


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) 1995/2027(COS)	Procedure completed
Telecommunications services, use of cable television networks	
Subject 3.30.02 Television, cable, digital, mobile 3.30.03 Telecommunications, data transmission, telephone	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PPE HERMAN Fernand H.J.	06/04/1995
	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy	FE SCAPAGNINI Umberto	16/05/1995
	JURI Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Telecommunications	1854	13/06/1995

Key events			
21/12/1994	Non-legislative basic document published	N4-0120/1995	Summary
25/04/1995	Committee referral announced in Parliament		
31/05/1995	Vote in committee		Summary
31/05/1995	Committee report tabled for plenary	A4-0129/1995	
13/06/1995	Debate in Council	1854	Summary
14/06/1995	Debate in Parliament		Summary
15/06/1995	Decision by Parliament	T4-0298/1995	Summary
15/06/1995	End of procedure in Parliament		
03/07/1995	Final act published in Official Journal		

Technical information	

Procedure reference	1995/2027(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/4/06436

Documentation gateway

Non-legislative basic document	N4-0120/1995	21/12/1994	EC	Summary
Committee report tabled for plenary, single reading	A4-0129/1995 OJ C 166 03.07.1995, p. 0004	31/05/1995	EP	
Economic and Social Committee: opinion, report	CES0577/1995 OJ C 236 11.09.1995, p. 0014	31/05/1995	ESC	Summary
Text adopted by Parliament, single reading	T4-0298/1995 OJ C 166 03.07.1995, p. 0081-0109	15/06/1995	EP	Summary
Committee of the Regions: opinion	CDR0231/1995 OJ C 100 02.04.1996, p. 0057	20/07/1995	CofR	Summary

Telecommunications services, use of cable television networks

The purpose of the Commission's draft directive is to abolish restrictions on the use of cable television networks for the provision of liberalised telecommunications services, especially multimedia services, throughout the Union from 1 January 1996. Under the terms of Article 90 of the EC Treaty, it is up to the Commission to adopt this directive amending Directive 90/388/EEC on the liberalisation of services. The directive makes provision for safeguards designed to prevent operators from using a dominant market position to impose dumping prices on other operators and obliges the Member States to monitor transfers of subsidies between reserved and liberalised services where the same operator provides both types of service.?

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The ESC acknowledged that the abolition of restrictions on the use of cable television networks would enable new telecommunications networks to be developed. It took the view, however, that the restrictions should not be abolished until a clearly-defined regulatory framework had been established, primarily with regard to the universal service. The financing of the universal service was a matter of fundamental importance; before any steps were taken to liberalise the use of cable television infrastructures, it should be clearly specified which service providers would have to contribute to the fund for financing the universal service. It was particularly important to determine the contribution of mobile communications suppliers to the funding of the universal service before liberalising the use of cable television networks. The ESC pointed to the different penetration levels of cable networks in the various EU Member States and the very patchy impact that the draft Directive would have. Implementation of the directive would also even create unfair competition for some national telecommunications undertakings; some of them would be exposed to real competition, while others would only be theoretically exposed to competition, as there were no cable television networks in their countries. The ESC noted that the schedule had been discussed by the Council on 17 November 1994. The Council had not taken a decision on the abolition of the restrictions on the use of cable television before 1 January 1998. For all the above reasons, the ESC considered that it would be premature to bring the directive into force by 1 January 1996. Bearing in mind the decision taken by the Council of Ministers, the different stages of development of cable television networks in the various Member States and the different impact that the draft Directive would have on the various Member States, the ESC took the view that each Member State should be free to decide whether it wished to implement the proposed measure before 1 January 1998.

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The European Parliament adopted the report by Mr Fernand HERMAN (PPE, B) on the Commission's draft directive on the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services. The purpose of the current restrictions imposed by the Member States on the use of cable television networks for the provision of services other than the distribution of television programmes is to preserve the telecommunications bodies' monopoly over the provision of infrastructure. The draft directive makes provision for this monopoly to be abolished in 1996 for the benefit of cable operators, which will be able to provide all services other than voice telephony. It is planned to abolish the monopoly on infrastructures and voice telephony on 1 January 1998. The main purpose of this early, selective liberalization is to allow for experimental multimedia and interactive television services. Mr HERMAN's report approved this draft directive and also proposed that the reciprocal liberalization of audiovisual broadcasts via telephone lines should not be authorized until 2000, rather than in 1998, as initially planned.?

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The Council adopted the following conclusions on the draft Commission Directive amending Commission Directive 90/388/EEC regarding the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services. The COUNCIL: - TAKES NOTE of the request put to it by the Commission, on 27 February 1995, concerning any comments the Council might have on the draft Commission Directive amending Directive 90/388/EEC regarding the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services; - EMPHASISES that this draft is to be viewed in the light of the Telecommunications Council meeting on 17 November 1994, resulting in the Council Resolution of 22 December 1994 and statements made on that occasion; - NOTES that, when the draft was examined by the Council's subordinate bodies, a series of complex questions, the main subjects of which are listed in the Annex, were put to the Commission by delegations; - NOTES that, after giving some initial answers, the Commission undertook to submit more precise written replies; - TAKES NOTE of the working document presented by the Commission; - TAKES NOTE of the public consultations held by the Commission following publication of its draft Directive in the Official Journal of the European Communities; - INVITES those Member States which so wish to forward their detailed comments as soon as possible to the Commission and to the other Member States, via the General Secretariat of the Council, particularly in the light of the Commission's written replies; - EMPHASISES that these conclusions are without prejudice to Member States' positions on the form and content of the draft Directive put forward by the Commission; - CALLS UPON the Commission to give the greatest consideration to these positions in following up the procedure initiated. Annex MAIN SUBJECTS OF THE QUESTIONS PUT TO THE COMMISSION - Scope; - distortion of competition, inter alia: = transparent and non-discriminatory access; = position of national operators; - discrimination; - operators concerned; - interconnections; - reciprocity; - timetable; - transitional periods; - interaction with public voice telephony; - accompanying measures; - authorisations; - accounting requirements.

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The rapporteur supported the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services other than voice telephony. Mr HERMAN (EPP, B) could accept the legal basis chosen by the Commission (Article 90(3)), in spite of the PSE's opposition. The rapporteur felt that if cable TV operators were allowed to compete with telecommunications operators there should be an element of reciprocity. He also felt that it was essential to make provision for transitional periods and recommended the liberalisation of audiovisual broadcasts via telephone lines by 2000. Mr BANGEMANN began by highlighting the differences between the Member States: on the one hand, France and Germany, which were not sufficiently liberalised, risked having to pay a great deal for their delay; on the other hand, Spain and Luxembourg would be ready by 1 January 1998. As far as the amendments were concerned, the Commissioner would incorporate those on voice telephony in the Directive on that subject. He agreed with Amendments Nos 1 and 2 but opposed the equalisation of charges among the various categories of service and geographical areas; he preferred charges to be based on the costs. He also supported the principle of the separation of accounts. As regards the universal service, it was vital to reconcile liberalisation or deregulation with harmonisation.

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Adopting the report by Mr Herman, the European Parliament welcomed the content of the Commission draft. However, the European Parliament warned the Commission against the tendency to underestimate the importance of public service functions and the constraints attached to them and called on it to define the concept of public service quickly. It was against unilateral liberalization which would only affect the telecommunications sector by giving cable operators an unfair competitive advantage. The European Parliament also proposed that the reciprocal liberalization of audiovisual broadcasts via telephone lines should not be authorized until 2000, rather than in 1998 as initially planned.

Telecommunications services, use of cable television networks

The Committee of the Regions felt that the measures put forward in the proposal for a directive were justified and supported the EU's development policy to promote the information society. In addition, so-called 'alternative infrastructure' should be treated in the same way as traditional data communications network, and as such it should also be made to serve the same objectives relating to the development of the information society. While the formation of strategic concentrations could provide worldwide services at reasonable prices, the Committee considered that an alliance of large data communications and communications companies could have detrimental effects on the content of services, introducing an element of bias. It therefore called for continued vigilance with regard to the enforcement of EU competition rules. At regional and local level, the increase in possible uses for cable TV networks could open up a whole range of possibilities for multi-faceted interaction with ordinary citizens. If nothing else, the dissemination of information by municipal and provincial bodies could be considerably enhanced.