cordiant-digital-dcu-invest-datacenter-united/>;

M/20/032 – Speed Fibre / Magnet Networks, determination available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2020/11/M.20.032-Speed-Fibre-Magnet-Determination-Public.pdf>;

M/18/081 – Speed Fibre / GMC-D OH (Ireland), determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/10/2018_10_31-M.18.081-IIF_GMC-Determination-Final.pdf; and

M/17/045 – IIF / GMC, determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/08/M_17_045-IIF-GMC-Determination.pdf.

⁴⁶ *M/09/015 – Vodafone Ireland / BT Ireland*, determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-09-015-Vodafone-Ireland-BT-Ireland_Public.pdf.

⁴⁷ *M/09/015 – Vodafone Ireland / BT Ireland*, para. 44, determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-09-015-Vodafone-Ireland-BT-Ireland_Public.pdf

⁴⁸ *M/09/015 – Vodafone Ireland / BT Ireland*, para. 46, determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-09-015-Vodafone-Ireland-BT-Ireland_Public.pdf

⁴⁹ *M/09/015 – Vodafone Ireland / BT Ireland*, para. 65, determination available at: https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-09-015-Vodafone-Ireland-BT-Ireland_Public.pdf

⁵⁰ *M/17/045 – IIF / GMC*, determination available at: [M_17_045-IIF-GMC-Determination.pdf](https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/08/M_17_045-IIF-GMC-Determination.pdf)

⁵¹ *M/17/045 – IIF / GMC*, page 5, paragraph 20, determination available at: [M_17_045-IIF-GMC-Determination.pdf](https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/08/M_17_045-IIF-GMC-Determination.pdf).

of fixed leased lines are included.⁵² The product market includes dark fibre, but does not include wireless leased lines.

46. ComReg has defined two wholesale product markets for broadband access. These are the markets for the provision of WLA and WCA, both of which ultimately support the supply of retail broadband and related services to end users.⁵³
47. As it does not directly regulate it, ComReg is not required to conclude on, or precisely define the scope of, a market for retail dedicated capacity. However, it carries out analysis of the retail market to inform its analysis of the WDC market. ComReg has identified a retail market which includes all leased lines carried over fibre. The market does not include broadband, wireless leased lines or dark fibre.⁵⁴
48. ComReg is also not required to conclude on, or precisely define the scope of, a retail broadband market. However, it carries out analysis to inform its analysis of the WLA and WCA markets. Broadly, ComReg identifies a retail broadband market including broadband delivered over fibre and cable TV.⁵⁵
49. ComReg is also not required to conclude on, or define the scope of, a retail fixed voice market. ComReg collects and publishes information about retail voice services as part of its *Quarterly Key Data Reports*.⁵⁶

Views of the Commission on potential product market definition

50. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The Commission sees no reason to depart from the approach utilised by ComReg in its analysis of the abovementioned potential product markets and notes that this approach to defining the relevant product markets identifies the narrowest potential product markets and is more specific than the approach used by the Commission in *M/17/045 – IIF / GMC*. In any case, it is not necessary for the Commission to define the precise relevant product markets in the present case because doing so will not alter the Commission's

⁵² ComReg, 'Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision', paragraph 1.7 and paragraph 4.64.

⁵³ ComReg, 'Market Reviews - Wholesale Local Access (WLA) provided at a fixed location & Wholesale Central Access (WCA) provided at a fixed location for mass-market products', paragraph 1.4. Available at: [ComReg2407.pdf](#)

⁵⁴ ComReg, 'Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision', paragraph 1.5.

⁵⁵ ComReg, 'Market Reviews - Wholesale Local Access (WLA) provided at a fixed location & Wholesale Central Access (WCA) provided at a fixed location for mass-market products', paragraph 4.219.

⁵⁶ For example, ComReg, 'Irish Communications Market Summary: Quarterly Key Data Report - Data as of Q2 2024'. Available at: <https://www.comreg.ie/media/2024/09/ComReg-2471.pdf>.

assessment of the competitive effects of the Proposed Transaction. For the purposes of its competitive assessment, the Commission has assessed the Proposed Transaction by reference to the following potential product markets:

- the provision of access to WDC/leased lines;
- the provision of access to wholesale broadband (WLA and WCA);
- the provision of access to retail dedicated capacity/leased lines;
- the provision of access to retail broadband; and
- the provision of access to retail fixed line (voice).

Geographic market

Views of the Parties

51. In the Merger Notification Form, the Parties have noted that, when considering the geographic market for WDC/leased line access, ComReg identifies four distinct subnational geographic markets based on a number of criteria, including the number of connected premises (“CPs”) and the number of competitors active in each area.⁵⁷ However, the Parties have submitted that ComReg does this for a specific regulatory purpose in order to identify areas in which Eircom has SMP. Therefore, the Parties have submitted that these narrower geographic market definitions may be more appropriate as a “cross-check” rather than as the main geographic market definition.⁵⁸ Ultimately, the Parties have submitted that the relevant geographic scope of each identified product market is national.⁵⁹

Previous approach of the Commission

52. In *M/17/045 – IIF / GMC*, the Commission ultimately left the geographic market definition open but analysed the impact of the transaction by reference to the State.⁶⁰

Approach of ComReg to geographic market definition

⁵⁷ Merger Notification Form, page 30,

⁵⁸ Merger Notification Form, pages 30-31.

⁵⁹ Merger Notification Form, page 30-33.

⁶⁰ *M/17/045 – IIF / GMC*, page 5, paragraph 20.

53. In the market for access to wholesale broadband, ComReg identified two WLA markets for next generation infrastructure, one corresponding to the IA, and one corresponding to the rest of the State where fibre can be made available on a commercial basis. A national market was defined for current generation infrastructure.⁶¹
54. In the market for WDC, ComReg identified four geographic markets by grouping together areas with similar competition conditions, referred to as workplace zones (“WPZs”).⁶² The criteria included the number of service providers within the area (in addition to Eircom) and the level of demand from customers within a radius of two or more operators.

Views of the Commission on potential geographic market definition

55. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant geographic markets because doing so will not alter the Commission’s assessment of the competitive effects of the Proposed Transaction. The Commission notes that, of the four subnational geographic markets identified by ComReg, ComReg has found that Eircom is likely to have SMP in two of these subnational geographic markets, while finding the other two subnational geographic markets to be competitive. In addition, the combined market shares of the Parties are lower in each of the two subnational geographic markets in which Eircom has SMP than they are in the national geographic market. As such, the Commission is of the view that, even if it were to consider sub-national potential geographic markets, its assessment of the likely competitive effects of the Proposed Transaction would not change. Therefore, the Commission has assessed the likely competitive impact of the Proposed Transaction in each of the relevant potential product markets by reference to the State.

Conclusion on relevant markets

56. For the purposes of carrying out its competitive assessment of the Proposed Transaction, the Commission has assessed the Proposed Transaction by reference to the following potential relevant markets:
- the provision of access to WDC/leased lines in the State;

⁶¹ ComReg, ‘Market Reviews - Wholesale Local Access (WLA) provided at a fixed location & Wholesale Central Access (WCA) provided at a fixed location for mass-market products’, paragraph 5.421.

⁶² ComReg, ‘Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision’, page 118, paragraph 4.128.

- the provision of access to wholesale broadband in the State;
- the provision of access to retail dedicated capacity/leased lines in the State;
- the provision of access to retail broadband in the State; and
- the provision of access to retail fixed line (voice) in the State.

Competitive Assessment

Horizontal Effects

Views of the Parties

57. In the Merger Notification Form, the Parties have submitted that implementation of the Proposed Transaction will not result in a substantial lessening of competition for the following reasons:⁶³

- Eircom will continue to be the largest operator in the WDC market(s), as well as in closely related markets. Eircom's on-net revenue is [...] that of *enet*'s current on-net WDC/leased line revenue. The Parties submitted that [...]: (i) Eircom can offer wholesale customers a so-called "*one-stop-shop*" proposition (which is attractive for corporates with multiple sites in different parts of the country); and (ii) Eircom can leverage its significant national telecoms network to give a cost structure advantage to compete in the leased line (i.e., WDC) and broadband (WCA and WLA) markets. The Parties stated, by way of example, that BT [...];
- The Parties' networks are largely complementary, with the Proposed Transaction only leading to a very small overlap in the Parties' combined set of CPs. In order to demonstrate this, the Parties prepared a preliminary analysis of the reduction in the number of alternative networks to Eircom at CPs. Based on this preliminary analysis, the Parties submitted that, assuming the total number of CPs in the State at present is roughly 14,811,⁶⁴ circa 98% of CPs will experience no reduction in choice or will continue to be served by two or more alternative networks to Eircom. As a result, the Parties have submitted that there are only a limited number of places where the

⁶³ Merger Notification Form, pages 26-28.

⁶⁴ The Parties furthermore noted that this is a conservative estimate using 2023 ComReg data.

Proposed Transaction leads to a reduction in the number of wholesale networks below the level that ComReg has deemed to be sufficient for effective competition.⁶⁵ Even then, there are consistent competitive constraints in these locations (i.e., the threat of Eircom and new entry);

- The merged entity will face strong and increasing competition from larger players in the overall industry who are currently rolling out competing fibre networks and also penetrating the WDC markets, whilst having the advantage of being vertically integrated to a larger extent than the merged entity. This is particularly the case for Virgin Media and Vodafone, due to them having large retail telecoms businesses of their own across many markets (including broadband, fixed line and mobile);
- The Parties supply inputs to, and purchase inputs from, large national service providers who would be well-placed to retaliate if the merged entity raised prices in the areas where there is a reduction in the number of competitors;
- ComReg's ability to regulate Eircom places a constraint on any theoretical potential for the merged entity to exercise market power. In particular, any ComReg price control on Eircom's leased line pricing creates a focus point and potential ceiling which constrains the merged entity's ability to raise its pricing; and
- Under the Concession Agreement, the merged entity's obligations to offer open access to the MANs on non-discriminatory terms and subject to maximum prices approved by the Minister for Communications provide a further safeguard against anti-competitive conduct by the merged entity.⁶⁶

The provision of access to WDC/leased lines in the State

Views of the Parties

⁶⁵ In the WDC/leased line access market, this means less than three alternative networks to Eircom in a given area.

⁶⁶ For clarity, the aforementioned obligations only apply in relation to sales of MANs (not to current sales of SFG's non-MANs network and not to future sales of BT's network). However, the majority of significant network overlaps relate to MANs areas and 74% of *enet*'s on-net fibre leased line revenue originates from connections in the MANs.

58. In the Merger Notification Form, the Parties stated that, in respect of the potential market for the provision of access to WDC/leased lines, the merged entity would have significantly less than a [20-30]% share in a national market definition.⁶⁷
59. The Parties noted that, in ‘*Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision*’,⁶⁸ ComReg estimated that: (i) SFG had a circa [20-30]% share; and (ii) BT had a circa [0-10]% share, of supply of WDC connected premises. However, the Parties consider that these market shares are not an appropriate measure for the purposes of the Commission’s competitive assessment for various reasons:
- the provisional nature of ComReg’s analysis;
 - various uncertainties around the CPs calculation methodology used, and its appropriateness for use for the Commission’s assessment of the competitive effects of the Proposed Transaction (i.e., the Parties stated that it is not clear how premises which have multiple active connections from multiple providers have been accounted for); and
 - ComReg’s assessment includes dark fibre (in respect of which there is no overlap between the Parties) and thereby depresses the share of Eircom and increases the share of SFG.⁶⁹

Views of the Commission

60. During the course of its assessment of the likely competitive effects of the Proposed Transaction, the Commission obtained Table 1, below, from ComReg which illustrates the share of total CPs in the State for the second half of 2023.

Table 1: Share of total CPs in the State, H2 2023⁷⁰

Network operator	CPs supplied	Share
SFG	[...]	[20-30]%

⁶⁷ Merger Notification Form, page 33.

⁶⁸ ComReg, ‘*Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision*’, page 126, Table 15.

⁶⁹ Merger Notification Form, page 33.

⁷⁰ The Commission notes that Table 15 on page 126 of ComReg’s ‘*Market Review – Wholesale Dedicated Capacity (WDC) Market Consultation and Draft Decision*’ is redacted. During the course of the Commission’s analysis, the Commission obtained an unredacted version of Table 15 from ComReg. However, as this information is commercially sensitive to the network operators, the Commission has not included this information in Table 1 below.

BT	[...]	[0-10]%
Combined	[...]	[30-40]%
Eircom	[...]	[40-50]%
Virgin Media	[...]	[0-10]%
SIRO	[...]	[0-10]%
Colt	[...]	[0-10]%
ESB Telecoms	[...]	[0-10]%
euNetworks	[...]	[0-10]%
Verizon	[...]	[0-10]%
Vodafone	[...]	[0-10]%
<i>Aurora Telecom</i>	[...]	[0-10]%
Zayo	[...]	[0-10]%
Exa	[...]	[0-10]%
<i>ElioNetworks</i>	[...]	[0-10]%
Viatel	[...]	[0-10]%
Total	14,811	100%

Source: ComReg

61. As can be seen in Table 1 above, implementation of the Proposed Transaction will result in SFG maintaining its status as the second-largest provider of access to WDC/leased lines in the State, with an increment of [0-10]%.
62. As Table 1 shows, following implementation of the Proposed Transaction, SFG will be competing against a larger network operator (namely, Eircom). Eircom has currently been designated with SMP across the State and as stated in paragraph 55 above, based on the most recent ComReg consultation, would be designated with SMP in two of four subnational geographic markets, with the remaining two subnational geographic markets deemed to be competitive.

63. In addition, as has been pointed out by the Parties, following implementation of the Proposed Transaction, SFG will continue to face competition from larger players in the overall telecoms industry (e.g. Virgin Media, SIRO, Colt and ESB Telecoms) who are operating nationally or currently rolling out competing fibre networks and penetrating the WDC markets in order to scale up their service offering.

The provision of access to wholesale broadband in the State

64. In the Merger Notification Form, the Parties submitted that, following implementation of the Proposed Transaction, SFG's share of the potential market for the provision of access to wholesale broadband in the State would be less than [0-5]%, with an increment of less than [0-5].⁷¹ As such, following implementation of the Proposed Transaction, SFG would continue to face competition from many operators, most of whom have market shares that are larger than the merged entity's would be. During the course of the Commission's analysis, the Commission confirmed that these shares were accurate.
65. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the provision of access to wholesale broadband in the State.

The provision of access to retail dedicated capacity/leased lines in the State

66. In the Merger Notification Form, the Parties submitted that, following implementation of the Proposed Transaction, SFG's share of the potential market for the provision of access to retail dedicated capacity/leased lines in the State would be less than [5-10]%, and the increment arising as a result of the Proposed Transaction would be less than [0-5]%.⁷² As such, following implementation of the Proposed Transaction, the merged entity would continue to face competition from many operators, most of whom have market shares that are larger than the merged entity's would be. During the course of the Commission's analysis, the Commission confirmed that these shares were accurate.

⁷¹ Merger Notification Form, page 33.

⁷² Merger Notification Form, page 34.

67. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the provision of access to retail dedicated capacity/leased lines in the State.

The provision of access to retail broadband in the State

68. In the Merger Notification Form, the Parties submitted that, following implementation of the Proposed Transaction, SFG's share of the potential market for the provision of access to retail broadband in the State would be less than [0-5]%, with an increment of less than [0-5]%.⁷³ As such, following implementation of the Proposed Transaction, the merged entity would continue to face competition from many operators, most of whom have market shares that are larger than the merged entity's would be. During the course of the Commission's analysis, the Commission confirmed that these shares were accurate.
69. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the provision of access to retail broadband in the State.

The provision of access to retail fixed line (voice) in the State

70. In the Merger Notification Form, the Parties submitted that, following implementation of the Proposed Transaction, SFG's share of the potential market for the provision of access to retail fixed line (voice) in the State would be less than [0-5]%, with an increment of less than [0-5]%.⁷⁴ As such, following implementation of the Proposed Transaction, the merged entity would continue to face competition from many operators, most of whom have market shares that are larger than the merged entity's would be. During the course of the Commission's analysis, the Commission confirmed that these shares were accurate.
71. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the provision of access to retail fixed line (voice) in the State.

Conclusion on horizontal effects

⁷³ Merger Notification Form, page 34.

⁷⁴ Merger Notification Form, page 34

72. For the reasons outlined above, the Commission considers that the Proposed Transaction does not raise horizontal competition concerns in any potential market for goods or services in the State.

Vertical Relationship

73. As noted above, the Parties identified the following vertical relationships between them in the State:

- BT purchases WDC/leased line access from *enet*;
- BT purchases duct and dark fibre from *enet*; and
- *enet* and *Magnet +* purchase WDC/leased line access from BT.

Views of the Parties

74. In the Merger Notification Form, the Parties stated the following:

“There is no potential concern of the merged entity foreclosing third party access to what ComReg has defined as MI WDC services, in particular because the Parties’ [sic] are not large players in the relevant retail market(s) (combined share of c. [...]%) and therefore will remain: (i) heavily reliant on third party wholesale customers; and (ii) MI WDC market customers who are insignificant in size and not essential / anchor customers for any third party MI WDC network operator. The requirement under the MANs Concession Agreement for the MANs to be operated independently and on arm’s length terms with any related business (including Magnet+ and [BT] post-merger) is also a relevant safeguard against any theoretical risk of foreclosure.”⁷⁵

“The merged entity would have no ability to engage in input foreclosure in particular because of the degree of competition in the WDC market, its open access operating model and its quasi-regulatory contractual obligations under the MANs Concession Agreements. The merged entity would have no ability to engage in customer foreclosure because of the small size of its downstream business Magnet+. The merged entity would have no ability to engage in

⁷⁵ Merger Notification Form, page 28.

customer foreclosure because: (i) the small size of its downstream retail businesses mean that it will remain heavily reliant on third party retail telecoms businesses as wholesale customers; and (ii) Eircom will continue to be the leading wholesale provider with a unique scale and related uniquely strong ability to attract large wholesale customers with ‘economies of scale’ etc.”⁷⁶

Potential foreclosure concerns

75. The Commission has considered whether the Proposed Transaction gives rise to vertical foreclosure concerns in the State, namely input foreclosure and customer foreclosure.

Input foreclosure

76. As noted above, both SFG and BT currently purchase WDC/leased line access from each other. The Commission considers that there will remain a range of providers of access to WDC/leased lines following implementation of the Proposed Transaction, including Eircom, the largest player in the State. The Commission notes that there are other providers of access to WDC/leased lines in the State, such as Virgin Media, SIRO, Colt, ESB Telecoms, and euNetworks. The Commission notes that customers will continue to be able to source access to WDC/leased lines from these providers in the State following implementation of the Proposed Transaction. Therefore, the Commission considers that the merged entity will not have the ability or incentive to engage in input foreclosure following implementation of the Proposed Transaction.
77. Therefore, the Commission considers that the merged entity will not have the ability or the incentive to engage in input foreclosure in any market for goods or services in the State following implementation of the Proposed Transaction.

Customer foreclosure

78. As noted above, both SFG and BT currently purchase WDC/leased line access from each other. The Commission considers that the Parties purchasing access to WDC/leased lines from each other, or from alternative providers of access, is a result of network design - that is, they purchase access to WDC/leased lines primarily where they lack access themselves. As such, in areas where the Parties currently purchase from alternative providers of access to WDC/leased

⁷⁶ Merger Notification Form, page 39.

lines, it would take a considerable amount of time to switch from purchasing access to self-supplying.

79. The Commission considers that, for self-supply to make sense for SFG following implementation of the Proposed Transaction, the owned network would need to be directly equivalent to the third-party network in use to enable the merged entity to provide an equivalent service to the same location/end-customer. There can be significant capital costs associated with self-supply and it may not be economically viable to replace a third-party leased line with an owned network leased line given the cost of digging the route and laying the fibre. In light of this, the Commission considers that the merged entity will continue to purchase access to WDC/leased lines from third parties following implementation of the Proposed Transaction.
80. Therefore, the Commission considers that the merged entity will not have the ability or incentive to engage in customer foreclosure in any market for goods or services in the State following implementation of the Proposed Transaction.

Conclusion on vertical relationship

81. For the reasons outlined above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion of Competitive Assessment

82. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

83. The Parties did not request any ancillary restraints to be reviewed or approved by the Commission as part of its determination.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Speed Fibre Group Limited would acquire the entire issued share capital, and thus sole control, of BT Communications Ireland 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.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission