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NEWS

EC COMMISSION DECIDES BRITISH TELECOMMUNICATIONS/MCI ALLIANCE FALLS OUTSIDE THE SCOPE OF THE EC MERGER REGULATION

The EC Commission has found that the transactions notified by British Telecommunications plc (BT) and MCI Communications Corporation (MCI) do not fall within the scope of the EC Merger Regulation. The agreement between the companies notified as one operation comprises three transactions:

- (1) the creation of a joint-venture, Newco, for the provision of enhanced and value-added global telecoms services to multinational businesses.
- (2) BT is to take 20 percent stake in MCI.
- (3) MCI will acquire BT's existing North American subsidiary.

The Commission, which announced its decision September 14, concluded that none of the three transactions fell within the scope of the EC merger regulation since:

- (1) Newco is cooperative rather than concentrative in nature and does not constitute a concentration within the terms of Article 3 of the Merger Regulation.
- (2) BT will not acquire joint control over MCI and that this part of the notified operation does not constitute a concentration under Article 3 of the Merger Regulation.
- (3) The acquisition by MCI of BT North America will not be of Community dimension since BT North America does not attain the EC turnover threshold of 250 million Ecu.

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