


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1995/2016(COS)
Procedure completed	
Cable television: liberalisation of telecommunications infrastructure and networks. Green paper II	
Subject 3.30.02 Television, cable, digital, mobile	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		02/02/1995
		PSE HENDRICK Mark Phillip	
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy	The committee decided not to give an opinion.	
	JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	

Key events			
25/01/1995	Non-legislative basic document published	COM(1994)0682	Summary
13/02/1995	Committee referral announced in Parliament		
15/05/1995	Vote in committee		
15/05/1995	Committee report tabled for plenary	A4-0111/1995	
19/05/1995	Debate in Parliament		
19/05/1995	Decision by Parliament	T4-0276/1995	Summary
19/05/1995	End of procedure in Parliament		
19/06/1995	Final act published in Official Journal		

Technical information	
Procedure reference	1995/2016(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/4/06412

Documentation gateway

Non-legislative basic document	COM(1994)0682	25/01/1995	EC	Summary
Committee report tabled for plenary, single reading	A4-0111/1995 OJ C 151 19.06.1995, p. 0014	15/05/1995	EP	
Text adopted by Parliament, single reading	T4-0276/1995 OJ C 151 19.06.1995, p. 0361-0479	19/05/1995	EP	Summary
Economic and Social Committee: opinion, report	CES0970/1995 OJ C 301 13.11.1995, p. 0024	13/09/1995	ESC	Summary

Cable television: liberalisation of telecommunications infrastructure and networks. Green paper II

The Commission's Green Paper (second part) examines basic regulatory questions after the final deadline for liberalising the telecommunications infrastructure (1 January 1998). The Commission feels that liberalisation will help reduce charges, encourage innovation, improve services to industry and households and boost the injection of private capital into this sector. The Green Paper analyses the following aspects: 1) Universal service: Three basic questions need to be addressed at Union level: the constituent elements of the universal service, cost-calculating methods and funding for non-profitable aspects in a competitive climate. The Green Paper highlights the need to ensure that the concept of a universal service keeps pace with technology and user requirements. As far as costs are concerned, a gradual, joint approach is needed, even though the costs incurred differ from one Member State to another. As for funding, all the market players should help to provide and/or fund the universal service; funding mechanisms should be introduced at national level, but within a framework laid down at Union level. There are two possible funding methods: access fees or universal service funds managed independently. The Commission favours the second method; 2) Interconnection and interoperability: Interconnection will basically be the responsibility of the national regulatory authorities, but within a general European framework. All interconnection agreements will be governed by the rules of competition. The Green Paper defines the scope of an interconnection directive which would provide a framework for negotiating interconnection conditions, including fees, and would include mechanisms for ruling on litigation at national and European level, together with the legal mechanism needed in order to implement systems for sharing the cost of the universal service between the market players; 3) Licences: Licences to provide infrastructure, networks and services will continue to be governed by national legislation, within a framework decided at European level. Two categories of restrictions are admissible: essential requirements defined in Community law (which would be extended to environmental protection) and public service obligations. The Green Paper also contains proposals on procedures and criteria for granting licences. Finally, any approach must be commensurate with the size of the operator being licensed and its market share; 4) Competition: The Green Paper acknowledges the need for fair and real competition, to be achieved by applying the rules of the Treaty, so that companies can plan and invest within foreseeable parameters; 5) Employment and the information society: Levels of employment in traditional employment basins in the telecommunications sector have been falling for several years, despite new job opportunities in the mobile telecommunications sector. However, quantitative effects on employment should not be the main consideration in the debate on liberalisation. The most important point is that liberalisation will improve the overall efficiency of the sector, result in productivity gains and enhance the competitiveness of the economy as a whole. Liberalising the infrastructure will allow improved services and new choices to emerge in all these areas. Account must also be taken of the potential impact of new working arrangements on individuals (e.g. teleworking); 6) Social challenges: In setting general social objectives, such as guaranteeing equal opportunities for every citizen and extending the benefits of the information society to households, industry, the administration and public services, Member States run the risk of facing situations which require regulatory intervention in order to guarantee the supply of infrastructure. In this respect, care should be taken to prevent the emergence of a two-tier society which denies part of the population access to new services; 7) International dimension: Account must be taken of negotiations under way within the framework of the WTO/GATS by clearly stating that the objective is to safeguard comparable and real access to world markets.?

Cable television: liberalisation of telecommunications infrastructure and networks. Green paper II

The European Parliament adopted the report by Mr Mark Hendrick. In its resolution, the European Parliament: - drew the Commission's and the Council's attention to the need to provide a high-quality, accessible universal service to all citizens of the Union, to be connected within an acceptable period of time, and called for the Commission to submit provisions governing the universal service as a matter of urgency; - called for national universal service funds to be created with contributions from all infrastructure and service operators based on their market share and gross return on earnings, in order to fund the expenditure generated in providing the universal service on the basis of real costs, and for tariffs to be gradually readjusted by 1 January 1998; - called for a powerful European control authority to be set up with jurisdiction, subject to the control of the Union's judicial authorities, to rule on litigation in connection with the conclusion of certain interconnection agreements; - called for the European regulatory authority to ensure that measures were taken when licences were granted in order to prevent networks being used for criminal or anti-social purposes (pornography) and for strict rules to protect consumers (teleshopping, new services); - called for special investment appropriations to be released so that communications networks could be made accessible in the less common EU languages and in remote regions; - called for the Commission to carry out studies on the cultural repercussions and impact on employment of the liberalization of telecommunications and cable television networks; - called on the Commission to draft directives regulating the rights and obligations of home workers and to ensure that they have the same legal status as employees working on the company premises; - stressed that a separate legal framework should be introduced for radio and television; - rejected the idea that network operators should be free to

choose which broadcasters (radio and TV) they would distribute by cable and called for "must carry" rules to be applied to radio and television programmes; - insisted on personal data protection.?

Cable television: liberalisation of telecommunications infrastructure and networks. Green paper II

The ESC recognised that liberalisation of telecommunications infrastructure was extremely important if Europe was to continue to modernise economically and socially. Creating the regulatory framework would also have a decisive influence on the viability of competition, the ability of the European economy to innovate, the range of services upstream and downstream in the telecommunications field, the securing of jobs, and the development of living and working conditions. Liberalised markets had to be regulated in social, economic and technical terms in order to prevent undesirable developments. Such regulation involved a comprehensive universal service that took account of the development of society in Europe. The funding for this had to be assured. The ESC felt that the interests of citizens should take priority alongside technical and commercial interests. For workers, work and training, as well as decent working conditions, formed the basis of an information society that was both progressive and underpinned with social provision. This was the only way that a modern and progressive telecommunications policy would find broad acceptance in Europe and that Europe's economic position would be strengthened in future. The ESC believed that the Commission should set up a panel of experts to examine the effects of liberalisation on the employment situation, with the purpose of cataloguing the social consequences and proposing solutions. If similar studies were being conducted elsewhere in the Commission, they should be made available to this panel of experts. The ESC did not understand why the Commission Decision of 21 June 1995 on the liberalisation of telecommunications infrastructures and cable television networks was based on Article 90(3) of the Treaty. As it was a crucial issue for the future, the Commission was urged to ensure as broad a debate as possible by issuing a proposal for a directive under Article 100a of the Treaty.