


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2294(COS)	Procedure completed
Information society: convergence and regulation of telecommunications, media and technologies. Green paper		
Subject		
3.30.03 Telecommunications, data transmission, telephone		
3.30.25 International information networks and society, internet		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		11/02/1998
		PSE PAASILINNA Reino	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy		22/01/1998
	ELDR PLOOIJ-VAN GORSEL Elly		
	JURI Legal Affairs, Citizens' Rights		22/01/1998
		ARE HORY Jean-François	
	ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Telecommunications	2071	26/02/1998

Key events			
03/12/1997	Non-legislative basic document published	COM(1997)0623	Summary
19/12/1997	Committee referral announced in Parliament		
26/02/1998	Debate in Council	2071	
23/09/1998	Vote in committee		Summary
23/09/1998	Committee report tabled for plenary	A4-0328/1998	
21/10/1998	Debate in Parliament		
22/10/1998	Decision by Parliament	T4-0621/1998	Summary
22/10/1998	End of procedure in Parliament		

Technical information	
Procedure reference	1997/2294(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 050; Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09581

Documentation gateway					
Non-legislative basic document		COM(1997)0623	03/12/1997	EC	Summary
Economic and Social Committee: opinion, report		CES0642/1998 OJ C 214 10.07.1998, p. 0079	29/04/1998	ESC	
Document attached to the procedure		SEC(1998)1284	29/07/1998	EC	Summary
Committee of the Regions: opinion		CDR0149/1998 OJ C 373 02.12.1998, p. 0026	16/09/1998	CofR	
Committee report tabled for plenary, single reading		A4-0328/1998 OJ C 328 26.10.1998, p. 0004	23/09/1998	EP	
Text adopted by Parliament, single reading		T4-0621/1998 OJ C 341 09.11.1998, p. 0106-0136	22/10/1998	EP	Summary

Information society: convergence and regulation of telecommunications, media and technologies. Green paper

OBJECTIVE: presentation of a Green Paper on the convergence of the telecommunications, media and information technology (IT) sectors with a view to launching a debate on the best way of regulating this new generation of electronic communications media. **SUBSTANCE:** The Green Paper analyses the phenomenon of convergence and its implications for regulation in the fields of telecommunications, the media and IT. The implications of these developments are far-reaching. Convergence is not just about technology. It is also about services and new ways of doing business (electronic commerce) and of interacting with society. The changes described in the Green Paper have the potential to substantially improve the quality of life of Europe's citizens, to better integrate Europe's regions into the heart of the European economy, and to make businesses more competitive on global and national markets. The convergent services identified include the following: 1) access to Internet services using a television set, thanks to such systems as Web TV; 2) access to electronic mail and the World Wide Web (Internet) with the aid of TV decoders and mobile telephones; 3) transmission of radio and television programmes over the Internet; 4) provision of voice telephony services over the Internet. The global character of the communications platforms available (especially Internet) will make possible a greater opening-up and integration in the world economy. At the same time, the low cost of establishing a presence on the World Wide Web will enable businesses to contact potential customers throughout a region and even worldwide in a way barely dreamed of at present. If Europe can take advantage of these opportunities by creating an environment which favours, rather than acting as a brake on, change, a powerful vehicle for job creation could result, as could new market access opportunities for businesses and consumers. If, however, it fails or responds sluggishly, this will genuinely threaten competitiveness. The Green Paper is intended to launch a debate with all sectors concerned in this field, with the aim of identifying the needs for a regulatory framework. It deliberately sets out to raise issues, in addition to which it reviews actual or potential barriers to convergence and seeks to suggest solutions. Among the main subjects raised in the questionnaire addressed to interested parties are problems of definition, access to markets and authorisations, access to networks, to access systems and to content, access to the frequency spectrum, standards, charges and consumers' interests. The document formulates the principles on which a future Community regulatory framework in this field should be based. Replies to the Commission are expected within 5 months (a period expiring in June 1998), after which the Commission will produce a communication summarising the replies received.?

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OBJECTIVE: the purpose of the present working document is two-fold: - to summarise the comments received in the course of the period of public consultation which followed the publication of the Green Paper, - to identify the subjects requiring more in-depth discussion with a view to preparing the future Community rules in this sector. **CONTENT:** This working document forms the first part of a two-phase process which

will be concluded towards the end of 1998 with the publication of a Commission communication containing new analyses and policy proposals. As far as the comments on the Green Paper are concerned, the working document addresses point-by-point the responses of groups interested in problems of market access and the grant of licences, the radio frequency spectrum, standards, charges, consumer interests, problems of the general interest and international aspects. The problem of network access is regarded by commentators as the major commercial and regulatory issue (problems of competition, consumer choice and protection, creation of a favourable environment for investment etc.) Access systems also raise many technical questions, in particular the problem of digital links (conditional access, definition of components such as decoders, electronic program guides - EPG - and application programming interfaces - API). A number of technical barriers will have to be removed to allow simple and progressive access to the new services. The commentators also identify the problem of investment in the digital sector. The new framework will have to be sufficiently flexible to encourage production, distribution and provision of audiovisual content which is compatible with the new digital environment. Consumers are also taken into consideration with the problem of high-quality audiovisual content. As far as regulation is concerned, the principles that must govern the future rules have to be based on a balanced approach combining existing regulatory structures (Option 1 of the Green Paper: 'building on existing structures') and a more ambitious approach to networks and infrastructure (Option 3). Thus, networks should be governed by technically neutral rules, whereas the provision of content would continue to be subject to existing arrangements based on the specific characteristics of services (combination of Option 1 for the provision of content and Option 3 - new regulatory model - for networks and infrastructure). Consequently, the Commission suggests that three major points are addressed in greater detail in the follow-up to the Green Paper: 1) network access and the establishment of digital links in a convergent environment; 2) creation of a favourable framework for investment and innovation and encouragement of production, distribution and provision of European content; 3) adoption of a balanced regulatory approach. The responses on these three subjects will form the basis for the future Commission communication containing specific policy proposals. The responses are expected by the Commission by 3 November 1998.?

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The rapid technological development of Information Society Services challenges traditional distinctions between different sectors of the economy for example. It is already possible to make telephone calls over the Internet in a way that was unforeseen by regulators only a few years ago. This process is called convergence, where the telecommunications, media and IT Sectors, while not becoming one, increasingly overlap each other. Reporting on the Commission Green Paper on Convergence on behalf of the Committee, Reino PAASILINNA (PES, FIN) underlines that this development necessitates a new approach to regulation. The Committee considers that it would be appropriate to develop a single legislative framework for the various networks and to do a way with distinctions such as those between fixed and mobile telecommunications regulations. As far as the services offered through these networks are concerned, the Committee considers that the EU should exercise caution, and essentially confine itself to act when industry self-regulation fails to adequately safeguard the interests of consumers and the general public. On the other hand, the Committee calls on the EU to concentrate its efforts on promoting open standards and for it to strictly apply its competition rules to prevent consumer choice being restricted by the creation of monopolies or dominant positions which effectively control access to the market. Finally, the Committee calls on the EU to support the development of quality service content, for example by reinforcing the MEDIA II programme. ?

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Adopting the report by Mr Reino Kalervo Paasilinna (PES, FIN) on the Green Paper on the convergence of the telecommunications sectors, Parliament points out firstly what should be understood by 'convergence': this is the process by which network platforms and technological transmission channels for electronic communication grow together or become interchangeable. Parliament calls on the Commission to clarify the definitions applicable to phenomena associated with convergence and to submit an analysis of the media equipment which households have and of media use, providing European and international comparisons. Parliament considers that the transport of information through the different networks should be regulated under a single framework rather than having specific frameworks for the different networks (except for those needed for the management of radio frequency spectrum and other scarce resources). It also considers that adequate regulation, reflecting a balance in the law on the media, telecommunications and competition would ensure security for investors and legal certainty. Any introduction of new regulations or adaptation of existing regulations should include evaluation of the impact of convergence on employment and work-related developments. Parliament is also concerned about mobile telecommunications, which will play a major role in the future range of uses for telecommunications. It calls for new regulations in this area not to diverge from the horizontal framework to be put in place. Taking the view that convergence should be reflected in European rule-making to encourage interoperability and the development of straightforward and user-friendly interfaces, Parliament calls for the EU to support open standards and platforms and interoperable applications. It calls for strict implementation of Community competition law and calls for providers of conditional access and pay TV services to be obliged to offer all technical and customer services separately. Consumers should not be forced to subscribe to an unreasonably large number of pay TV channels if they only want to watch a limited selection. Network operators should be obliged, under the terms of their licence, to carry the programmes of public service programme providers, which should also apply to digital broadcasting and to user guide systems. With regard to consumer protection, Parliament calls on the Commission to draw up a draft directive to close the remaining loopholes, but calls for a cautious attitude towards regulating new services: regulation should only be introduced where and when it proves necessary for safeguarding the interests of consumers and the general public. The same is true for self regulation by the industry. Since the convergence problem raises once again the issue of concentration in the media sector, Parliament calls on the Commission finally to submit a proposal for a directive on the subject of media ownership and pluralism, taking account of all forms of electronic communication relevant to opinion formation and acknowledging that one of the key issues will be access to viewers and programme rights. Similarly, Parliament considers that in future electronic communications infrastructures should be regulated separately from the content conveyed, and that the same should apply in international agreements. Content regulation should be compatible with the principle of subsidiarity and meet the needs of public policy, taking account of requirements concerning pluralism. Convergence would require establishment of an appropriate regulatory body rather than a general levelling and better coordination rather than fusion. Despite convergence, there would continue to be sector-specific objectives, not all of which can be achieved by the application of European competition law. Pointing out that the Commission's working document on the results of the consultations on the Green Paper demonstrated the demand for quality content, Parliament calls on the Commission to reinforce the MEDIA II programme. ?

