

***Case No COMP/M.2346 -  
TELEFONICA /  
PORTUGAL TELECOM /  
BRAZILIAN JV***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 13/03/2001

*Also available in the CELEX database  
Document No 301M2346*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13/03/2001  
SG(2001)D/286749-286750

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

SIMPLIFIED PROCEDURE

To the notifying parties

Dear Madam(s) and/or Sir(s),

**Subject: Case No. COMP/M.2346 – Telefónica / Portugal Telecom / Brazilian JV**

Notification of 12.02.2001 pursuant to Article 4 of Council Regulation (EEC) No. 4064/89<sup>1</sup>

Publication in the Official Journal of the European Communities No. 2001/C 56/03, 22/02/2001, p.4.

1. On 12.2.2001, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89<sup>2</sup> by which the Spanish undertaking Telefónica S.A. (“Tef”) and the Portuguese undertaking Portugal Telecom (SGPS) S.A. (“PT”) acquire within the meaning of Article 3(1)(b) of the Council Regulation joint control of a newly created Brazilian company constituting a joint venture (“Holdco”) by way of contribution of their properties in Brazil and conclusion of a management contract.

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<sup>1</sup> OJ L 395, 30.12.1989 p. 1; corrected version OJ L 257 of 21.9.1990, p. 13, as last amended by Regulation (EC) No 1310/97, OJ L 180, 9.7.1997, p. 1, corrigendum in OJ L 40, 13.2.1998, p. 17.

<sup>2</sup> OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

2. Tef is a holding company of a group of corporations, which operate, in the fixed line and wireless telecommunications and audio-visual sectors mainly in Spain and Latin America. PT is a group holding company whose subsidiaries are active in the provision of fixed-line and wireless telecommunications and in the multimedia sector, mainly in Portugal and Brazil. Holdco is will own and development the wireless telecommunications activities of Tef and PT in Brazil.
3. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No. 4064/89 and of paragraph 4(a) of the Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EEC) No 4064/89<sup>3</sup>.
4. To the extent that restrictions specified by the parties are directly related and necessary to the implementation of the concentration and that they fall within the scope of Community law, these restrictions are covered pursuant to Article 6(1)(b), second subparagraph, of Council Regulation (EEC) No. 4064/89.
5. For the reasons set out in the Notice on a simplified procedure, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No. 4064/89.

For the Commission,  
Mario Monti  
Member of the Commission

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<sup>3</sup> OJ C 217, 29.07.2000, p. 32.