

PRESS RELEASE

9587/89 (Presse 196)

1360th Council meeting

- Telecommunications -

Brussels, 7 November 1989

President: Mr Paul QUILES

Minister for Posts,  
Telecommunications and Space  
of the French Republic

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Presse 196 - G



Italy

Mr Oscar MAMMI

Minister for Posts and  
TelecommunicationsLuxembourg

Mr Alex BODRY

Minister for Posts,  
Telecommunications and InformaticsNetherlands

Mr P.C. NIEMAN

Ambassador,  
Permanent RepresentativePortugal

Mr João de OLIVEIRA MARTINS

Minister for Public Works, Transport  
and CommunicationsUnited Kingdom

Mr Eric FORTH

Parliamentary Under-Secretary of State,  
Department of Trade and Industry  
(Industry and Consumer Affairs)

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Commission

Sir Leon BRITTAN

Vice-President

Mr Filippo Maria PANDOLFI

Vice-President

LIBERALIZATION OF TELECOMMUNICATIONS SERVICESOPEN NETWORK PROVISION (ONP)

The Council discussed in depth the liberalization of telecommunications services and a proposal for a Directive on Open Network Provision (ONP).

On the first topic, it will be remembered the Commission has adopted a Directive based on Article 90(3) of the Treaty concerning competition in the telecommunications services markets.

As regards the proposal for a framework Directive on Open Network Provision, its aim is to lay down the basic rules for harmonizing the conditions of access to and use of public telecommunications networks and/or public telecommunications services.

Following the debate, the Presidency submitted an overall compromise proposal relating more specifically to switched data services both for aspects connected with liberalization and with harmonization. The President recorded that this compromise was seen by a majority of delegations as a good basis for work. The Presidency accordingly convened a new meeting for 7 December 1989 to continue the Council's discussions on the matter.

The Commission undertook to reconsider some aspects of its Directive in the light of the discussions at this meeting.

PAN-EUROPEAN LAND-BASED PUBLIC RADIO PAGING SYSTEM IN THE COMMUNITY

The Council examined for the first time a draft recommendation and a proposal for a Directive on the introduction of pan-European land-based radio paging in the Community, on which it is awaiting the European Parliament's Opinion.

This examination enabled the Council to record agreement on the two proposals.

The draft Directive lays down that the Member States shall designate in the 169,4-169,8 MHz waveband four channels which shall have priority and be protected, and preferably be: 169,6, 169,65, 169,7, 169,75 MHz for the pan-European land-based public radio paging service by 31 December 1992 at the latest.

The Member States must ensure that the plans are prepared as quickly as possible to enable the pan-European public radio paging service to occupy the whole of the band 169,4-169,8 MHz according to commercial demand.

The draft recommendation lays down that:

- the telecommunications administrations are to implement recommendations to ensure the co-ordinated introduction of pan-European land-based public radio paging in the Community. Such a system would allow persons wishing to do so to send and/or to receive alert and/or numeric or alphanumeric messages anywhere within the coverage of the service in the Community
- the telecommunications administrations are to plan for a gradual evolution from existing radio paging systems to the pan-European land-based public radio

paging system so as to ensure a transition which meets the needs of users, telecommunications administrations and manufacturers.

The Council will further examine this proposal once it has received the Parliament's Opinion.

#### HIGH DEFINITION TELEVISION

The Council adopted a Decision concerning the common action to be taken by the Member States with respect to the adoption of a single world-wide High Definition Television production standard by the Plenary Assembly of the International Radio Consultative Committee (CCIR) in 1990.

The enacting terms provide for:

1. The common action to be taken by the Member States with respect to the adoption of a single world-wide High Definition Television production standard by the Plenary Assembly of the International Radio Consultative Committee (CCIR) in 1990 shall be based on the proposal arising from the EUREKA 95 project.
2. The common action shall be carried out, after consultation between representatives of the Member States and the Commission, at the meetings to be held to prepare the Recommendation concerning a single world-wide High Definition Television production standard to be adopted by the Plenary Assembly of the International Radio Consultative Committee.
3. If the consultations referred to in paragraph 2 do not lead to agreement, the points of disagreement shall if necessary be brought before Council bodies.

This Decision is based on the following main considerations:

- High Definition Television (HDTV) is of strategic importance for the European consumer electronics industry, its supporting industrial base, and for the European television and film industries;
- a single world-wide High Definition Television standard for programme production and for the international exchange of programmes is urgently required for the development and commercialization of equipment and programme material;
- European industry has developed, within the EUREKA framework, the relevant parameters for such a single world-wide production standard and prototype equipment built to this standard has been successfully demonstrated at the September 1988 Brighton International Broadcasting Convention;
- the European Council, at its December 1988 meeting in Rhodes, attached great importance to the promotion of the European HDTV system in the context of the Community's emerging audio-visual policy;
- the Council Decision of 27 April 1989 sets as a Community objective the promotion of a single world standard for the production of HDTV programmes.

#### PUBLIC TELECOMMUNICATIONS CONTRACTS

The Council discussed the telecommunications aspects of the proposal for a Directive on public contracts in the energy, water, transport and telecommunications sectors.

The Presidency will report back on this exchange of views to the Internal Market Council on the basis of the following:

- the opening up of public contracts is particularly important in the telecommunications sector;
- the problem of opening up public contracts has a very important external dimension in that the Community must ensure that it secures access to third-country markets which is comparable to that granted by the Community to those countries and it must prepare for the discussion within GATT in the best possible way;
- it is important to take into account the special characteristics of telecommunications in the context of public contracts;
- as stated in the Council Resolution of 30 June 1988, it is very important to draw up common standards within the framework of the opening up of public contracts and priority should, therefore, be given to discussions on the matter, in particular within the ETSI.

The Council agreed to return to this subject at its next meeting on 7 December.

#### SOCIAL DIMENSION IN TELECOMMUNICATIONS (1992)

The Council noted that the Commission had just submitted a communication on a social environment for the future development of telecommunications with a view to 1992, which outlined the main areas of future discussions on the matter:

- to continue to strengthen the dialogue and exchange of information at the Community level;



- to pay close and continuing attention to the qualitative and quantitative development of employment in the telecommunications sector;
- to develop in common, a study programme concerning the deep social impact of the new telecommunications, as a preparation for future action;
- to consider the problems of protection of privacy and personal data in a European perspective, in order to generate convergence of views as a basis for finding solutions at the European level where appropriate.

During the discussion which followed this presentation, the Member States expressed their initial comments.

In this connection, the President also reported back on a meeting he had had with the President of the Postal, Telegraph and Telephone International (PTTI).

#### EXTERNAL ASPECTS OF THE TELECOMMUNICATIONS POLICY

The Council took note of a Commission communication on the external aspects of Community telecommunications policy and debated the matter.

Following this debate it was noted that a large majority of delegations were in favour of the Presidency's conclusions which considered the following to be major steps contributing to the achievement of open world telecommunications markets:

1. Continuing its active contribution to the negotiations underway in international bodies and strengthening multilateral initiatives as agreed at Montreal. This contribution will have to be backed up by the progress made in

the Community towards establishing an internal market open to the outside.

Allowing in this context for the external consequences of setting up such an internal market by seeking comparable levels of access to the markets of the Community's trading partners.

Reaffirming its reservations with regard to bilateral steps.

2. Envisaging the development of the co-operation initiatives undertaken by the Community with certain third countries, taking particular account of the following factors:

- the need to strengthen co-ordination of the initiatives undertaken;
- the resources available in the Community;
- the achievements of Community policy and international standardization;
- the possibility of extending that co-operation to new partners.

Undertaking the analyses and discussions necessary to enable the Community to achieve the above aims within the Senior Officials Group on Telecommunications (SOGT).

#### USE OF THE ECU IN TELECOMMUNICATIONS

On the basis of a Presidency note, the Council discussed the use of the ecu in telecommunications.

It was pointed out that telecommunications accounting between CEPT member countries is based on a system of sharing revenue between the various member Administrations. All clearing operations are carried out in SDRs which has led to rather wide fluctuations.

The CEPT Telecommunications Committee has therefore set up an ad hoc Working Party within its Commercial Action Committee to continue the study of introducing the ecu into the accounts of telecommunications bodies amongst the CEPT member countries.

The Council expressed its interest in these discussions being held by the CEPT and asked the Commission to report back to it on their outcome when the time came.

NEW FORMS OF COMMUNITY RESEARCH AND DEVELOPMENT ACTION IN THE FIELD OF BROAD BAND INTEGRATED TELECOMMUNICATIONS

The Council held an exchange of views on the new forms of research and development action in the field of broadband integrated telecommunications.

The Council agreed to return to this subject at its next meeting on 7 December 1989.

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CC: AUX MEMBRES DU SERVICE PORTE-PAROLE

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Telecommunications Council (M.F. Berendt)

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After discussing the creation of a single market in telecommunications for the whole of the morning session and over lunch, Ministers agreed that they would set up a small working group to work out a package of measures in preparation for another Council in December. The working group will use as its starting point, a Presidency paper which looks at liberalisation and harmonisation in the sector.

The Commission's Article 90 Directive on telecoms services which was adopted in June but not notified to member states, forms the basis of Community policy on liberalisation but provokes hostility from a number of member states, who question both the Commission's right to use this Article of the Treaty and also the substance of the Directive. It will allow private operators as well as the national telecoms monopolies to provide services on the networks. The basic network and voice telephony can remain the responsibility of the national organisation if the member state so chooses.

Four member states supported the aims of the Commission Directive (Germany, Denmark, Netherlands and UK) and did not contest the use of Article 90. Greece and Ireland could accept the aims but not the legal method. The other member states expressed their opposition to both.

Concluding the discussion in the Council, Sir Leon Brittan emphasized the legal nature of the Article 90 Directive. The Commission was carrying out its duty as guardian of the Treaty for defining when member states were in breach of Community law. The Directive was a law enforcement Directive. It was not possible for the Commission to enter into a "compromise" agreement with the Council, but could help to find a modus vivendi. The Commissioner made two important commitments:

- Member states would always be free to ask the Commission for special consideration if problems arose in implementation of the Article 90 Directive such as difficulties over timing. The Commission might then be able to offer derogations to deal with these problems.
- The Directive already provides the possibility for member states to use a licencing procedure with technical requirements for operators using their networks; if these licencing provisions were not sufficiently clear, then the Commission would be willing to look at any proposals for modifying them.

Sir Leon did not accept that there would be a creaming off from PTTs of the most profitable telecoms business as a result of liberalisation. The national networks would still benefit from increased business and by keeping a monopoly of voice telephony they would retain 90% of the revenue which they now enjoy.

