[IE] Ireland launches 4G and Eircom TV

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Patrick Mannion
School of Law, National University of Ireland, Galway

On 28 May 2014, the European Commission approved the EUR 780 million takeover of O2 Ireland, the second largest mobile operator in the country, by Three Ireland, the smallest and most recent operator. The deal brings Three Ireland's share of the market to 37%.

When the proposed acquisition was notified to the Commission in October 2013, the Commission considered that, without remedies, it would lead to higher prices and less competition. Hutchison (trading as Three Ireland) proposed a number of commitments to resolve the EC's competition concerns. The takeover, therefore, was made conditional on Three Ireland facilitating the entry of two new mobile virtual network operators (MVNOs) into the Irish market, with one of them - but not both - to be given the option to become an equal player as a mobile network operator (MNO), the option to be available for 10 years starting from 1 January 2016. Another requirement for Three Ireland is that they dedicate up to 30 per cent of the merged company's network capacity to the new operators at fixed payments. The Commission says this 'model is more effective than the typical pay-as-you-go model that MVNOs currently use in Europe and under which they pay for network access according to the actual usage of their subscribers.' The Commission's investigation in this case also showed that 'the model is viable for the Irish telecoms market.' A further condition is that Three Ireland must offer improved terms to Eircom (Meteor) on network sharing to ensure it remains a competitive mobile network operator in Ireland. Eircom was the first to roll out 4G in September 2013 and hopes to increase coverage to 90 per cent of the population within three years. Vodafone launched its 4G data service in October 2013, followed by Three at the end of January 2014, putting the delay down to their acquisition of O2. Three is now expected to go ahead with a separate deal with UPC Ireland that will see the broadband operator launch a new mobile service on Three's network.

The Commission for Communications Regulation (ComReg), however, 'remains of the strong view that the behavioural commitments are insufficient to address the structural competition deficit identified as likely to result from the Proposed Acquisition. Nevertheless, ComReg welcomes the end to the uncertainty surrounding the acquisition and looks forward to the anticipated network investment.'

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Another service area that has lacked competition in Ireland has been television service provision. Until recently the television network service area has been dominated by two main companies UPC and Sky. Eircom Ireland has injected some competition into the market, becoming the first service provider to bring quadplay to Ireland in October 2013. Quadplay is a service providing broadband, TV, phone, and mobile all in one.

In a further development, UTV Ireland Limited (UTV), which already owns several radio services operating in Ireland, has signed a ten-year television content provision contract with the Broadcasting Authority of Ireland (BAI), under section 71 of the Irish Broadcasting Act 2009. UTV has an agreement with ITV in the United Kingdom that will give UTV the exclusive broadcasting rights for ITV Studios programmes, including popular soaps, for the Republic of Ireland audience. UTV will commence broadcasting its new Irish service in January 2015.

Press release of the European Commission, 'Mergers: Commission clears acquisition of Telefónica Ireland by Hutchison 3G, subject to conditions', 28 May 2014

http://europa.eu/rapid/press-release_IP-14-607_en.htm

Commission for Communications Regulation (ComReg), Information Notice ComReg 14/53, 28 May 2014

http://www.comreg.ie/_fileupload/publications/ComReg1453.pdf

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