



**GENERAL SECRETARY'S OFFICE**

Transport House 128 Theobald's Road London WC1X 8TN  
*Telephone: 020 7611 2500 Facsimile: 020 7611 2555 Email: tgwu@tgwu.org.uk*

20 September, 2006

AJW/BR/jlf

Mr Charlie McCreevey  
Member for the European Commission for the Internal Market and Services  
European Commission  
Rue de a Loi 200  
B-1049

Dear Mr McCleevey,

The Transport and General Workers Union is the largest food union in the UK and also represents a broad spectrum of workers in manufacturing, Transport and services.

This trade union is concerned about Private Equity restructuring which has resulted in cutting of long term investment and business development in addition to headcount reductions.

The European Commission Internal Market & Services DGs "Report of the Alternative Investment Expert Group" (July 2006) is based on a highly debatable definition of the business model of Private Equity which has been defined very narrowly as concerned with the sometimes responsible behavior of venture funds and the Report is unquestioning in its advocacy of Private Equity.

Liberalisation and exemption from accountability and transparency, would establish a dangerous environment for the sort of Private Equity funds who take controlling interest in factories and businesses, operate as the strategic management, but fail to have an employer status.

In our view there is a need for greater transparency and a need to consult as well as observe TUPE regulations before any change of ownership can take place by private equity. Private equity acquisitions should be subject to the same legal requirement as any UK company in terms of employment legislation, in particular obligations to consult. As with any UK company the list of shareholders is a matter of public record and we believe the same requirements should apply to the Private Equity industry.

There is also a need to consider regulation of the structure and funding of acquisitions by the PE industry to avoid financial asset stripping which may endanger the viability of the business and potentially undermine future employment and pension fund viability.

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In particular this union believes that European public authorities and Social Partners should be extremely wary about allowing a business model at the heart of Europe which has no accountability. This stands in stark contrast to the development of Information and Consultation rights – not just between employers and employees but in the broader public interest.

We believe that the Report is so narrowly drawn that it is excluding crucial strategic questions especially in relation to social accountability. We therefore request an extension of the consultation period to allow time for a full debate and response at Social Partner level before any further action by the Commission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Woodley', with a large, stylized flourish extending from the end of the name.

**TONY WOODLEY**  
**GENERAL SECRETARY**