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

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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.