

MOTION FOR A RESOLUTION

further to the Commission statement

pursuant to Rule 37(2) of the Rules of Procedure

by the following Members: Herman Schmid, Helmuth Markov, Andre Brie, Luigi Vinci, Ioannis Theonas and Armando Cossutta, on behalf of the GUE/NGL Group

Pierre Jonckheer, Alain Lipietz and Gorka Knörr Borràs, on behalf of the Verts/ALE Group

on telecommunications mergers

B5-0669/2000**Resolution on telecommunications mergers**

The European Parliament,

- having regard to current EU telecommunications rules,
 - having regard to the communication by the Commission “Towards a new framework for electronic communications infrastructures and associated services”,
 - having regard to the final report of the High-Level Expert Group “An Information Society for all”,
 - having regard to the commitment of the Lisbon and Feira summits to the goal of full employment with more and better jobs, the creation of an information society for all and the prevention of a digital divide,
 - having regard to the communications by the Commission on “e-Europe” and on “Strategies for Jobs in the Information Society”,
 - having regard to Merger Regulation 4064/89 and the Directive 94/45/EC on European Works Councils,
 - having regard to its earlier resolutions on telecommunication policies, on the information society, on mergers and restructuring and on the information and consultation of workers,
- A. whereas in 1999 the European Union witnessed an increase in merger activity in all sectors of the economy of 33 % since 1998, representing a threefold increase since 1990,
- B. whereas merger activities in the telecommunications, Internet and media sectors continued at a high level, the Vodafone/Mannesmann, Olivetti/Telecom Italia and AOL/Time Warner mergers being only the most spectacular cases,
- C. whereas the liberalisation of the telecommunications sector in general has already resulted in severe job redundancies in former public telecommunications companies in most Member States, and whereas the trend to further job cuts is expected to continue as a result of mergers and of activities to increase competitiveness on a global scale,
- D. whereas telecommunications, in addition to classical broadcasting, have become more and more the backbone of information exchange in and between societies and whereas, therefore, mergers in the telecommunications sector must also be evaluated with a view to their impact on equal access, freedom of information and cultural diversity,
- E. whereas the US Federal Communications Commission has established regulations in some merger issues requiring a commitment by the merging parties to increased staffing and improved service quality, thus regulating not only competition but also social and consumer aspects of mergers and takeovers,

- F. whereas the conclusions of the Lisbon and Feira Councils provided important goals and principles such as full employment with more and better jobs, a bridging of the digital divide, a strengthening of social dialogue and social cohesion, which should also be taken into account in merger decisions,
1. Points out the need to prevent market dominance in the Internet Backbone business in order to preserve the Internet as an information and communication tool for all at low cost;
 2. Welcomes the recent 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;
 3. Is of the opinion that effective competition on a European and global scale can only be maintained if there are at least five reasonably comparable competitors in a market without one firm being dominant and if reasonably free entry into all segments of the market is ensured;
 4. Stresses the commitment of the existing EU regulatory framework on telecommunications to preventing a digital divide, affordable universal service provision and access to a wide range of communication services for all, a high level of consumer and data protection for citizens, addressing the special needs of specific social groups, and to ensuring that transparency of tariffs and conditions for using communication services are important criteria for the investigation of mergers in the telecommunication sector;
 5. Emphasises that the promotion of information and cultural diversity, freedom of information, and securing a high level of universal service provision, data and consumer protection should play a dominant role when assessing mergers in the telecommunications sector;
 6. Points out the need for a more dynamic concept of universal service obligations, which includes equal access for all, notably to new services such as broadband infrastructure and multimedia services, in order to prevent a digital divide in the future;
 7. Calls on the Commission, the Council and the French Presidency to draft a binding code of conduct for mergers in the telecommunications and related sectors, establishing clear criteria on service quality, full application of the provisions of the European social dialogue including information and consultation of workers, the promotion of public interest benefits and the improvement of staff skills in the transfer and post merger phase with a view to maintaining or increasing staffing;
 8. Calls on the Commission and the Council to include the key principles of this code of conduct in the outstanding proposals for a reform of the telecommunications sector and in the criteria for the monitoring guidelines of the planned Monitoring Centre for Industrial Change;
 9. Calls on the Commission and the Council to introduce a social clause in EU legislation governing mergers and restructuring;

10. Instructs its President to forward this resolution to the Council, the Commission and the social partners.