

VANS is already large and is expected to quadruple by 1995, as Table 16 indicates.

An important question, however, is who in Europe will have access to the public telecommunications networks and on what basis? As indicated above, the EC has yet to agree on where to draw the line between reserved (monopolized) and "value-added" (competitive) telecommunications services. Nor is there a decision on the terms on which extra-EC based firms would gain access to the network. It is highly unlikely that both issues will be resolved by 1992, or that when they are they will provide many opportunities for Canadian firms in the near future.

What does appear to have been agreed upon is that the EC will approach competition in telecommunications services differently than the U.S. The EC will permit each Member State's TA to retain its monopoly over the provision of network infrastructure. A recent EC directive assures that voice telephony and telexes remain TA monopolies. This policy contrasts with the U.S. Open Network Architecture approach, which is aimed at opening up network provision to competition. The EC approach is closer to Canada's, which has retained the monopolies of the franchised carriers of public message-voice services, such as Bell Canada, while allowing competitors to interconnect with the public network to provide data transmittal and private line services.

To achieve a more competitive supply of telecommunications services, the EC has adopted an Open Network Provision (ONP) approach. The idea behind ONP is that all intra-EC firms wishing to lease lines or to supply "value-added" telecommunications services within or between Member States will face a common set of (minimum) requirements. Nevertheless the national TAs would be permitted to license firms wishing to provide "value-

added" services and to compete in the provision of these services themselves.

These developments suggest that in the near future Canadian firms may have greater opportunities supplying information to EC-based firms on how to provide increasingly sophisticated information services rather than actually providing the services themselves which would require access to the public network. An example of a sophisticated new service is airline reservations kiosks. They provide ticketing services in much the same way as automated teller machines provide banking services. Canadian telecommunications service providers with know-how may have a foot-up in the European market as advisers to, or consortia members with, European firms wishing to provide a variety of new services.

In addition to VAN providers, Canadian firms such as Cantel and Bell Cellular, Canada's two leaders in the cellular telephone field, may be able in the future to enter EC markets as consortia members. Already the U.K. has adopted a duopoly model -- similar to that in Canada -- for the provision of cellular services, one firm being a subsidiary of the regulated telecommunications carrier British Telecom, the other an independent operator. If other EC Member States follow the U.K. model, Canadian firms, in alliance with EC firms, could bid to become independent cellular operators. B.C.E. Mobile, parent firm of Bell Cellular, has been actively investigating the possibility of alliances in several EC nations, including France, F.R.G. and Italy.