Green Paper on the convergence of telecommunications, media and information technologies

Following a proposal of its members Martin Bangemann and Marcelino Oreja, the European Commission adopted today a Green Paper on the convergence of the telecommunications, media and information technology (IT) sectors. Nowadays digital technology allows a substantially higher capacity of traditional and new services to converge towards the same transporting networks and to use integrated consumer devices for purposes such as telephony, television or personal computing. Convergence is happening already on a global scale. The Convergence Green Paper will launch a Europe-wide debate on how this new generation of electronic media should be regulated in the next century. The Green Paper avoids pre-packaged answers but asks open questions about the future, particularly about the extent and speed of change. One key message is that convergence should not lead to additional regulation. Current rules should be reviewed to check whether they will still be relevant in the light of convergence. The EU needs to have the right regulatory framework in order to maximise the benefits of this convergence in terms of job creation, growth, consumer choice, cultural diversity.

What is convergence?

Traditionally, communications media were separate. Services were quite distinct - broadcasting, voice telephony and on-line computer services. They operated on different networks and used different “platforms”: TV sets, telephones and computers. Each was regulated by different laws and different regulators, usually at national level. Nowadays digital technology allows a substantially higher capacity of traditional and new services to be transported over the same networks and to use integrated consumer devices for purposes such as telephony, television or personal computing.

Telecommunications, media and IT companies are using the flexibility of digital technologies to offer services outside their traditional business sectors, increasingly on an international or global scale.
Recent examples of new, convergent services include:

- Internet services delivered to TV sets via systems like Web TV;
- e-mail and World Wide Web access via digital TV decoders and mobile telephones;
- webcasting of radio and TV programming on the Internet;
- using the internet for voice telephony.

**A powerful motor for job creation and growth**

Convergence is not just about technology. Convergence is a debate about the impact of technology and a quantum leap towards a mature Information Society.

The changes described in the Green Paper will offer many new opportunities for European citizens to enrich their lives, not just the economic dimension, but the social and cultural ones as well. The global nature and interactivity of new communications media like the Internet are already opening new vistas, far beyond traditional, national media. Convergence will certainly expand the overall information market and be the catalyst for the next stage in the integration of the world economy. Even small business can market globally, thanks to the low cost of a World Wide Web site.

If Europe can embrace the promise of convergence, by creating a supportive environment, change will be a powerful motor for job creation and growth, plus increased consumer choice and cultural diversity. By putting in place the right regulatory framework, governments and policy makers will have a key role in ensuring a supportive environment exists in Europe. The Green Paper will therefore launch a Europe-wide debate on communications regulation.

**Different viewpoints will stimulate the debate**

The extent to which convergence will really transform markets and the speed of any changes are two crucial factors affecting the debate on regulation. There is a wide range of views, falling between the two main camps, the maximalists and the minimalists.

According to the maximalists, most current regulation originated in an era when distinctions between sectors were clear. Convergence will increasingly blur all the distinctions between services, they argue; all networks will be able to deliver any service to any platform. And much of today’s regulation also still has a national focus, increasingly inappropriate, according to this viewpoint, as the services market becomes international, or global on the Internet model.

The minimalist point of view holds that convergence will have a more limited impact, that it will not alter the specific nature of different types of service. Its proponents argue that media policy should actively promote social, cultural and ethical values whatever technology is used for delivering services. They favour two sets of rules, one for economic aspects and another for service content, in order to guarantee efficiency and quality, as in broadcasting today.
Against this background the Green Paper raises a number of questions for example the following:

- Are the definitions in the telecommunications, media and IT sectors in national and/or European Union (EU) legislation adapted to the convergence process?
- Will the convergence phenomenon require adaptation of existing approaches or new approaches to be applied to issues of market entry and licensing; access to networks, customers (including conditional access systems), content; and pricing?
- What approach should be taken, in the light of convergence, to the issue of completing the transition from analogue to digital services, including the need for a timetable for analogue switch-off?
- What should be the objectives of standardisation in the light of convergence and what should be the relationship between regional and international standardisation?
- What additional action (if any) is required to ensure that the interests of consumers and of users are respected?
- What kinds of EU research and development projects should be launched in the context of convergence?
- Does the existence of different regulatory authorities responsible for different aspects of telecommunications, media and IT activities offer a workable structure for regulatory supervision in the light of convergence?
- Will convergence require a reassessment of regulatory responsibilities at a national, EU or international level, and, if so in which areas?

**Timetable for future action**

The following outline schedule of activities is envisaged:

- A five-month public consultation period (December 1997 to April 1998 inclusive).
- A report on this public consultation to be prepared by June 1998.
- The Council of Ministers and the European Parliament are expected to adopt any Resolutions on this matter in the second quarter of 1998.
- In response to these resolutions, the Commission could prepare a Convergence Action Plan by the end of 1998.
- The already-announced Telecommunications Review will be conducted in 1999.