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# PANEL 13 TELECOMMUNICATIONS REFORM IN EUROPE: IMPLICATIONS FOR INFORMATION SYSTEMS MANAGEMENT

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## PANEL 13

### TELECOMMUNICATIONS REFORM IN EUROPE: IMPLICATIONS FOR INFORMATION SYSTEMS MANAGEMENT

**Panel Chair:** Charles Steinfield, Michigan State University, USA

**Panelists:** Peter Allen, American Express, England  
Nicholas Costello, European Commission, Telecommunications Directorate, Belgium  
Alain Vallee, Directorate for General Regulation, Ministry of Posts, Telecommunication,  
and Space, France

A decade ago, telecommunications services in European countries were provided solely by large, government owned monopolies. Known as PTTs (for Post, Telephone, and Telegraph), these organizations were generally regarded by firms in the United States as restrictive, slow moving entities. Moreover, fragmentation caused by the many sovereign nations resulted in a multitude of standards, especially in the types and form of equipment that could be attached to telecommunication networks, the types of transmissions permitted on networks, and the costs of services.

Today, however, the PTTs of Europe are experiencing unprecedented change. National governments have come to realize the strategic importance of the dynamic telecommunications sector for economic health and growth. Privatization of government owned and operated telecommunications entities, as well as liberalization of the regulatory environment, have created competitive pressures that are making it difficult for the traditional PTT structure to survive. Moreover, the plans to develop a single common market among European Community nations, where goods, services, and people can flow across national borders with no restrictions, are creating even greater pressures for change among the PTTs of Europe.

Companies in the United States, both those in the telecommunications sector as well as in other types of industries, must be cognizant of the changes occurring in the European telecommunications scene. Not only will the streamlining and harmonization of standards ease the burden on information systems managers for multinational companies that require telecommunications capabilities to many different locales in Europe, but also the newly created market of approximately 320 million people (and more if Eastern Europe is included) will present an attractive business opportunity. Additionally, unified technological research and development efforts currently being undertaken in Europe will pose significant challenges to the telecommunications industry in the United States.

This panel will examine the reforms taking place in the telecommunications sector in Europe. Panelists will approach the topic from three major perspectives. Charles Steinfield of the Department of Telecommunication at Michigan State University will provide a brief overview of the types of developments taking place in the European telecommunications arena. He will set the stage for the ensuing panel which will juxtapose the supranational, national, and user perspectives against each other.

Following the introduction, a representative from the European Commission's Telecommunications Directorate, Nicholas Costello, will discuss the need for reform from the European Community (EC) perspective. He will focus on the economic importance of harmonization of standards and costs for Europe as a whole and argue that Europe can no longer afford to compete globally with smaller national protected markets. He will further outline the steps taken by the European Commission to promote EC-wide standards and services in telecommunications.

The second position will be taken by Dr. Alain Vallee, from the newly formed *Direction de la Reglementation Generale*, in the French Ministry of Post, Telecommunications, and Space. France recently separated the regulatory authority for telecommunications from the operational authority, France Telecom. Dr. Vallee will provide the dual perspective of the single nation and the national telecommunications supplier and will illustrate the tensions that exist between national and EC goals. He will focus on the initiatives underway in France that are helping France Telecom prepare for the common market.

The final perspective will be provided by Peter Allen, Manager of International Regulatory Affairs for American Express. As a representative of a large, multinational *user* of telecommunications, he will focus on both the potential benefits and