Resolution on mergers in the telecommunications sector

2000/2597(RSP) - 07/09/2000 - Text adopted by Parliament, topical subjects

The European Parliament adopted a resolution on telecommunication mergers. It noted that since 1990, there has been a fivefold increase in the number of mergers notified under the merger regulation which increased to around 300 cases per year. This represents a growth in merger activities of 33% compared to 1998. Merger cases and control operations have become increasingly complex. The US penetration of the European market is very high. The Parliament welcomed the decision of the Commission and the US Department of Justice to block the merger of MCI WorldCom and Sprint because of its impact on competition in the market for top-level internet connectivity and voice telephony on the US-EU route. Effective competition on the European and global scale can only be maintained if there are reasonably comparable competitors in a market without one firm being dominant. The Council and Commission are called upon to revise the merger regulation and takeover bids directive in order to guarantee a simplified and consumer-friendly procedure for treatment of such concentrations. Parliament expressed its concern about the US appropriations bill which limits the transfer of licences to companies which are more than 25% owned by a foreign government and does not allow the use of existing waivers. This is seen as a breach of WTO and GATS commitments. These issues will be further addressed in Parliament's consideration of the Commission's competition reports.