



OPINION

of the ADVISORY COMMITTEE on MERGERS

given at its meeting of 21 May 2014

regarding a draft decision relating to

Case COMP/M.6992 - HUTCHISON 3G UK / TELEFONICA IRELAND

Rapporteur : FINLAND

Concentration

1. The Advisory Committee agrees with the Commission that the notified operation constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.
2. The Advisory Committee agrees with the Commission that the notified transaction has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

Market definition

3. The Advisory Committee agrees with the Commission's definitions of the relevant product and geographic markets in the draft Decision.
4. In particular, The Advisory Committee agrees that the following markets should be distinguished:
 - Irish market for mobile telecommunication services to end customers (retail mobile telecommunications services market).
 - Irish market for wholesale access and call origination on public mobile telephone networks.
 - Irish wholesale market for international roaming.
 - Irish wholesale market for mobile call termination.

Horizontal Effects

5. The Advisory Committee agrees with the Commission's assessment that the proposed operation is likely to give rise to non-coordinated horizontal effects that would significantly impede effective competition on the Irish market for mobile

telecommunication services to end customers (retail mobile telecommunications services market) due to:

- a) the removal of an important competitive force.
 - b) the reduction of competition from Eircom due to the likely frustration or termination of the existing network sharing agreement between Eircom and O2.
6. The Advisory Committee agrees with the Commission's assessment that there is no need to come to a final decision on whether the proposed operation is likely to lead to a significant impediment of effective competition in the wholesale market for mobile network access and call origination in Ireland, since the commitments proposed by the Notifying Party in relation to the retail market will also address any potential concerns on the wholesale market.
A minority disagrees.
7. The Advisory Committee agrees with the Commission's assessment that there is no need to come to a final decision on whether the proposed operation is likely to give rise to coordinated horizontal effects on the Irish retail mobile telecommunications services market, since the commitments proposed by the Notifying Party to address the non-coordinated effects on this market also exclude the possibility of coordinated effects on the Irish retail mobile telecommunications services market.
A minority disagrees.

Vertical Effects

8. The Advisory Committee agrees with the Commission's assessment that the proposed operation is not likely to give rise to vertical effects that would significantly impede effective competition on the
- the Irish wholesale market for international roaming.
 - the Irish wholesale market for mobile call termination.

Remedy

9. The Advisory Committee agrees with the Commission that the final commitments offered by the Notifying Party on 6 May 2014 address the competition concerns identified by the Commission on the Irish market for mobile telecommunication services to end customers.
A minority disagrees and a minority abstains.
10. The Advisory Committee agrees with the Commission's conclusion that, subject to the full compliance with the final commitments, the notified transaction is not likely to significantly impede effective competition in the internal market or in a substantial part of it.
A minority disagrees and a minority abstains.

11. The Advisory Committee agrees with the Commission that the notified transaction must therefore be declared compatible with the internal market and the functioning of the EEA Agreement in accordance with Articles 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement.
A minority disagrees and a minority abstains.
