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SECTION ONE: INTRODUCTION

Executive Summary

- 1.1 The proposed transaction concerns the acquisition by Greenstar Holdings Limited of sole control of Veolia Environmental Services (Ireland) Limited ("VESI") from its current owner Veolia Propreté SA ("Veolia"), a company registered in France.
- 1.2 The Authority has concluded that the following are the narrowest possible relevant markets affected in the State by the proposed transaction:
 - the provision of waste management services in the Greater Dublin Area ("GDA") (to either large or small commercial & industrial ("C&I") customers);
 - the provision of waste management services in the South-East region (to either large or small C&I customers);
 - the provision of waste management services in Cork City and County (to either large or small C&I customers);
 - the market for the sale of recyclable materials; and,
 - the market for the management of recycling facilities on behalf of County Councils.
- 1.3 The Authority has formed the opinion that the proposed transaction raises no competition concerns in any of these markets.

The Notification

- 1.4 On 22 October 2009, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Authority received a notification of a proposed transaction whereby Greenstar Holdings Limited would acquire sole control of VESI from its current owner Veolia.
- 1.5 Veolia has decided to exit the non-hazardous waste management services business in Ireland. VESI, a wholly owned subsidiary of Veolia, owns and operates Veolia's hazardous and non-hazardous waste management services businesses in the Republic of Ireland and Northern Ireland. VESI's principal focus is the provision of non-hazardous waste management services. The hazardous waste management services business of VESI will be transferred, prior to completion of the proposed transaction, to a subsidiary of Veolia. Veolia will continue to operate in the hazardous waste management services business post acquisition.

The Undertakings Involved

The Acquirer

- 1.6 Greenstar Limited ("Greenstar") is a wholly owned subsidiary of Greenstar Holdings Limited, which is ultimately controlled by National Toll Roads plc.¹ Greenstar provides integrated waste management services for domestic and commercial customers in the State. Using its own fleet of collection vehicles or subcontracting to other collectors, Greenstar takes waste from customers' premises to one of its waste transfer stations where it is segregated before being directed to the most appropriate disposal facility (i.e., landfill, incineration, recycling, etc.) Greenstar operates waste transfer stations in Dublin, Waterford, Cork, Kilkenny, Wexford, Wicklow, and Sligo.

The Target

- 1.7 VESI owns and operates Veolia's hazardous and non-hazardous waste management services business in the Republic of Ireland and Northern Ireland. The proposed acquisition relates only to Veolia's non-hazardous waste business in the State and Northern Ireland.
- 1.8 VESI's non-hazardous waste management business operates principally in the C&I sector, currently servicing over 3,500 customers in the Republic of Ireland and Northern Ireland. VESI is headquartered in Ballymount Cross, Dublin and operates waste transfer facilities in Dublin, Newry, Cork, Waterford and Limerick.

Rationale for the Notified Transaction

- 1.9 The parties submit that the proposed acquisition will enable Greenstar to achieve efficiencies and cost savings. The parties state that the rationalisation of the two businesses would involve significant cost savings and efficiencies for the merged entity. In addition, the proposed transaction would enable Greenstar to enter two areas on the island of Ireland where VESI operates but Greenstar does not currently have a presence, namely, Northern Ireland and Limerick.

The Procedure

Preliminary Investigation ("Phase 1")

- 1.10 No third party submissions were received by the Authority during the Phase 1 investigation.
- 1.11 Notwithstanding the absence of third party submissions, the Authority sought the views of customers and competitors. The Authority contacted customers of VESI located in (a) Waterford City and County and, (b) Cork City and County.² The Authority also sought the views of competing waste management services providers about the waste management industry.
- 1.12 On 18 November 2009, the Authority sent a request for further information ("RFI") under section 20(2) of the Act to both Greenstar and VESI. VESI complied with its RFI on 8 December 2009. Greenstar

¹ National Toll Roads plc ("NTR plc") owns 88.45% of Greenstar Holdings Limited. The company One51 plc has a shareholding of 24.11% in NTR plc. One51 plc participates in the waste management business in Ireland but does not compete with Greenstar or the business activities of Veolia that are being acquired.

² At the request of the Authority, VESI provided a list of its top 10 commercial customers for 2008 in (a) Waterford City, (b) Waterford County, (c) Cork City, and (d) Cork County.

complied with its RFI on 9 December 2009. Therefore, 9 December 2009 became the "appropriate date", as defined in section 19(6) of the Act.

- 1.13 On 16 December 2009, the Authority conducted a site visit of Greenstar's and VESI's respective waste transfer stations in Cork City. On the same day, the Authority also visited the waste transfer stations of two competing waste management services providers located in Cork City.

Conclusion of Phase 1 Investigation

- 1.14 Having considered all the available information in its possession at the time, the Authority was unable to form the view at the conclusion of the Phase 1 investigation that the result of the proposed acquisition would not be to substantially lessen competition in any markets for goods or services in the State.
- 1.15 Accordingly, on 7 January 2010, the Authority determined, in accordance with section 21(2)(b) of the Act, to carry out a full investigation under section 22(2) of the Act.

Full Investigation ("Phase 2")

Third Party Submissions

- 1.16 The Authority received seven third party submissions during the Phase 2 investigation. Three were from employees of the target, one was a national waste management services provider and a competitor of both the target and acquirer, two were property management companies with business in the Cork region, and one was a local business in Cork.

Employees of VESI

- 1.17 The three submissions made by employees of VESI expressed a concern that the proposed acquisition might lead to job losses. One employee also stated that they had spoken with customers who had concerns regarding the proposed acquisition. Further information was sought by the Authority regarding the customers referred to by this employee. No evidence was provided to support the allegations made by this employee.

Company A

- 1.18 Company A lodged a third party submission on 28 January 2010. Company A stated that it was deeply concerned by the proposed acquisition, and wished to object to the acquisition. Company A claimed that the proposed transaction would allow the further consolidation of Greenstar's market power in Ireland, in particular in relation to its C&I waste collection activities in Cork, Dublin, Limerick and Waterford. Company A stated that the proposed acquisition would have a significant impact on C&I waste collection sectors in these regions, whilst cementing Greenstar's market power in the household waste collection sector in both Cork City and the Greater Dublin Area. Company A stated that it would be highly unlikely that potential competitors would enter against the merged entity in the C&I sector in the regions concerned, while existing competitors would not pose a credible competitive constraint on Greenstar post-acquisition.

- 1.19 Company A stated that the proposed acquisition would result in the combined entity controlling multiple recovery facilities in Dublin (3), Cork (2), Waterford (2), along with additional facilities in Limerick, Wexford and Wicklow. Company A stated that there was a real concern that the proposed acquisition would allow Greenstar the ability to foreclose competitors' and potential competitors' access in the relevant regions. Company A stated that the capital costs of building infrastructure coupled with the delays in processing/planning and regulatory applications would mean that independent contractors and competitors would have great difficulty in accessing funding or providing additional capacity. Company A stated that the proposed acquisition would result in the creation of a dominant position for the combined entity in respect of both the C&I market and, potentially, in the domestic waste collection services market in Dublin and Cork.
- 1.20 The Authority met with Company A on 5 February 2010 to discuss the contents of its submission of 28 January 2010. The Authority also corresponded with Company A on 4 February 2010 requesting further information on their waste management services in Cork City and County and Waterford City and County. Information subsequently provided by Company A confirmed that they had no concerns regarding the Greater Dublin Area.

Property Management Company 1

- 1.21 On 4 February 2010, the Authority received a third party submission from a property management company based in Cork City and County. This party stated that if the proposed acquisition was to go ahead there would be no competition left in the market.
- 1.22 The Authority sought further information from this property management company by correspondence dated 5 February 2010. In response, the Authority received a forwarded e-mail from another property management company located in Waterford City. This company stated that it manages a number of apartment complexes in Waterford City and recently cancelled its contracts with one of the merging parties and switched to two competitors.

Property Management Company 2

- 1.23 The Authority received a third party submission dated 5 February 2010 from a property management company with a number of apartment complexes in Cork City. This company currently uses VESI and is satisfied with the service provided. The company stated that it was concerned that the proposed acquisition would result in an organisation that is too large and will effectively amount to a monopoly in the waste collection market.

Small Business in Cork City and County

- 1.24 The Authority received a third party submission from a small business located in Cork City and County that has used VESI for approximately the past twelve years. This customer is concerned that post-merger they will have no other options in terms of waste management services. This customer was not aware of any other waste management services providers apart from Greenstar.

- 1.25 Further enquiries conducted by the Authority confirmed that this customer would look at what other options were available to them if prices were to rise post acquisition.

National Waste Management Services Providers

- 1.26 In the notification, the parties listed their five largest competitors in the State, which provide services in many parts of the State. For convenience we refer to them as 'national waste management services providers'. During the phase 2 investigation, the Authority contacted four of those listed in order to establish whether they could provide sufficient competitive constraint to the merged entity post acquisition. Also, the Authority obtained the views of another national waste management services provider who lodged a third party submission, as described above. The Authority sought information from these national waste management services providers on their non-domestic customer accounts, national non-domestic customer accounts and/or their tendering submissions in the past two years for Cork City and County and Waterford City and County.
- 1.27 The Authority requested information from these national waste management services providers by correspondence dated 2 February 2010. All four responded and further correspondence and telephone calls were required to clarify the information provided.
- 1.28 The responses received suggested that national waste management services providers do not service customers directly in areas where they do not have a transfer station. In the case of non-domestic national customer accounts, the waste management services provider will sub-contract the service to a local operator with a transfer station in the region. Only one national waste management services provider provides direct service to a customer outside of its transfer station reach, and this operator employs bulk collection to do so.
- 1.29 Two national waste management services providers confirmed that they would like to enter the Cork City and County region but would require a transfer station of sufficient capacity to do so. One operator has considered leasing an existing licensed/permitted site, whilst the other operator continues to actively pursue the possibility of acquiring an existing facility of sufficient scale.

Local Waste Management Services Providers in Cork

- 1.30 In the notification the parties provided a list of fifteen local waste management services providers in the Cork City and County region. The Authority contacted the four largest, according to the market shares provided by the parties and the frequent number of references made to them by customers. The Authority was investigating the level of competition in the Cork City and County region and the ability of the local waste management services providers to constrain the merged entity post acquisition.
- 1.31 A request for information was sent to each of these providers on 28 January 2010. The local waste management services providers were asked to provide information on their top ten non-domestic customer accounts in the region to include the revenues and volumes of waste generated from these accounts in 2008 and 2009. Subsequent requests for information sought to ascertain, among other things, if

these local waste management services providers act as sub-contractors for other waste management services providers outside of the region.

- 1.32 One local waste management services provider declined to respond to the Authority's request for information of the 28 January 2010. The Authority issued a witness summons to this waste management services provider pursuant to Section 31(1)(a) of the Act on 11 February 2010. On 17 February 2010, this waste management services provider responded to the Authority's request for information and consequently, on 22 February 2010, the Authority revoked the witness summons.
- 1.33 All four local waste management services providers confirmed that they had no concerns with the proposed acquisition. Two of these operators, both with Environmental Protection Agency ("EPA") permitted waste transfer stations, are actively seeking to increase their capacity with the EPA.
- 1.34 Information provided to the Authority from these four local waste management services providers indicate that none of them service any large C&I customers in the Cork City and County region. However, the information provided by three of the biggest local waste management services providers indicates that they compete with the merging parties for the provision of waste management services to small C&I customers in Cork City and County and do have the capacity to service large C&I customers.

On-going Contacts between the Authority and the Parties

- 1.35 The Authority requested, on an on-going basis, further information from the notifying parties. This included customer switching data, lists of top ten non-domestic customers located in both Cork City and County and Waterford City and County, and examples of recent tender submissions. The Authority sought to verify this information by contacting customers directly.
- 1.36 The Authority met with the notifying parties and their legal representatives on three separate occasions.³ The meetings with VESI were held on 15 January 2010, 19 February 2010 and 10 March 2010. The meetings with Greenstar were held on 14 January 2010, 23 February 2010 and 10 March 2010.
- 1.37 The notifying parties made detailed written submissions to the Authority following the second set of meetings in February; VESI on 1 March 2010 and Greenstar on 3 March 2010.

³ Arthur Cox Solicitors represented Greenstar and LK Shields Solicitors represented VESI.

SECTION TWO: BACKGROUND – WASTE MANAGEMENT SERVICES

Introduction

- 2.1 The proposed acquisition takes place in the non-hazardous waste management sector in Ireland.⁴ Non-hazardous waste originates from a number of different sources:
- (a) Single-dwelling households;
 - (b) Apartment complexes;
 - (c) Commercial comprising a wide range of businesses of various sizes including shops, pubs, restaurants, hotels, etc;
 - (d) Industrial comprising large manufacturing or industrial activities (e.g. a pharmaceutical plant);
 - (e) Construction comprising building sites of various sizes; and,
 - (f) Demolition comprising building sites of various sizes.

Demand-Side

- 2.2 All persons including households, businesses and governments generate waste as by-product of using goods or services and all require means to dispose of such waste. Some waste is disposed of through sewage systems. Other waste must be removed from the premises where the waste is generated for disposal.
- 2.3 The nature of waste disposal services required by a generator of waste depends on a number of factors including the type of waste generated, the volume of each type of waste, requirements by the generator as to the handling of the waste removed from the premises of the generator, services required onsite, the location and number of locations where waste must be removed. Some generators of wastes, especially industrial businesses, require special treatment of certain type of waste, namely, hazardous waste for which the generator is subject to strict government regulations for the disposal of such waste. Some businesses require advisory and auditing services.

Supply-Side

- 2.4 Historically, a waste disposal provider was engaged in the pick-up of waste at a customer's site and then in the transportation of the waste for disposal at a landfill. With the increasing trend towards recycling which is mandated by legislation or desired by environmentally-conscious customers, less waste goes to landfill.
- 2.5 Overall, the nature and type of services required by a customer have evolved. As a result, waste disposal from the supply side involves one

⁴ Waste is defined in the Waste Management Act, 1996 as any substance or object which the owner discards, intends or is required to discard. Examples include: production or consumption residues, products whose date has expired, contaminated or soiled materials and residues of industrial processes.

or more of the following activities: collection, intermediate treatment including sorting and consolidation, treatment of certain types of waste on-site of the customer, transportation of collected waste such as cardboard, glass, newsprint, metal to recycling depots, operating a landfill, advisory services including at customer's site, auditing and reporting services.

- 2.6 A provider of waste disposal services may provide one or more of the following services. At one extreme, some operators provide most, if not all, of the listed services. At the other extreme, some operators provide only collection and transportation to recycling depots or landfills. Most operate between the two extremes. Typically, an operator has a fleet of trucks to collect or empty waste bins of various types and sizes at a customer's premises. The waste is then transported to a site known as a transfer station where the waste may be treated, sorted and/or consolidated. Some operators have a material recovery facility ("MRF") to sort waste. Typically, a MRF is co-located with a transfer station. However, not every operator with a transfer station also has a MRF. Waste from a transfer station or a MRF is then taken to either a recycling depot, in the case of materials such as glass, paper, cardboard and metal, or to a landfill for final disposal.
- 2.7 In order to operate a transfer station, a waste management services provider requires either a waste permit licence from a local authority or a licence from the Environmental Protection Agency ("EPA"). A permit from a local authority allows an operator to handle a maximum of 50,000 tonnes of waste per annum providing that a maximum of 7,500 tonnes goes to landfill and a maximum of 10,000 tonnes goes to a compost site. The parties informed the Authority that a local authority licence for a transfer station is usually granted within three months from the date of application. In contrast, a waste licence application to the EPA can take between six months to over a year to be granted depending on the complexity of the application.

Type of Waste Collected and Customers

- 2.8 For a household or commercial customer with a small volume of waste and a small number of waste streams (e.g., general wet waste, cardboard, and paper), two or three standard or large wheeled bins will meet their demand for waste collection.⁵ Some waste management services providers also offer a separate wheeled bin for organic garden waste collection.⁶ The wheeled bins are emptied and replaced on a weekly or bi-weekly basis by the waste management services provider. Occasionally a skip may be hired by a household when, for example, small-scale construction work is being carried out in the house or garden.
- 2.9 Apartment complexes require larger wheeled bins (usually 1,100 litres) into which residents put their refuse. These bins are emptied and replaced on a weekly basis. Given the emphasis on recycling, many waste management services providers also provide separate containers for recyclable products such as glass, paper, plastics and cardboard.

⁵ Standard wheeled bins come in two main sizes: 120 litre and 240 litre.

⁶ This enables households to separate normal kitchen waste from garden waste.

- 2.10 Non-domestic waste is divided into two main categories: (a) C&I waste, and (b) construction and demolition ("C&D") waste.
- 2.11 In contrast to households and small non-domestic customers, large C&I and C&D customers with a large volume of multiple waste streams may require a sophisticated plan for managing their waste. This can include strict environmental compliance reporting, on-site recycling operations, specialist waste management equipment, and formal Key Performance Indicators. The waste management services provider will also provide guidance as to the appropriate waste collection devices required for each waste type.
- 2.12 Most C&I and C&D customers will use some combination of standard skips, rear-end loader skips, and Roll-on Roll-off skips.⁷ In addition, a business with a lot of recyclable waste such as cardboard and paper may require a compactor skip which compacts recyclable waste. Finally, some large C&I customers (e.g., a pharmaceutical plant) may require its waste management services provider to install personnel permanently on-site to oversee its waste management requirements.⁸

Pricing of Waste Management Services

- 2.13 With respect to pricing, waste management services providers typically price by way of a service charge per collection device with an additional variable charge made for weight in the case of C&I waste. The parties informed the Authority that charging by weight is necessary because the diverse nature of C&I waste means it is difficult to predict the likely weight in a collection device.⁹ A separate charge by weight is not necessary in the case of C&D waste since much less goes to landfill than C&I waste and it is easier to predict the likely weight of C&D waste. The Authority's market inquiries have confirmed the accuracy of this information.

Waste Management Services Providers

- 2.14 There are various types of waste management services providers. At one end of the spectrum are Collector Only Operators ("COOs") who have no transfer stations. COOs collect waste from a customer and transport it to the transfer station of a third party for processing before final disposal in landfill. There are also local waste management services providers who own a transfer station located in a particular region of the State. Annex A lists all the waste management services providers active in Cork City and County many of whom are only active in this region. Finally, some waste management services providers such as Greenstar and VESI have multiple transfer stations located in various regions of the State. These waste management services providers operate on a national or quasi-national basis.

⁷ All these skips vary in size from 2.5 cubic yards to 35 cubic yards.

⁸ Some industrial customers create both hazardous and non-hazardous waste and, in some instances, these customers prefer to use one waste management services provider to handle both types of waste. This is sometimes referred to as integrated waste management (IWM) services and it involves the central management of all waste streams, both hazardous and non-hazardous. It is not, however, essential to have one waste management services provider manage both hazardous and non-hazardous waste and some customers use different providers.

⁹ The parties informed the Authority that some waste management providers have introduced a different pricing model for C&I waste whereby a fixed monthly price is charged irrespective of the amount of C&I waste collected from the customer.

Treatment (Intermediate Processing)

- 2.15 Waste management legislation in the State has been shaped by EU Directives and national policy.¹⁰ EU Directives have provided framework legislation in the areas of non-hazardous and hazardous waste management. A large number of waste management regulations are currently in operation addressing areas such as: landfill of waste; end-of-life vehicles; packaging waste; waste oils; batteries and accumulators; incineration of waste; and the supervision and control of shipments of waste.¹¹
- 2.16 This is an evolving area of law and policy and, thus, many of the regulations have been amended in recent years. Examples of two regulations currently in operation are:
- The Waste Management (Packaging) Regulations, 2007 (S.I. No. 798 of 2007) which seek to give effect to EU Directive 94/62 of the European Parliament and of the Council on packaging and packaging waste as amended by EU Directive 2004/12. These regulations impose obligations on producers of waste with respect to the treatment, recovery or disposal of packaging and packaging waste. They also prescribe a range of material specific recycling targets; and,
 - The Waste Management (Collection Permit) Regulations, 2007 (S.I. No. 820 of 2007), as amended, prescribe, in accordance with Section 34(1) of the Waste Management Act, 1996 (as amended), that the collection of waste on a commercial basis requires a waste collection permit from a relevant local authority. These regulations set out the procedures for the granting, refusal or review of such licenses.
- 2.17 In the past decade, there has been an increasing emphasis on recycling in order to divert waste from landfill. Following collection, waste is taken to a MRF or transfer station for intermediate processing. In a MRF, waste is separated or sorted into materials which can be recycled or composted. Not all transfer stations contain MRFs and in such facilities the waste is bulked up before being sold or transported to a MRF for further processing. The parties informed the Authority that the term MRF is sometimes used loosely to describe recycling activities at transfer stations. The parties informed the Authority that the term 'MRF' is used to describe any form of recycling at a transfer station which achieves a significant level of recovery.
- 2.18 VESI's transfer stations in Dublin, Newry, Cork, Waterford and Limerick do not contain MRFs. Thus, unlike Greenstar, VESI does not carry out intermediate processing.

¹⁰ For more information on the Waste Management Acts and Regulations in operation in the State, see the Department for the Environment, Heritage & Local Government website at: <http://www.environ.ie/en/Environment/Waste/WasteMgmtRegulations/> and the Irish Statute Book database at: <http://www.irishstatutebook.ie/home.html>.

¹¹ These regulations are carried out under the Waste Management Act 1996, as amended.

Sale of Recyclable Materials/Final Disposal

- 2.19 Following processing, the recycled materials are sold abroad on international markets. Residual waste which cannot be recycled, composted or recovered is disposed of in licensed landfills. Unlike Greenstar, VESI is not active in the provision of landfill services.

SECTION THREE: RELEVANT PRODUCT AND GEOGRAPHIC MARKETS

Introduction

- 3.1 In this section, the key relevant markets affected by the proposed acquisition are defined in terms of its product and geographic dimensions. The views of the undertakings involved are summarised, the Authority's investigation findings explained and its analysis and conclusions set out.
- 3.2 This section also analyses three other relevant markets affected by the proposed transaction:
- The market for the sale of recycled materials;
 - The market for the management of recycling facilities on behalf of County Councils; and,
 - The national market for waste management services.
- 3.3 The Authority has concluded that the proposed acquisition raises no competition concerns in any of these three markets.

Relevant Product Market

Views of the Undertakings Involved

- 3.4 The parties state that there are three product markets affected by the proposed transaction:
- (a) General Waste Collection which includes collections from C&I customers, C&D customers, apartments and domestic skip collections;
 - (b) Sale of recycled materials; and,
 - (c) Management of recycling facilities on behalf of County Councils.
- 3.5 With respect to general waste collection, the parties state that this market excludes collections from single dwelling houses. The parties also state that they do not consider that separate product markets exist by customer type, e.g., commercial, industrial, construction, domestic, etc. The parties state that the same waste collection devices are supplied to all of the different customer types. The parties also state that although waste operators may specialise in a particular segment, they all have the capability, facilities, and knowledge to trade in all of the customer segments.
- 3.6 The parties argue that C&I and C&D waste management services are interchangeable for the following reasons:
- The same type of collection devices are used in the provision of both C&I and C&D services;
 - Approximately 50% of waste collected from construction companies is C&I waste. Most C&D waste on large developments

is re-engineered by the builder on-site whereas smaller developments tend to produce more C&I waste; and,

- Processing lines can be easily adapted for C&I and C&D waste depending upon demand.
- 3.7 The parties also state that most waste management services providers in the State handle both C&I and C&D waste. The parties provided the Authority with a list (see Annex A below) of twenty-five waste management services providers currently active in Cork City and County. As can be seen, most provide a full range of collection devices and handle both C&I waste and C&D waste.
- 3.8 The parties further state that many services providers who would have been heavily involved in providing C&D waste management services have also commenced the provision of C&I services. The parties cite two examples of providers who have switched from a primary emphasis on C&D to providing services for C&I waste.
- 3.9 The parties also state that the waste management services provided to a small, medium enterprise (SME) are identical to those waste management services provided to large corporate (multi-site or single site) customers. Annex A sets out the parties' description of the waste management services provided to SMEs and large corporate customers. The parties analyse the services by reference to collection, on-site labour, and account management. The parties state that the table illustrates that the services are virtually identical with the only difference being one of degree.
- 3.10 With respect to the market for the sale of recycled materials as put forward in the notification, the parties informed the Authority that the sale of recycled materials can be sub-divided into three areas:
- Dry Segregated Recyclables ("DSR") (e.g., glass, packaging, paper, plastic);
 - Domestic Dry Mixed Recyclables (glass, packaging, paper, plastic all mixed together in the one Recycling bin – generally known as the Green bin); and,
 - Commercial Dry Mixed Recyclables- as above, but from commercial businesses.

Views of the Competition Authority

- 3.11 In a recent decision¹², the European Commission noted that in previous decisions it has expressed the view that the supply of waste management services for non-hazardous waste is distinct from the supply of waste management services for hazardous waste.¹³ This distinction was confirmed by the Commission's market investigation. The Authority has concluded that this distinction also exists in the State.

¹² Case No. Comp/M.4576 - AVR/Van Gansewinkel.

¹³ Case No. Comp/M.295 - SITA-RPC-SCORI, M.283 Waste Management International/SAE, and M.448 GKN/Brambles/Leto Recycling.

3.12 The Authority agrees with the parties' view that the provision of non-hazardous waste management services to households is a distinct market.¹⁴ This distinction was also found by the Commission in its decision in *AVR/Van Gansewinkel*.¹⁵ Furthermore, a similar view was expressed in a recent Irish High Court decision regarding the waste management industry. Mr. Justice McKechnie concluded:

"There is no dispute in this case as to the relevant product/service market; that is the provision of household waste collection services, excluding apartment complexes."¹⁶

Distinction between Large and Small C&I (or C&D) Customers

3.13 The Authority considers that both from a supply-side and a demand-side perspective, the waste management services available to large C&I customers are largely interchangeable with those provided to small C&I customers (i.e., SMEs). This can be seen in the information provided by the parties set out in Annex B. As noted by the parties, the only difference is one of degree. The Authority considers that any differences between the waste management services provided to large and small C&I (or C&D) customers are not sufficient to conclude that they represent distinct product markets for the purposes of competition analysis. They can instead be considered as different segments within the same product market.

3.14 Furthermore, the Authority considers that the waste management services provided to C&D customers are likely to be interchangeable with those provided to C&I customers. The Authority's investigation confirmed that the same waste management services are demanded by C&D and C&I customers. The same types of waste collection devices are used in the provision of waste management services to both C&D and C&I customers.

3.15 As noted above, the vast majority of VESI's business is the provision of waste management services to C&I customers (including apartment complexes). VESI's involvement in the collection of C&D waste in the State is negligible.¹⁷ The key horizontal overlap between Greenstar and VESI is in the provision of waste management services to small and large C&I customers (including apartment complexes) in various regions in the State.

3.16 Thus, for the purposes of examining the competitive effects of the proposed transaction, the Authority will examine the following product market: the provision of waste management services to large and small C&I customers. This is the narrowest possible product market in which the proposed transaction is likely to have an adverse impact.

¹⁴ The Authority reached a similar conclusion in 2005 in its Enforcement Decision Note entitled *Alleged Excessive Pricing by Greenstar Recycling Holdings Limited in the provision of household waste collection services in northeast Wicklow*, Enforcement Decision No.E/05/002. For a detailed discussion on market definition, see paragraphs 2.11-2.25.

¹⁵ *Supra*.

¹⁶ Case No. 2008/420 JR *Nurendale Limited t/a Panda Waste Services –v- Dublin City Council, Dun Laoghaire/Rathdown County Council, Fingal County Council & South Dublin County Council*, p. 49-50, paragraph 73.

¹⁷ Data provided by VESI indicates that [...] % of the total non-hazardous waste collected by VESI in the State in 2008 was C&D waste.

- 3.17 The Authority, however, does not need to come to a definitive view on the precise relevant product market since its conclusions concerning the competitive effects of the proposed acquisition will be unaffected whether the relevant product market is narrow (i.e., the provision of waste management services to large and small C&I customers) or broad (i.e., the provision of waste management services to all types of C&I and C&D customers).

Recyclable Materials

- 3.18 With respect to the relevant recyclable materials market affected by the proposed transaction, the Authority also does not need to come to a definitive view on this issue since its conclusions concerning the competitive effects of the proposed acquisition will be unaffected whether the relevant product market is narrow (e.g., DSR) or broad (i.e., encompassing all recycled materials). There are a large number of alternative suppliers of waste management services to customers with recyclable materials.

Conclusion on the Relevant Product Market

- 3.19 In conclusion, for the purposes of examining the competitive effects of the proposed acquisition, the Authority examined the following product market:
- The provision of waste management services to large and small C&I customers.

Relevant Geographic Market

Views of the Undertakings Involved

- 3.20 With respect to the market for general waste collection, the parties state that each local authority has responsibility for enforcing the waste regulations within its waste region. The same environmental and policy rules apply throughout a waste region. The parties state that waste operators receive their collection permit for a waste region and not for a local authority area. A permit will allow an operator to offer services anywhere within that waste region. The parties state that permits can now be issued multi-regionally rather than individually by waste region as was previously the case. This should, according to the parties, lead to a decrease in the number of permits issued over time.
- 3.21 The parties state that while there are good arguments that the relevant geographic market is national, they accept that, for the purpose of the notification, the geographic market should be considered to be regional, that is, by waste region. The parties state that there are ten waste regions nationally. The parties state that the proposed acquisition affects the regions of the Greater Dublin Area ("GDA")¹⁸, Cork City and County, and the South-East.¹⁹

¹⁸ The parties state that the GDA includes Wicklow, Kildare and Meath as well as Dublin City and County. When examining the impact of the proposed acquisition in the notification, the parties examine the wider GDA as opposed to Dublin City and County only. The parties state that statistics

Views of the Competition Authority

- 3.22 From the demand perspective, a customer wants one or more waste management services in a particular location. Some customers may require services at more than one location, e.g. retail supermarket chains. Customers who require similar services may be grouped together for the purpose of defining a relevant market and the analysis of the competitive effects of the proposed acquisition on that market.
- 3.23 From the supply side, an operator may typically operate within a certain fixed radius from the location of its transfer station, say 75-100 km. However, an operator may supply services outside the 'catchment area' of its transfer stations through offering services to customers who require services in multiple locations by sub-contracting services in areas where it does not operate a transfer station. In some limited cases, an operator may itself provide services outside the catchment area of its transfer stations.
- 3.24 Waste management services providers tend to operate within a specific radius of their transfer station in order to maximise the number of collections per truck in any one day. Providing waste management services to customers in one region and then transporting the waste to a transfer station located in a different region is unlikely to be economically viable for an operator. Thus, given the importance of proximity to a transfer station for a waste management services provider, markets are regional. The parties informed the Authority that the radius of the likely catchment area for each transfer station is 100km.
- 3.25 Market inquiries have confirmed that waste management services providers service a particular catchment area from each transfer station. The specific size of the catchment area varies from provider to provider. For example, one waste management services provider informed the Authority that in the case of domestic waste collection, the radius of each transfer station's catchment area is approximately 50-60km. This waste management services provider stated that the radius is a little bigger for commercial waste because the waste is collected in bulk.²⁰
- 3.26 It is not possible for the Authority to precisely define the geographical dimensions of each regional waste management services market affected by the proposed acquisition. VESI has transfer stations in Dublin, Waterford, Cork, and Limerick. Greenstar has transfer stations in Dublin²¹, Waterford, Cork, Wexford, Kilkenny, Wicklow, and Sligo. Of the ten waste management regions nationally, referred to by the parties, the activities of Greenstar and VESI overlap in three: the Greater Dublin Area, the South-East, and Cork City and County.²² The

for the GDA have been provided to the Authority instead of the Dublin City and County region only because some of the competition in the Dublin market comes from the three adjoining counties.

¹⁹ The parties state that the South-East region comprises Carlow, Wexford, Kilkenny, Waterford, and South Tipperary.

²⁰ Another waste management services provider, however, informed the Authority that the radius of the catchment area is a little smaller for commercial customers. This operator indicated that the radius of each transfer station's catchment area is approximately 80-90km in the case of domestic waste collection and 72km in the case of commercial waste collection.

²¹ Greenstar has three transfer stations in Dublin.

²² According to the Environmental Protection Agency's website (www.epa.ie), for the purposes of waste management, the Dublin region comprises Dublin City and County. The South East region is

key question is whether each region is a relevant geographic market for the purpose of assessing the proposed transaction.

The GDA is a relevant geographic market for the provision of Waste Management Services

3.27 The Authority considers that the GDA is a relevant geographic market. Given that the radius of the catchment area from an operator's transfer station is somewhere in the region of 70-100km, it is reasonable to conclude that the relevant geographic market is greater than Dublin City and County, encompassing the three adjoining counties: Wicklow, Kildare and Meath. However, the Authority does not need to come to a definitive view on the precise relevant geographic market since its conclusions concerning the competitive effects of the proposed acquisition will be the same whether the relevant geographic market is Dublin City and County or wider to include the GDA.

The South-East region is a relevant geographic market for the provision of Waste Management Services

3.28 Both Greenstar and VESI have a transfer station in Waterford City. A question arises as to whether the relevant geographic market is Waterford City and County or is in fact wider, encompassing the South-East region. The Authority considers that there are compelling reasons for the latter view.

3.29 First, Waterford City is located in the extreme east of Co. Waterford. Some of Waterford City is actually in Co. Kilkenny and both South Tipperary and the western part of Co. Wexford are a short distance from the city. In this regard, it is significant that, according to the parties, approximately [...]% of VESI's sales from its facility in Waterford City take place outside of Co. Waterford in the adjoining counties of Wexford, Kilkenny and South Tipperary.

3.30 Second, the Authority's market enquiries have confirmed that waste management services providers collect C&I waste in Waterford City via transfer stations located outside the city.

3.31 The Authority therefore considers that the relevant geographic market affected by the proposed acquisition is wider than Waterford City and County and encompasses the entire South-East region.

Cork City and County is a relevant geographic market for the provision of Waste Management Services

3.32 With respect to Cork City and County, both Greenstar and VESI have transfer stations in Cork City. Information provided by VESI indicates that [...]% of non-domestic waste processed in its transfer station in Cork City in 2008 originated from non-domestic customers located in Cork City and County. The equivalent figure for Greenstar's transfer station in Cork City in 2008 was 73%.

defined as comprising Carlow, Wexford, Kilkenny, Waterford, and South Tipperary. Finally, the Cork region comprises Cork City and County.

3.33 The Authority's market enquiries indicate that the relevant geographic market is no wider than Cork City and County.

The provision of Waste Management Services to multi-site C&I customers

3.34 The Authority considers that for C&I customers with a national or quasi-national footprint (e.g., a retail chain such as Tesco), the relevant geographic market may be wider than regional and may encompass the State or even the island of Ireland.

3.35 The parties state in the notification that they offer nationwide waste management services to large retailers and other multi-site businesses. The parties further state that they offer this service in areas where neither company has a transfer station. This is achieved through sub-contracting where local operators are paid on an agreed basis for operating a waste collection service in areas where Greenstar or VESI do not operate.

3.36 The Authority's market inquiries have confirmed that multi-site C&I customers tender their waste management services requirements on a nationwide basis. Furthermore, copies of recent tenders for nationwide waste contracts, submitted by the parties, clearly indicate that waste management services providers price the contracts on a nationwide basis.

Conclusion on the Relevant Geographic Market

3.37 In conclusion, for the purposes of examining the competitive effects of the proposed acquisition, the Authority examined individually each of the following geographic markets:

- The GDA;
- The South-East region; and,
- Cork City and County.

Other Markets Examined by the Authority

3.38 The following section examines three other relevant markets affected by the proposed transaction.

Market for the Sale of Recycled Materials

Views of the Undertakings Involved

3.39 The parties state that the sale of recycled materials can be sub-divided into three areas:

- Dry Segregated Recyclables ("DSR") (e.g., glass, packaging, paper, plastic);
- Domestic Dry Mixed Recyclables (glass, packaging, paper, plastic all mixed together in the one Recycling bin – generally known as the Green bin); and,

- Commercial Dry Mixed Recyclables - as above, but from commercial businesses.
- 3.40 The parties state that Greenstar and VESI overlap in the DSR sector which constitutes approximately 55% by volume of the total packaging recyclables market. DSR is segregated at source by C&I customers. The parties state that barriers to entry in this sector are low for a waste collector as it only requires a suitable collection vehicle and/or access to a licensed facility to bulk and/or bale the waste for onward transportation to trade the material. The parties state that waste collectors have the choice to sell DSR waste directly overseas (this represents 95% of DSR waste) or to avail of the services of recycling companies such as Greyhound Recycling Limited ("Greyhound"), Nurendale Limited trading as Panda ("Panda"), Greenstar, VESI and others (this represents 5% of the waste). The parties state that of the 5% sold to the recycling companies, over 90% is subsequently sold in international markets. Thus, 99.5% of DSR is sold abroad.
- 3.41 The parties state that there is no overlap in the processing of Dry Mixed Recyclables ("DMR") (domestic or commercial) since VESI is not active in the domestic market nor does it have any facilities to sort DMR. The parties state that VESI sends all of its commercial DMR to third parties for processing. Thus, the proposed acquisition will have no effect on competition in the DMR sector.
- 3.42 Finally, the parties state that all recycled products are sold outside Ireland at international commodity prices. The Irish tonnages are a small part of the international market. The parties state that no Irish company has any market power in this market.

Views of the Competition Authority

- 3.43 Market inquiries have confirmed that all recycled waste materials (i.e., DSR, domestic and commercial DMR) are sold abroad on international markets. However, the Authority does not consider it necessary to form a view on the relevant geographic market since the proposed transaction raises no competition concerns in the market for the sale of recycled materials.

Market for the management of recycling facilities on behalf of County Councils

Views of the Undertakings Involved

- 3.44 The parties state that Greenstar manages the Ballyogan civic amenity centre for Dun Laoghaire Rathdown County Council and a facility in Tubbercurry for Sligo County Council. VESI manages the baling station and civic amenity centre for South Dublin County Council. VESI also manages the South County Dublin landfill at Arthurstown, Kill, Co Kildare. The parties also note that Greyhound collects domestic DMR in the Dublin waste region and Oxigen Environmental Limited ("Oxigen") has some general domestic waste collections for the council in Kildare. Thorntons Recycling ("Thorntons") runs a small facility for consumers in Ringsend for Dublin City Council.
- 3.45 The parties state that these contracts are tendered for through an open tendering process. The placing of the tenders is by local authorities. The parties state that, as can be seen, no one company

dominates this activity. Apart from the companies operating within the State, the nature of the contracts makes it easier for businesses outside the State to enter the market. The parties are of the view that there are no merger control issues relating to this activity.

Views of the Competition Authority

- 3.46 The Authority considers that the proposed acquisition raises no competition concerns in the market for the management of recycling facilities on behalf of County Councils.

The Provision of Waste Management Services to Multi-site C&I Customers

Views of the Competition Authority

- 3.47 The Authority considers that the proposed acquisition raises no competition concerns in any national market for waste management services. Market inquiries indicate that multi-site C&I customers (e.g., a supermarket chain) have credible alternative waste management services providers available should the merged entity attempt to permanently raise prices.
- 3.48 Greenstar provided information to the Authority concerning tenders it submitted for nationwide waste contracts over the period January 2006 to November 2009. A total of eighteen tenders were submitted by Greenstar during this period for nationwide contracts. Seven contracts were awarded to Greenstar, four were awarded to Greyhound, two each were awarded to VESI and Advanced Environmental Solutions Ltd ("AES"), and one to Panda. One contract was awarded jointly to VESI and AES. Finally, one contract was awarded jointly to VESI and Greenstar.
- 3.49 VESI provided similar information to the Authority concerning tenders it submitted for nationwide waste contracts over the period January 2007 to November 2009. A total of twenty tenders were submitted by VESI during this period for nationwide contracts. Of the [...] contracts that were awarded²³, [...] contracts were awarded to VESI, [...] were awarded to Greenstar, [...] were awarded to Greyhound, [...] were awarded to Panda, and [...] each were awarded to AES and Enva Ireland Limited, a hazardous waste management services provider. One contract was awarded to multiple waste management services providers. One contract was awarded jointly to Greenstar and Greyhound. One contract was awarded jointly to VESI and AES. Finally, one contract was awarded jointly to Greenstar and Dublin City Council.
- 3.50 This information clearly indicates the wide range of waste management services providers available to multi-site C&I customers. Furthermore, the Authority spoke to five C&I customers of VESI each of whom has a large number of sites located throughout the State.²⁴ All five

²³ Two tenders are still being evaluated and one contract was never awarded.

²⁴ Two customers use both VESI and Greyhound to provide their waste management services requirements in different parts of State. One customer uses three providers to service different parts of the State: Greenstar, VESI and Oxigen. Finally, two customers only use VESI. In the case of the latter two customers, VESI sub-contracts out the service to a local operator in those parts of the State where it does not have a transfer station.

customers selected their waste management services provider following a nationwide tender. All five customers indicated to the Authority that they have no concerns with the proposed acquisition.

- 3.51 In conclusion, the Authority considers that the proposed acquisition raises no competition concerns in any national market for waste management services.

SECTION FOUR: MARKET FOR THE PROVISION OF WASTE MANAGEMENT SERVICES TO C&I CUSTOMERS IN THE GDA

Introduction

- 4.1 In this section, the Authority analyses the competitive characteristics of the market for the provision of waste management services to large and small C&I customers in the GDA to establish whether the proposed transaction will result in a substantial lessening of competition ("SLC").
- 4.2 Unilateral effects refer to a situation where the anti-competitive effect of a merger results from non-coordinated action by market players. It arises where the merged entity has the incentive and ability post-acquisition to unilaterally exercise market power by, for example, raising price or reducing output. The exercise of unilateral effects usually involves a merger of sellers of differentiated products competing on the basis of price and depends largely on the closeness of the merging firms' products.
- 4.3 The merged entity will only have the incentive to exercise market power by raising prices if it would be profitable to do so. In order for this to occur, the waste management services provided by Greenstar to large and small C&I customers in the GDA should be the closest substitute to the waste management service supplied by VESI to large and small C&I customers and vice versa. If this is the case, a post-merger price increase in the waste management services provided by the merged entity to large and small C&I customers will not result in a switch by these customers to competing waste management services providers, thus making it profitable for the merged entity to permanently raise its price.
- 4.4 The Authority therefore examines in this section whether the proposed acquisition of VESI by Greenstar will result in a unilateral price increase (and/or reduction in the quality of the service) by the merged entity in its waste management services to large and small C&I customers in the GDA.

Competitive Assessment

Views of the Undertakings Involved

- 4.5 The parties make the following broad observations in the notification about competition in the general waste collection sector in the State:
- The market is fragmented with many competitors;
 - There are low barriers to entry and entry is, therefore, easy;
 - Collectors without processing facilities compete actively with fully integrated companies;
 - The economic downturn means that C&D collectors now compete in the C&I sector;
 - Many customers have market power, for example, the multiple retailers, the apartment and office building facility managers, and the major hazardous waste companies; and,

- Prices have dropped significantly and there is ongoing and aggressive price competition in a market with significant spare capacity.

4.6 With respect to the GDA, the parties state that the change in market structure following the proposed acquisition will not permit Greenstar to increase prices since there are a large number of competitors in the GDA and many small ones. The parties provide estimated market shares for the total waste collection in the GDA (see Table 1 below) based on published EPA statistics for 2007 in addition to general market information.

Table 1: General Waste Collection Market Shares in the Greater Dublin Area, 2007

| | Tonnes | Share | Existing HHI | Future HHI | Change in Overall HHI |
|-----------------------------|------------------|-----------------|---------------------|-------------------|------------------------------|
| GDA-EPA Sites | | | | | |
| AES | [...] | [0-5]% | [...] | [...] | |
| A1 | [...] | [5-10]% | [...] | [...] | |
| Greenclean | [...] | [0-5]% | [...] | [...] | |
| Greyhound | [...] | [5-10]% | [...] | [...] | |
| Dublin LAs | [...] | [5-10]% | [...] | [...] | |
| Oxigen | [...] | [5-10]% | [...] | [...] | |
| Panda | [...] | [5-10]% | [...] | [...] | |
| Thornton | [...] | [5-10]% | [...] | [...] | |
| Veolia | [...] | [0-5]% | [...] | [...] | |
| Greenstar | [...] | [10-15]% | [...] | [...] | |
| Access Waste | [...] | [0-5]% | [...] | [...] | |
| Other (incl. non-EPA sites) | [...] | [30-35]% | | | |
| Total | 2,039,908 | 100% | 475 | 571 | 96 |

Note: The data excludes waste collection from single dwelling households. The 'Other' above does not include any operator with a market share in excess of 1%.

Source: The Parties based on published EPA statistics for 2007 in addition to general market information.

4.7 Greenstar has 12% of the GDA market and VESI has [...]. The parties state that the Herfindahl-Hirschman index (HHI) post-acquisition is only 571. The parties state that the market is therefore not concentrated and it is very unlikely that the proposed acquisition will lead to SLC in the GDA.

4.8 The parties state that Dublin is the most fragmented and competitive commercial waste market in the State. The parties note that Key Waste Management Limited ("Key Waste") entered the commercial wheelie bin market in Dublin City in 2007. It has, according to the parties, grown to circa 18,000 tonnes from a zero base with no assets other than a couple of leased trucks and a truck park with small office accommodation. The parties state that during this period Key Waste has transferred waste for processing/onward disposal through

Greenstar, Thorntons, Access Waste Recycling and Greyhound whilst simultaneously competing with the collection fleets of these facility operators in the waste collection market.

Views of the Competition Authority

- 4.9 The Authority considers that the merged entity will not have the ability to raise the price and/or reduce the quality of its waste management services to large and small C&I customers in the GDA. First, VESI's market share in the GDA is very small.²⁵ Second, there are five waste management services providers (Dean Waste Co. Limited trading as A1 Waste ("A1 Waste"), Greyhound, Oxigen, Panda, and Thornton) active in the GDA with market shares greater than that of VESI who can constrain the ability of the merged entity to permanently raise its prices.

Conclusion

- 4.10 The Authority considers that the proposed acquisition will not raise any competition concerns in the market for the provision of waste management services to large and small C&I customers in the GDA.

²⁵ The parties estimate that VESI had a [...] % share of total non-domestic waste collection segment in the GDA in 2008.

SECTION FIVE: MARKET FOR THE PROVISION OF WASTE MANAGEMENT SERVICES TO C&I CUSTOMERS IN THE SOUTH-EAST REGION

Introduction

- 5.1 In this section, the Authority analyses the competitive characteristics of the market for the provision of waste management services to large and small C&I customers in the South-East region to establish whether the proposed transaction will result in a substantial lessening of competition ("SLC").
- 5.2 As noted above, unilateral effects arise where the merged entity has the incentive and ability post-acquisition to unilaterally exercise market power by, for example, raising price or reducing output.
- 5.3 The Authority examines in this section whether the proposed acquisition of VESI by Greenstar will result in a unilateral price increase (and/or reduction in the quality of the service) by the merged entity in its waste management services to large and small C&I customers in the South-East region.

Competitive Assessment

Views of the Undertakings Involved

- 5.4 Table 2 below contains estimated market shares in the South East region for 2007 provided by the parties.

Table 2: General Waste Collection Market Shares in the South East, 2007

| | Tonnes | Share | Existing HHI | Future HHI | Change in Overall HHI |
|----------------------|---------------|-----------------|--------------|------------|-----------------------|
| Greenstar | [...] | [10-15]% | [...] | [...] | |
| Veolia | [...] | [5-10]% | [...] | [...] | |
| Greyhound | [...] | [0-5]% | [...] | [...] | |
| Jim O'Meara | [...] | [0-5]% | [...] | [...] | |
| Mr. Binman | [...] | [0-5]% | [...] | [...] | |
| Local Authority | [...] | [0-5]% | [...] | [...] | |
| Dunne | [...] | [0-5]% | [...] | [...] | |
| Doheny | [...] | [0-5]% | [...] | [...] | |
| Goff/AES | [...] | [0-5]% | [...] | [...] | |
| Murray waste | [...] | [0-5]% | [...] | [...] | |
| Ray Whelan | [...] | [0-5]% | [...] | [...] | |
| AWD | [...] | [0-5]% | [...] | [...] | |
| Oxigen | [...] | [0-5]% | [...] | [...] | |
| C and D recycling | [...] | [0-5]% | [...] | [...] | |
| Friends of the Earth | [...] | [0-5]% | [...] | [...] | |
| Clonmel Waste | [...] | [0-5]% | [...] | [...] | |
| Country Clean | [...] | [0-5]% | [...] | [...] | |
| Rosslare Skip Hire | [...] | [0-5]% | [...] | [...] | |
| Wiser | [...] | [0-5]% | [...] | [...] | |
| Ashgrove | [...] | [0-5]% | [...] | [...] | |
| Munster Waste | [...] | [0-5]% | [...] | [...] | |
| O'Donoghue | [...] | [0-5]% | [...] | [...] | |
| WRS | [...] | [0-5]% | [...] | [...] | |
| Envirobin | [...] | [0-5]% | [...] | [...] | |
| Ryan Thurles | [...] | [0-5]% | [...] | [...] | |
| Other | [...] | [35-40]% | [...] | [...] | |
| Totals | 530399 | 100% | 426 | 726 | 300 |

Note: The data excludes waste collection from single dwelling households. The 'Other' above does not include any operator with a market share in excess of 1%. The South East region comprises Carlow, Wexford, Kilkenny, Waterford, and South Tipperary.

Source: The Parties based on published EPA statistics for 2007 in addition to general market information.

- 5.5 Greenstar has 15% of the South East market and VESI has [...]. The parties state that the HHI post-acquisition is only [...]. The parties state that it is difficult to envisage that, with this low level of concentration, the merger would lead to SLC.
- 5.6 The parties state that in the general waste market, County Waterford is part of the South-East region. The geography of the area reinforces this, as some of Waterford City is in County Kilkenny and part of County Wexford is only a short distance from Waterford City. The parties state that about [...] of VESI's sales from its Waterford depot

take place outside of County Waterford in the adjoining counties of Wexford, Kilkenny and South Tipperary

- 5.7 The parties note that there are currently three transfer stations in Waterford City: Greenstar, Veolia, and Friends of the Earth. The parties state that, post-acquisition, [...] The parties state that the following waste operators all compete actively in Waterford City and County:
- Mr. Binman – Carrick on Suir, Co. Waterford (25 miles);
 - Mr. Binman - Dungarvan, Co. Waterford (22 miles);
 - Goffs/AES- Rosslare, Co. Wexford (51 miles);
 - Murray Waste Recycling Limited- Ferns, Co. Wexford (46 miles approx); and,
 - Doheny Wheelie Bins & Recycling Limited trading as Doheny Wheelie Bins- Kilkenny (30 miles).
- 5.8 The parties also state that Greyhound and Panda manage national accounts in Waterford City without any direct collections by sub-contracting the collection and disposal of the waste. In addition, operators in Waterford City and County face competition from Collector Only Operators (“COOs”), i.e., waste collection companies who have no processing or recycling facilities.
- 5.9 The parties state that, post-acquisition, competition in Waterford City can come from companies within a reasonable distance of Waterford City such as Goffs/AES, Mr Binman, Murray and Doheny but also from COOs. The parties state that each of these operators competes with operators in Waterford City and County as well as those in other parts of the South-East region.
- 5.10 The parties cite in the notification AES, Mr. Binman and Greyhound as the principal competitors of the merging parties in the South-East region.
- 5.11 In a further submission to the Authority, the parties state that in Waterford City, Greenstar has had to lower its prices due to competition from Friends of the Earth and AES. The parties state that in Waterford County, AES and Mr. Binman are threats to Greenstar’s large corporate customers.

Views of the Competition Authority

- 5.12 The Authority considers that the merged entity will not have the ability to raise the price and/or reduce the quality of its waste management services to large and small C&I customers in the South-East region.
- 5.13 Market inquiries indicate that the merged entity will be unable to permanently raise its prices in the South-East region due to the presence of the following waste management services providers: AES and Mr. Binman.
- 5.14 Customer switching figures provided by VESI and Greenstar and verified by the Authority support this conclusion. VESI informed the

Authority that in 2009 it lost [...] commercial customers to other operators in Waterford City and County. [...] switched to Greenstar, [...] to AES, [...] to Mr. Binman and [...] to Lhf Waste Disposal ("Lhf")²⁶ The Authority contacted [...] out of these [...] customers. [...] customers who were noted to have moved to AES had in fact moved to Greenstar but the rest of the information provided by VESI was corroborated. Seven customers spoken to by the Authority indicated that their reason for switching was price.

- 5.15 Customer switching figures provided by Greenstar and verified by the Authority for 2009 indicate that out of [...] C&I customers (all of whom are SMEs) lost in Waterford City and County, [...] switched to AES, [...] switched to Mr. Binman, [...] switched to VESI and [...] switched to smaller operators. Of those customers contacted by the Authority, the reasons given for the change in service provider were price and service.
- 5.16 Furthermore, the successful expansion of AES in the C&I market in Waterford City and County since June 2009 indicates that large and small C&I customers will have a credible alternative waste management services provider available should the merged entity seek to raise its prices. The Authority also considers that Mr. Binman will be a credible alternative to the merged entity post-acquisition for large and small C&I customers in the South-East region.
- 5.17 The aggressive nature of AES's current pricing strategy in Waterford City and County is highlighted in a copy of a letter from AES to a [...] company in Waterford City dated November 2009 provided to the Authority by Greenstar which shows AES offering a 25% price discount.

Views of C&I Customers

- 5.18 The Authority spoke to seven customers of VESI located in Waterford City and County. Six customers have no concerns about the proposed acquisition. Of these six, two customers have multiple sites nationwide. Both of these customers stated that they could easily switch to another national operator. During the course of the Authority's investigation, one of these customers awarded their national contract to AES following a tender process. Of the four remaining customers who had no concerns, one customer, with both hazardous and non-hazardous waste, but who does not tender on an integrated waste management basis, stated that it has the option of switching to Mr. Binman in response to a permanent price rise by the merged entity. The other three customers have non-hazardous waste only and they indicated to the Authority that they are aware of the presence of AES and Mr. Binman in the region and consider them credible alternatives post-acquisition should prices increase.
- 5.19 One out of the seven customers expressed a concern that post-acquisition there would be an absence of credible alternative waste management services providers to Greenstar post-acquisition in Waterford City and County.

²⁶ Lhf is a waste collection business based in Clonmel, Co. Tipperary.

5.20 The Authority also spoke with three customers of Greenstar located in Waterford County. All three customers stated that they were aware of the presence of AES and Mr. Binman in the region and considered them credible alternative waste management services providers to Greenstar post-acquisition. These customers did not express any concern regarding the proposed transaction.

Conclusion

5.21 The Authority considers that the proposed acquisition raises no competition concerns in the market for the provision of waste management services to large and small C&I customers in the South-East region. The presence of AES and Mr. Binman means that sufficient competition will exist in the South-East region post-acquisition to prevent the merged entity from permanently raising its prices.

SECTION SIX: MARKET FOR THE PROVISION OF WASTE MANAGEMENT SERVICES TO C&I CUSTOMERS IN CORK CITY AND COUNTY

Introduction

- 6.1 In this section, the Authority analyses the competitive characteristics of the market for the provision of waste management services to large and small C&I customers in Cork City and County to establish whether the proposed transaction will result in a substantial lessening of competition ("SLC").
- 6.2 As noted above, unilateral effects arise where the merged entity has the incentive and ability post-acquisition to unilaterally exercise market power by, for example, raising price or reducing output.
- 6.3 The Authority examines in this section whether the proposed acquisition of VESI by Greenstar will result in a unilateral price increase (and/or reduction in the quality of the service) by the merged entity in its waste management services to large and small C&I customers in Cork City and County.
- 6.4 In this section, the Authority also examines the ancillary restraints contained in the parties' Share Purchase Agreement ("SPA").

Competitive Assessment

Views of the Undertakings Involved

- 6.5 Table 3 below contains estimated market shares in Cork City and County for 2007 provided by the parties.

Table 3: General Waste Collection Market Shares in the Cork City and County, 2007

| | Tonnes | Share | Existing HHI | Future HHI | Change in Overall HHI |
|------------------------|----------------|-------------|--------------|------------|-----------------------|
| Greenstar | [...] | [5-10]% | [...] | [...] | |
| Veolia | [...] | [10-15]% | [...] | [...] | |
| Mr. Binman | [...] | [0-5]% | [...] | [...] | |
| Murray Waste | [...] | [5-10]% | [...] | [...] | |
| Cork Local Authorities | [...] | [5-10]% | [...] | [...] | |
| Healys Blue Bin | [...] | [5-10]% | [...] | [...] | |
| O'Briens | [...] | [0-5]% | [...] | [...] | |
| Middleton Skip Hire | [...] | [0-5]% | [...] | [...] | |
| Country Clean | [...] | [5-10]% | [...] | [...] | |
| Ashgrove Recycling | [...] | [10-15]% | [...] | [...] | |
| Munster Waste | [...] | [5-10]% | [...] | [...] | |
| O'Donoghue | [...] | [0-5]% | [...] | [...] | |
| Nyhan | [...] | [0-5]% | [...] | [...] | |
| WRS | [...] | [0-5]% | [...] | [...] | |
| Wiser Bins | [...] | [0-5]% | [...] | [...] | |
| Other | [...] | [20-25]% | [...] | [...] | |
| Totals | 456,562 | 100% | 680 | 890 | 210 |

Note: The data excludes waste collection from single dwelling households. The 'Other' above does not include any operator with a market share in excess of 1%.

Source: The Parties based on published EPA statistics for 2007 in addition to general market information.

- 6.6 The parties state that Cork is, and will be post-acquisition, an intensely competitive market. The parties state that given the large number of local waste operators in the Cork region, it is very unlikely that the proposed transaction could have a substantial effect on competition in the Cork market. The parties state that Wiser Limited trading as Wiser Recycling ("Wiser"), Country Clean, Munster Waste Management, and Ashgrove are all long-established, well-engrained local businesses with large customer bases in Cork. Annex C contains a table provided by the parties indicating the catchment area, and the other competitors operating within the catchment area, in respect of the transfer station and MRF operated by Greenstar in Cork City and County.
- 6.7 The parties state that competitors provide services in Cork City and County from transfer stations based outside Cork. The parties cite Mr. Binman, who has a transfer station in Kilmallock (Co. Limerick), as an example. The parties state that Mr. Binman has recently bid for the Luxury Hotel Group's hotels in Cobh and Ballincollig in December 2009. The parties state that this illustrates that it is viable to provide services to large corporate customers in Cork from locations outside the county on a direct basis.
- 6.8 The parties state that there are examples throughout the State of accounts being "remotely serviced" by waste management services

providers in the same way that they manage national accounts. For example, Greenstar currently provides an integrated waste management contract to [...] which it services from its transfer station in Sligo, 60km away. Greenstar also services a customer, [...], in Limerick from its site in Cork, distance of 106km, supplying recycling collection services directly and sub-contracting residual waste collections locally.

- 6.9 The parties state that Greyhound bid in 2009 for [...] in Cork at a time when VESI was the provider. The parties state that VESI retained the business by reducing its prices.
- 6.10 In a letter dated 5 March 2010, VESI provided details of competitive pressures in Cork City and County in 2009 which forced VESI to cut its prices in order to retain C&I customers. The example of the [...] was provided where VESI cut its prices following the [...] receiving quotes from Greenstar and Country Clean.
- 6.11 The parties state that in addition to the possibility of operators remotely servicing large C&I customers, these operators can also provide services to large corporate accounts such as a pharmaceutical plant through locally based sub-contractors. The parties state that in the case of pharmaceutical plants, it is frequently the case that hazardous waste companies lead these contracts and appoint a non-hazardous company as a sub-contractor, as is the case with [...] in Dungarvan where [...], a national hazardous waste management services provider, uses [...] as a sub-contractor.
- 6.12 With respect to current levels of competition in Cork, the parties state that they have lost large C&I customers to competitors. Greenstar lost the [...] to Country Clean in 2009.
- 6.13 The parties state that competition for existing large corporate customers in Cork primarily operates at the retention level due to significant falls in prices in recent years. Greenstar states that it has had to reduce its price offering to [...] of its top [...] large corporate customers in Cork City and [...] of its top [...] corporate customers in Cork County. Greenstar states that this illustrates the buyer power of such large corporate customers.
- 6.14 The parties state that in addition to the buyer power of these large corporate customers, the parties are forced to lower their prices due to the threat of losing the account to a lower price offering by its competitors. Greenstar provides the example of its lower price offering to [...] in part due to the fact that [...], who manage the site, stated that there were three other waste management services providers who could provide the service.
- 6.15 The parties state that post-merger competition will remain intense at a local level. The parties state that Country Clean is currently seeking planning permission from the Local Authority and a licence from the EPA to expand the capacity of its transfer station. The parties also argue that existing mid-size local competitors such as Country Clean could opt to hire an account manager from one of the larger national operators to provide the knowledge and experience to win and manage large corporate accounts.

- 6.16 The parties also argue that national competitors (e.g., Greyhound) will expand into the Cork market. The parties state that given the sophistication of large corporate customers, such companies will invite some of the larger national competitors to bid for their business.
- 6.17 The parties state that a commercial warehouse can be sourced and an application for planning permission and a waste permit may only take approximately 4 months to obtain. The parties further state that there is currently a 1.8 acre waste management site located 7 miles from Cork City with up to date waste permits being marketed for sale or lease. This could readily provide a platform for growth or expansion by a competing waste management services provider.
- 6.18 Furthermore, VESI informed the Authority that it rented a 10,700 square foot warehouse in Glanmire (7km from Cork City) between April 2006 and January 2008 while it was re-developing its current transfer station in Cork City. VESI informed the Authority that it applied for a waste permit for this warehouse from Cork County Council in early February 2006 and it was granted a permit on 1 April 2006 for 20,000 tonnes per annum.

Information provided to the Authority by Customers and Competitors

- 6.19 During the course of its investigation, the Authority gathered the following evidence.

Views of Large C&I Customers located in Cork City and County

VESI's Customers

- 6.20 The Authority spoke to thirteen out of VESI's 18 biggest C&I customers in Cork City and County: six customers located in Cork City, seven in Cork County.²⁷ VESI's top 18 commercial customers accounted for [20-25]% of its total (C&I and C&D) collection tonnage in Cork City and County in 2009. A summary of their views is presented in Annex D.
- 6.21 Only one customer, Customer A, expressed an unequivocal concern about the proposed acquisition. Customer A only accounted for [0-5]% by volume and [0-5]% by value of VESI's total tonnage/revenue in Cork City and County in 2009.

Customer A

- 6.22 Customer A, with a number of locations in Cork, one being a manufacturing plant, produces [500-1,000] tonnes of non-hazardous waste per annum. This customer tendered for its waste management services needs in 2004 and 2007. On both occasions, only VESI and Greenstar pre-qualified for the tender process. Customer A indicated that no local operator has the ability to provide the service VESI and Greenstar offer and they are not prepared to sponsor entry. Customer

²⁷ At the request of the Authority, VESI provided a list of its top 10 commercial customers in Cork City and top 10 commercial customers in Cork County for 2009. Two of these customers are the city and county councils who use VESI's transfer station to bulk up their domestic and commercial waste before transporting it to their own landfill sites for final disposal. Thus, these two have been omitted from the table in Annex B as they do not purchase waste management services from VESI.

A requires an operator who is locally based with local management. Their concern is that, post-merger, their hands will be tied and they will have no choice but to use Greenstar.

- 6.23 Customer A's concerns should be compared with the views expressed by Customer B, a comparable manufacturing business in Cork City and County. Customer B had no concerns about the proposed acquisition and considers both local and national waste management services providers as credible alternatives post-acquisition.
- 6.24 Two customers also expressed a concern about the proposed acquisition but these views are contradicted by the fact that both indicated that they would consider local operators should the merged entity increase its prices.

Greenstar's Customers

- 6.25 The Authority spoke to ten out of Greenstar's 23 biggest C&I customers in Cork City and County: five customers located in Cork City, five in Cork County. Greenstar's top 23 commercial customers accounted for [20-25]% of its total (C&I and C&D) collection tonnage in Cork City and County in 2009. A summary of their views is presented in Annex E.
- 6.26 Only one customer – Customer E – expressed an unequivocal concern about the proposed acquisition. Customer E only accounted for [0-5]% by volume and [0-5]% by value of Greenstar's total tonnage/revenue in Cork City and County in 2009.

Customer E

- 6.27 Customer E, with a manufacturing plant in Cork, expressed a concern that post-merger there would be a reduction in available alternative waste management services providers. Customer E produces both hazardous and non-hazardous waste, the latter managed by Greenstar. Customer E stated that there are no other operators in the area large enough to deal with their waste management requirements. Customer E indicated that it requires a high level of compliance and that local operators do not have a reputation for dealing with industrial customers. Customer E indicated that it would not be open to using a national operator who would sub-contract out the work; this would decrease the visibility of compliance issues.
- 6.28 Customer E's concerns should be compared with the views expressed by Customer F, a comparable business in Cork City and County that produced over [...] tonnes more waste than Customer E in 2009. Customer F expressed no concerns about the proposed acquisition and considers local non-hazardous waste management services providers as credible alternatives post-acquisition.

Information provided by waste management services providers active in Cork City and County

- 6.29 The Authority's market inquiries indicate that waste management services providers currently active in Cork City and County compete with the merging parties for the provision of waste management services to small C&I customers in Cork City and County.

- 6.30 The Authority's market inquiries also indicate that waste management services providers currently active in Cork City and County have the capacity to handle the volume of waste originating from large C&I customers located in Cork City and County. The Authority's market inquiries indicate that the EPA granted one waste management services provider active in Cork City and County permission in 2009 to expand the capacity of its transfer station. The Authority's market inquiries also indicate that another waste management services provider active in Cork City and County is currently in the process of applying for an extension to the cap on its current EPA license.

Information provided by waste management service providers active in other geographic areas of the State

- 6.31 One of the issues raised by the proposed acquisition is whether the entry of a waste management services provider active outside Cork City and County (either through a new transfer station or via subcontracting to a local operator) will be timely, likely and sufficient to prevent a permanent price rise by the merged entity. The Authority's market inquiries indicate that the entry of a waste management services provider active outside Cork City and County via the leasing of a fully-licensed transfer station will be timely, likely and sufficient.

Views of the Competition Authority

- 6.32 The Authority considers that the merged entity will not have the ability to raise the price and/or reduce the quality of its waste management services to large and small C&I customers in Cork City and County.
- 6.33 First, the vast majority of large C&I customers of the merging parties in Cork City and County contacted by the Authority indicated that they have no concerns with the proposed acquisition.
- 6.34 Second, the Authority's market inquiries indicate that local waste management services providers currently active in Cork City and County compete with the merging parties for the provision of waste management services to small C&I customers in Cork City and County. Furthermore, the Authority's market inquiries indicate that local operators have the capacity to service large C&I customers in Cork City and County. Finally, as detailed in Annex B and Annex C, many large C&I customers of the merging parties indicated to the Authority that they would consider using a local operator post-acquisition should prices increase.
- 6.35 Third, the Authority considers that the entry of a waste management services provider active outside Cork City and County via the leasing of a fully-licensed transfer station will be timely, likely and sufficient to prevent the merged entity from permanently raising its prices to large C&I customers.²⁸ As noted above, the parties provided documentary

²⁸ The Authority, however, is not convinced that entry into Cork City and County by a national operator via subcontracting to a local operator will be timely, likely and sufficient to prevent a permanent price rise by the merged entity to large C&I customers. It is true, as noted above, that waste management services providers based outside Cork City and County currently sub-contract to local operators in Cork for national customer accounts. However, no national operator currently services a large (stand-alone) C&I customer in Cork City and County. Ultimately, the Authority does

evidence to the Authority that there is currently a 1.8 acre waste management site located 7 miles from Cork City with up to date waste permits being marketed for sale or lease. The Authority's market inquiries have confirmed the veracity of this information.

- 6.36 Furthermore, as noted above, VESI informed the Authority that it rented a 10,700 square foot warehouse 7km from Cork City between April 2006 and January 2008 while it was re-developing its current transfer station in Cork City. VESI informed the Authority that it applied for a waste permit for this warehouse from Cork County Council in early February 2006 and it was granted a permit on 1 April 2006 for 20,000 tonnes per annum. The Authority's market inquiries have confirmed the veracity of this information.
- 6.37 Fourth, a majority of the merging parties' large C&I customers in Cork City and County spoken to by the Authority indicated that they consider waste management services providers active outside Cork City and County a credible alternative post-acquisition.

Conclusion

- 6.38 The Authority considers that the proposed acquisition will not raise any competition concerns in the market for the provision of waste management services to large and small C&I customers in Cork City and County.

Ancillary Restraints

- 6.39 Two restrictive covenants are set out in the merging parties' SPA. The first restrictive covenant refers to a non-compete and non-solicitation clause. This clause prohibits the Vendor from, [...].
- 6.40 The second restrictive covenant in the SPA is an undertaking that during the restricted period, in relation to any new IWM (integrated waste management) contracts undertaken by the Vendor's Group, the Vendor will [...].
- 6.41 [...]
- 6.42 The 'Restricted Period' is the period of two years from the Completion date.
- 6.43 On the 5 March 2010, VESI provided data indicating that the revenue generated by VESI for such contracts was €[...] in 2009, which was approximately [0-10]% of the total revenue generated by VESI in Cork City and County for that period. The tonnage attributable to such contracts is [...] tonnes, which was approximately [0-10]% of the total tonnage collected by VESI in Cork City and County in 2009. These figures represent the potential value of the ancillary restraint provisions to Greenstar upon completion.
- 6.44 The parties stated that the above arrangements are necessary for the implementation of the proposed transaction and that the two year restrictive period will give Greenstar time to integrate the VESI

not need to come to a definitive view on this issue since it considers entry into Cork City and County via the leasing of a fully-licensed transfer station will be timely, likely and sufficient.

customer base and ensure goodwill has effectively transferred before VESI can compete. The parties further state that [...].

Views of the Competition Authority

6.45 The Authority considers that both restrictive covenants are necessary for the implementation of the proposed transaction. With respect to the second restrictive covenant pertaining to [...], the Authority is satisfied this will not lead to competition concerns since:

(a) IWM customers in both Cork City and County and the South-East regions will have the ability post-acquisition to switch to a credible alternative non-hazardous waste management services provider (for the reasons set out in Sections 5 and 6 below); and,

(b) There is no concern of customer foreclosure, since the size of the contracts covered by the restrictive covenants is less than 5% of the total non-hazardous waste generated in both Cork City and County and the South-East region.

Relevant International Obligations

6.46 Before making a determination in this matter, the Authority, in accordance with Section 22(8) of the Act, considered whether any relevant international obligations of the State existed and concluded that there were none.

SECTION SEVEN: THE DETERMINATION

The Competition Authority, in accordance with Section 22(3)(a) of the Competition Act 2002, has formed the view that the result of the proposed acquisition of Veolia Environmental Services (Ireland) Limited by Greenstar Holdings Limited will not be to substantially lessen competition in markets for goods and services in the State and, consequently the Competition Authority hereby determines that the acquisition may be put into effect.

For the Competition Authority

Declan Purcell
Member of the Competition Authority

Dr. Stanley Wong
Member of the Competition Authority

Carolyn Galbreath
Member of the Competition Authority

Dated: 11 March 2010

Annex A

| WASTE MANAGEMENT COMPANY | COLLECTION MARKET TYPES | Wheelie Bins | | Skips household and Commercial | | | RoRo | | Skipo Bags |
|---------------------------------|-------------------------|--------------|-------|--------------------------------|--------|-------|-------|-------|------------|
| | | Domestic | C & I | Small | Medium | Large | Small | Large | Standard |
| Greenstar | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| VESI | C & I / C & D | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| WRS (Waste Recovery Services) | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cork County Council | C & I / Domestic | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Cork City Council | C & I / Domestic | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Cork recycling | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Rehab Recycling | C & I / Domestic | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Greyhound | C & I / Domestic | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Healy Blue Bins | C & I / Domestic/C&D | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Wiser LTD | C & I / Domestic | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ |
| Advance Skip Hire | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cork Mini Skips | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Ashgrove Recycling | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Country Clean Recycling Ltd | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Bantry Skip Hire | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| KWD | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Ballyneen Skip hire | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Whites Skip Hire | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| Munster Waste Management | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| O'Donoghue Waste | C & I / Domestic/C&D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Midleton Skip Hire | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| Cork metal | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| Pouladuff Dismantlers | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ |
| O'Regan Skip Hire | Industrial / Domestic | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ |
| O'Briens Skip Hire | C & I / Domestic/C&D | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Annex B

| SME | Corporate - Multiple Site | Corporate –Single Campus Site |
|---|---|---|
| <p style="text-align: center;">Collection</p> <p>Waste Types <i>Non Hazardous Waste</i> General Waste – C&I/MSW Dry Mixed Recyclables Baled Recyclables Construction and Demolition Waste</p> <p>Waste Electrical and Electronic</p> <p>Glass Food Waste</p> <p>Polystyrene Cooking Oil Clear outs</p> <p><i>Hazardous Waste</i> Batteries Paint Flourescent Tubes</p> | <p style="text-align: center;">Collection</p> <p>Waste Types <i>Non Hazardous Waste</i> General Waste – C&I/MSW Dry Mixed Recyclables Baled Recyclables Construction and Demolition Waste</p> <p>Waste Electrical and Electronic Confidential Product Destruction Glass Food Waste Bin less Office Programme Specialist Recycling materials (plastic, production waste) Polystyrene Cooking Oil Clear outs</p> <p><i>Hazardous Waste</i> Batteries Paint Flourescent Tubes</p> | <p style="text-align: center;">Collection</p> <p>Waste Types <i>Non Hazardous Waste</i> General Waste – C&I/MSW e Dry Mixed Recyclables Baled Recyclables Construction and Demolition Waste</p> <p>Waste Electrical and Electronic Confidential Product Destruction Glass Food Waste Bin less Office Programme Specialist Recycling materials (plastic, production waste) Polystyrene Cooking Oil Clear outs Sludge</p> <p><i>Hazardous Waste</i> Batteries Paint Flourescent Tubes</p> |
| <p style="text-align: center;">On Site Labour</p> | <p style="text-align: center;">On Site Labour</p> <p>On site Recycling Operatives eg. [...].</p> | <p style="text-align: center;">On Site Labour</p> <p>On site Recycling Operatives eg. [...].</p> |
| <p style="text-align: center;">Equipment</p> <p>Wheellie Bins Skips Compactors</p> <p>Balers</p> <p>Signage, bin stickers</p> | <p style="text-align: center;">Equipment</p> <p>Wheellie Bins Skips Compactors Shredders Balers Internal Bins (Slim jims, desk trays etc.) Consoles and bags for confidential shredding Recycling Compound Signage, bin stickers Tipper Bins</p> | <p style="text-align: center;">Equipment</p> <p>Wheellie Bins Skips Compactors Shredders Balers Internal Bins (Slim jims, desk trays etc.) Consoles and bags for confidential shredding Recycling Compound Signage, bin stickers Tipper Bins</p> |
| <p style="text-align: center;">Account Management</p> <p>Central customer support/Nominated Account Manager Standard Monthly Recycling Reporting</p> <p>Bi - Annual Newsletter</p> <p>Environmental Legislation Updates</p> | <p style="text-align: center;">Account Management</p> <p>Nominated Account Manager</p> <p>Custom Monthly Recycling Reporting</p> <p>Recycling Awareness Training Programme Service Level Agreement with custom KPI's Bi - Annual Newsletter Monthly Review Meetings Custom Monthly Invoicing Environmental Legislation Updates</p> <p>Health and Safety Programme Programme for Zero Landfill</p> | <p style="text-align: center;">Account Management</p> <p>Nominated Account Manager</p> <p>Custom Monthly Recycling Reporting Recycling Awareness Training Programme Service Level Agreement with custom KPI's Bi - Annual Newsletter Monthly Review Meetings Custom Monthly Invoicing Environmental Legislation Updates Health and Safety Programme Programme for Zero Landfill</p> |
| <p>Use of third party subcontractors for specialist collections (e</p> | <p>Use of third party subcontractors for specialist collections</p> | <p>Use of third party subcontractors for specialist collections</p> |
| <p>Total Waste Management Programme (Non-Haz and Haz)</p> | <p>Total Waste Management Programme (Non-Haz and Haz)</p> | <p>Total Waste Management Programme (Non-Haz and Haz)</p> |

Annex C

| Greenstar | Catchment Area (km radius) | Competitors within the catchment area | Distance (km) to Cork City |
|---------------------------|-----------------------------------|--|-----------------------------------|
| Sarsfield Court, Glanmire | 100km | Ashgrove | 8km |
| | | Country Clean | 8km |
| | | Munster Waste | 35km |
| | | Healy Blue Bin | 8km |
| | | Mr. Binman | 75km |
| | | O'Donoghue Waste | 19km |
| | | Middleton Skip Hire | 19km |
| | | Cork Recycling | 20km |
| | | KWD | 88km |
| | | Wiser Bins | 19km |
| | | Murphy Recycling | No Transfer Station |
| | | Regen, Newry | 357km |

Annex D

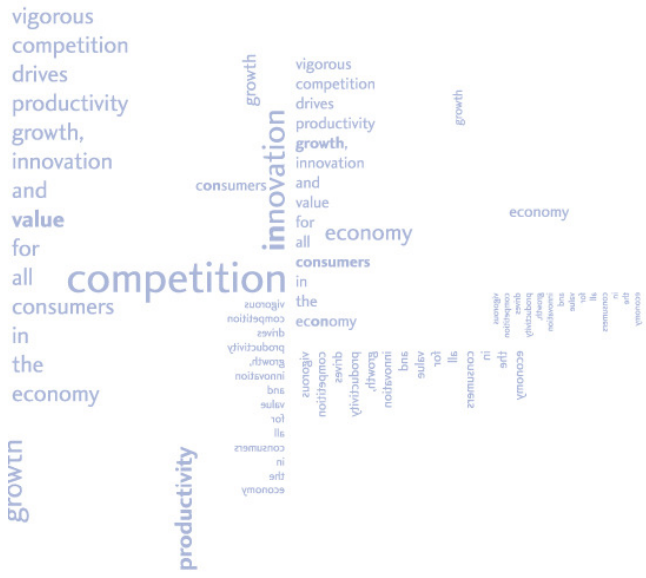
VESI's Top 18 C&I Customers in Cork City and County, 2009

| Customer | Type of Waste | Tonnes | % of VESI's Tons in CCC | €'000's | % of VESI's €s in CCC | Consider Local Operators | Consider National Operators | Concerns with merger |
|---|---------------------|--------------------|-------------------------|----------------|-----------------------|--------------------------|-----------------------------|----------------------|
| Customer F | Haz & Non-haz (TWM) | [2,500-3,000] | [0-5]% | 500 [0- | [0-5]% | TWM contract | No comments | No |
| Customer D | Non-haz. | [1,500-2,000] | [0-5]% | 500 [0- | [0-5]% | yes | Needs TS | No |
| Customer A | Non-haz | [500-1,000] | [0-5]% | 500 [0- | [0-5]% | No | No | Yes |
| Customer G | Non-haz | [1,500-2,000] | [0-5]% | 500 [0- | [0-5]% | Not spoken to | | |
| Customer H | Non-haz | [2,000-2,500] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer I | Non-haz | [500-1,000] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer J | Haz & Non-haz (TWM) | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer K | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | No comment | yes | No |
| Customer L | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | No comments | No |
| Customer M | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | Not spoken to | | |
| Customer N | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | Not spoken to | | |
| Customer O | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | Not spoken to | | |
| Customer P | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer Q | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer R | Non-haz | [0-500] | [0-5]% | 35 [0- | [0-5]% | Not spoken to | | |
| Customer S | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | No comment | Yes | No |
| Customer C | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | yes | No |
| Customer T | Non-haz | [0-500] | [0-5]% | 500 [0- | [0-5]% | yes | No comments | No |
| % of VESI's Total for the Region | | [...] | [20-25]% | [...] | [20-25]% | | | |
| VESI's Total for the Region | | [...] | | [...] | | | | |

Annex E

Greenstar's Top 23 C&I Customers in Cork City and County, 2009

| Customer | Type of Waste | Tonnes | % of Greenstar's Tons in CCC | €'000's | % of Greenstar's €s in CCC | Consider Local Operators | Consider National Operators | Concerns with merger |
|--|------------------------------|--------------------|------------------------------|----------------|----------------------------|--------------------------|-----------------------------|----------------------|
| Customer B | Non-haz | [500-1,000] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| Customer E | Haz and non-haz (TWM) | [500-1,000] | [0-5]% | [0-500] | [0-5]% | No | No | Yes |
| Customer U | Non-haz | [500-1,000] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer V | Non-haz | [500-1,000] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| Customer W | Non-haz | [500-1,000] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer X | Non-haz | [500-1,000] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer Y | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer Z | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer C | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| Customer AA | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer BB | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Yes | No comments | No |
| Customer CC | Haz and non-haz (TWM) | [0-500] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| Customer DD | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer EE | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer FF | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer GG | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer HH | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer II | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | No comment | No comment | No |
| Customer JJ | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer KK | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | No comment | No comment | No |
| Customer LL | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| Customer MM | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Not spoken to | | |
| Customer NN | Non-haz | [0-500] | [0-5]% | [0-500] | [0-5]% | Yes | Yes | No |
| % of Greenstar's Total for the Region | | [...] | [20-25]% | [...] | [20-25]% | | | |



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