

Procedure file

Basic information

COS - Procedure on a strategy paper (historic) [1998/2051\(COS\)](#)

Procedure completed

Telecommunications, competition: cable TV networks owned by a single operator as separate legal entities (regul. 90/388/EEC)

Subject

2.60 Competition

3.30.03 Telecommunications, data transmission, telephone

Key players

European Parliament

Committee responsible

Rapporteur

Appointed

ECON Economic and Monetary Affairs, Industrial Policy

16/04/1998

ELDR [WATSON Sir Graham](#)

Council of the European Union

Key events

16/12/1997	Non-legislative basic document published	SEC(1997)2390	Summary
13/03/1998	Committee referral announced in Parliament		
08/12/1998	Vote in committee		Summary
08/12/1998	Committee report tabled for plenary	A4-0487/1998	
09/02/1999	Decision by Parliament	T4-0067/1999	Summary
09/02/1999	End of procedure in Parliament		
28/05/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/2051(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09837

Documentation gateway

Non-legislative basic document		SEC(1997)2390	16/12/1997	EC	Summary
Economic and Social Committee: opinion, report		CES1137/1998 OJ C 407 28.12.1998, p. 0115	09/09/1998	ESC	
Committee report tabled for plenary, single reading		A4-0487/1998 OJ C 104 14.04.1999, p. 0004	08/12/1998	EP	
Text adopted by Parliament, single reading		T4-0067/1999 OJ C 150 28.05.1999, p. 0015-0033	09/02/1999	EP	Summary

Telecommunications, competition: cable TV networks owned by a single operator as separate legal entities (regul. 90/388/EEC)

OBJECTIVE: amendment of Directive 90/388/EEC with a view to ensuring that the telecommunications networks and the cable television networks belonging to one and the same operators are distinct legal bodies. SUBSTANCE: the proposal for a European Commission directive stipulates that the Member States must ensure that any telecommunications body to which special or exclusive rights are granted for the relevant radio frequencies, or which they control, and which, in a substantial part of the single market, occupy a dominant position and exploit a cable television network by virtue of special or exclusive rights do not utilize for exploitation purposes the same legal body as for its public telecommunications network. ?

Telecommunications, competition: cable TV networks owned by a single operator as separate legal entities (regul. 90/388/EEC)

Having studied the impact on competition and on consumers of the joint provision of telecommunication and cable TV networks by a single operator, i.e. the former national monopolies, the Commission has concluded that this has serious negative effects on the development of the information society, in particular as regards service and infrastructure competition. The only way to overcome these negative effects is to prevent that these companies use their dominant positions in order to prevent new operators entering the market. To that end, the Commission has put forward a proposal (amending an earlier Commission Directive) obliging the companies concern to run their telecommunications and cable TV operations as two separate legal entities. These may, however, be fully owned by the same operator. Reporting on behalf of the committee, Graham WATSON (ELDR, UK) remains unconvinced that legal separation is enough as the likelihood of common management in the different companies may present conflict of interests from which the consumer, competition and innovation lose out. The Committee nonetheless sees the Commission initiative as a welcome minimum step, but underlines that the Commission may need to go further.

Telecommunications, competition: cable TV networks owned by a single operator as separate legal entities (regul. 90/388/EEC)

the resolution on the Draft Commission Directive amending Directive 90/388/EEC in order to ensure that telecommunications networks and cable tv networks owned by a single operator are separate legal entities was approved without debate by the European Parliament. This report, by Graham Watson (ELDR,UK), approves the draft commission directive but asks the Commission to make amendments in the following areas: - ensuring that "dominant position" relates to the sway of organisations in the provision of public telecommunications and voice telephony service; - proposing that the Commission should review the application of the proposed directive when the immediate anomaly arising from the historic position of some former telecommunications monopolies has been remedied.?