

**GREEN PAPER ON THE "CONVERGENCE OF THE TELECOMMUNICATIONS,
MEDIA AND INFORMATION TECHNOLOGY SECTORS, AND THE
IMPLICATIONS FOR REGULATION"**

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UNICE RESPONSE

UNICE welcomes the Commission's Green Paper on the "Convergence of the Telecommunications, Media and Information Technology Sectors, and the Implications for Regulation". This is timely, and the open-minded approach of the Paper will help to ensure the appropriate wide-ranging debate that is needed at this very early stage of market development in relation to convergence.

UNICE agrees with the general presentation of the situation and the possible impact of the convergence which has now started. The analysis in the Paper is largely supply side oriented. We feel that, ideally, a more demand led analysis should be developed, in line with the second principle set out on page 35 of the text ("*future regulatory approaches should respond to the needs of users*"). However, we recognise the difficulty in undertaking any such analysis at present. The possibilities that this process of convergence will offer in terms of new customer service applications and wider European industrial and societal benefits remain at this stage little understood, and the full potential will not begin to become clear for some years at least.

In our view this underlines the importance of a cautious approach in introducing any new regulations. Any such regulations must be limited to those which are strictly necessary in order, first, to enable the rapid development of an open and fair competitive marketplace (including the removal of any existing regulations which might delay early development), and, secondly, to meet essential public interest requirements. UNICE therefore strongly agrees with the points made under the first principle on page 35 ("*regulation should be limited to what is strictly necessary to achieve clearly identified objectives*").

We believe that the key objectives against which the need for any particular measure is to be judged should be to:

- encourage the fastest possible emergence of a converged marketplace including both new and existing services, together with the underlying technology to support these, which as a whole will form the foundation for the Information Society of the future;
- maximise the growth of this marketplace, with the gains that this will bring to the European Union through improved competitiveness and fuller employment, and through benefits to society and to individual citizens through better understanding of their needs and improved access to services;
- and
- ensure that cultural standards and related public interests, including upholding the freedom of communication, are safeguarded, taking full account of the requirements of subsidiarity.

These objectives call for:

- the introduction of a clear and predictable regulatory environment and the removal of regulations which hamper the development of new and existing services, e.g. traditional TV broadcasting regulations should not apply to the use of broadcast point to multi-point technology for new services;
- full and effective application of European competition rules in these fields;
- achievement of widespread competitive provision of access to the new services, and effective prevention of anti-competitive abuse of bottleneck control;
- flexible and efficient use of frequency which requires increased availability of frequencies and better coordination of allocation within the EU to create a level playing field for all sectors. Access to frequencies will be one of the most important scarce resources in the Information Society with wireless access to multi-media services posing new and additional demand for frequencies;
- a minimalist and flexible approach to all other regulatory issues, ensuring that any new regulations deal only with specific demonstrable problems, rather than seeking to address unproven concerns, and utilising self-regulation where possible;
- a clear distinction between such minimal network regulation as is necessary, and any content regulation where this is essential;
- encouragement of the development of industry-led, market-driven standards, designed to maximise European competitiveness and aiming to establish these standards on a global basis;
- a carefully balanced approach to defining public interest safeguards, so as to help rather than hinder market growth; and
- a long term commitment to reducing regulation as the market increases in maturity and competitiveness.

Any approach to EU regulation which ignores these principles would not slow down the technological changes, but would carry a severe risk of reducing Europe's ability to compete in the Information Society world, and of postponing access for Europe's citizens to new services.

UNICE believes that the European Commission has a major role to play in helping to develop public confidence in the integrity and security of the new services. We also urge the European Commission always to bear in mind the importance of encouraging and enabling global solutions, and to ensure that conditions exist to maximise Europe's competitive position.

Finally, the current consultation on the Green Paper is clearly the first stage of a long term debate as the new marketplace develops. In its role as the representative of a great number of business users of the new services, UNICE will wish to participate fully in that continuing process.

