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British phone bid is bad

OPPOSING VIEW **BT-MCI deal harms American consumers, workers — and jeopardizes U.S. sovereignty.**

By Andrew Kimbrell

If approved by regulators, BT's proposed \$21 billion purchase of MCI will be the largest foreign takeover of an American company in history.

It is all part of a process called "globalization" — massive international companies invading local markets and taking over smaller, nationally-based businesses. It's a process that usually leads to less competition, higher consumer costs, destruction of local businesses, loss of jobs and less democratic control of corporate power.

In the case of the BT takeover, there is little doubt U.S. companies will be at a competitive disadvantage when BT uses its regulation-protected profit in Britain to subsidize its entry into U.S. markets. This could reduce competition and raise costs to U.S. telecommunications customers.

MCI employees also have plenty of cause for concern. No immediate layoffs have been announced. But BT has announced it plans to save \$2.5 billion by eliminating "duplication." And it has cut

100,000 jobs since 1990 and plans to cut 50,000 more.

The MCI takeover also contributes to another disturbing globalization trend. A few transnational companies like BT are taking control of all the globe's communication and information services: phones, computer, satellite, entertainment and news. Because these corporations are international, governments and the public have less control of them. Total corporate control of global communications, without democratic accountability, has "Big Brother" implications.

Federal rules wisely prohibit a foreign company from indirect ownership of more than 25% of a U.S. company that holds a wireless license, as MCI does. Federal Communications Commission officials should just say no to this takeover. The deal is bad for consumers, workers and compromises our sovereignty. If the FCC gives in to political pressure and allows foreign economic invasions like this one by British Telecommunications, we may just have to have another Boston Tea Party.

Andrew Kimbrell is director of the International Center for Technology Assessment in Washington, D.C., and a contributor to The Case Against the Global Economy, published by Sierra Club Books.