



# DETERMINATION OF MERGER NOTIFICATION M/18/047 – CUBE TRANSPORTATION (ISQ)/TIP HOLDINGS

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## Section 21 of the Competition Act 2002

**Proposed acquisition by ISQ Global Infrastructure Fund II of Global TIP Holdings One B.V. and all of its subsidiaries.**

**Dated 21 June 2018**

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### Introduction

1. On 31 May 2018, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed acquisition whereby ISQ Global Infrastructure Fund II (“ISQ”), through Cube Transportation Europe Coöperatief U.A. (“Cube Transportation”) which is indirectly owned by ISQ, would acquire sole control of Global TIP Holdings One B.V. and all of its subsidiaries (“TIP”) (the “Proposed Transaction”). ISQ was established by I Squared Capital Advisors (US) LLC (“I Squared”) in 2017.

### The Proposed Transaction

2. The Proposed Transaction will be implemented pursuant to a sale and purchase agreement (the “SPA”) between HNA Group (International) Company Limited (the “Seller”)<sup>1</sup> and Cube Transportation dated 9 May 2018. Pursuant to the SPA, Cube

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<sup>1</sup> TIP is 100% owned by HNA Group (International) Company Limited.



Transportation would acquire the entire issued share capital of TIP and, therefore, sole control of TIP within the meaning of section 16(1)(b) of the Act.

### **The Undertakings Involved**

#### *The Acquirer – I Squared*

3. ISQ was established by I Squared, which is headquartered in New York, USA. I Squared is a global infrastructure investment manager which invests in energy, utilities and transportation projects in North America, Europe, and Asia. The following companies which are owned and controlled by I Squared generated turnover in the State in 2017:

- Viridian Group Holdings Limited (“Viridian”) - Viridian is an energy company active in the island of Ireland. In the State, Viridian, trading as “*Energia*”, is a retail supplier of gas, conventional and renewable electricity to commercial and residential customers. Viridian operates two gas-fired power generation plants in Dublin.
- HGC Global Communications Limited (“HGC”) – [...].

4. For the financial year ending 31 December 2017, I Squared’s worldwide turnover was approximately €[...] million, of which approximately €[...] million was generated in the State.

#### *The Target - TIP*

5. TIP, headquartered in Amsterdam, the Netherlands, is an international equipment services provider. TIP provides trailer leasing, rental, maintenance and repair, and value-added services to transportation and logistics customers across Europe and Canada.

6. In the State, TIP operates a single facility located at the Airport Business Park in Dublin and provides the following services to customers:

- Operational leasing of trailers;
- Maintenance and repair of trailers; and



- Sale of used trailers.

7. For the financial year ending 31 December 2017, TIP's worldwide turnover was approximately €517 million, of which approximately €[...] million was generated in the State.

### **Rationale for the Proposed Transaction**

8. The notification states:

*“The Proposed Transaction is consistent with ISQ<sup>2</sup> strategy of making long-term investments in the transport sector. From TIP's perspective, the Proposed Transaction will financially and strategically support TIP's business and allow it to grow its leasing and rental portfolio and workshop businesses internationally. In particular,[...]”*

### **Third Party Submissions**

9. No submission was received.

### **Competitive Analysis**

#### *Horizontal Overlap*

10. There is no horizontal overlap between the activities of the parties in the State. As described above, none of the companies owned and/or controlled by I Squared, which generated turnover in the State in 2017, are engaged in the same business activities as TIP, i.e., none of those companies currently provide trailer leasing, rental, maintenance and repair, and value-added services in the State. Similarly, TIP is not currently involved in any of the business activities in which the companies owned and/or controlled by I Squared which generated turnover in the State in 2017 are active.

11. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the State.

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<sup>2</sup> In this quote, the parties refer to “I Squared” as “ISQ”.



### *Vertical Relationship*

12. The parties informed the Commission that there is no vertical relationship between TIP and any of the companies managed and/or controlled by I Squared which generated turnover in the State in 2017. The Commission has not identified any vertical relationships between the parties. On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

### **Conclusion**

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

### **Ancillary Restraints**

14. The parties have informed the Commission that the SPA contains non-compete and non-solicitation obligations on the Seller and its affiliates. The duration of those restrictive obligations does not exceed the maximum duration acceptable to the Commission.<sup>3</sup> The Commission considers these non-compete and non-solicitation obligations to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.

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<sup>3</sup> In this respect, the Commission follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" (2005). For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby ISQ Global Infrastructure Fund II, through Cube Transportation Europe Coöperatief U.A., would acquire sole control of Global TIP Holdings One B.V. and all of its subsidiaries, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Brian McHugh**

**Member**

**Competition and Consumer Protection Commission**