

Senators press EU to speed its Oracle-Sun probe

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U.S. senators are pressuring European antitrust regulators to hurry their investigation of Oracle Corp.'s proposed acquisition of Sun Microsystems Inc., citing Sun's "precarious" financial condition and fears about more layoffs at the struggling computing company.

A group of 59 senators outlined the concerns in a letter Tuesday to the European Commission, which has held up the \$7.4 billion deal over worries that Oracle would be too dominant in the market for database software.

Oracle is the leader in proprietary database software - which means its underlying code is kept private - while Sun's MySQL division makes the No. 1 open-source database. Companies use database software to manage large stockpiles of information, such as their payroll or customer data.

The Oracle-Sun combination would be one of the biggest technology deals of the year, and was cleared in August by the U.S. Department of Justice. This month, though, the European Commission notified the Silicon Valley companies of its formal objection to the deal. Oracle and Sun are appealing that ruling before the EU's preliminary ruling has a chance to become final. EU regulators have until Jan. 27 to wrap up that review.

Sen. John Kerry, D-Mass., the lead author of Tuesday's letter, said a further delay in the review "threatens thousands of American jobs, so we felt compelled to ask for a speedy resolution."

"Sun Microsystems' financial position has become more precarious and the commission's inquiry has continued," the letter read. "Some have raised concerns over the company's ability to continue to employ its thousands of workers. Accordingly, we respectfully request the European Commission complete its investigation of this transaction as quickly as possible."

Both companies had hoped the deal would close this summer. Since it hasn't, Sun rivals such as IBM Corp. and Hewlett-Packard Co. have been playing up uncertainty about the deal to steal business from Sun. Sun has lost \$677 million over the last four quarters.

It also said last month it would be cutting up to 3,000 jobs, or 10 percent of its worldwide work force, as it awaits a decision on the fate of the deal.

Because of fears that the deal won't get completed, Sun's stock is trading for much less than the \$9.50 per share that Oracle would pay to acquire the company. The stock fell 4 cents, or 0.5 percent, to \$8.50 on Tuesday afternoon.