Traditionally, the Polish Post, Telegraph and Telephone Company (PPTT) has held a monopoly over all aspects of telecommunications: local, long-distance, international, cellular and data transmission. The radical deregulation planned for Poland's telecommunications industry will end this monopoly.

The government is seeking foreign capital to assist in the the deregulation and modernizing of the network. Thanks to a World Bank loan, a digital network of trunk lines is being installed. As part of this project, 17 cities will be connected by optical fibre or radio waves, and 12 others will get digital exchanges. The system will be connected to European satellites, and 70,000 new telephones will be available for business at a cost of $US 1000 each for initial hook-up. The system should be functioning by 1993.

Another government initiative has been the formation of *Telefony Polskie* (Polish Telephones), a non-profit foundation. TP will attract investment to boost telephone penetration in rural areas from one telephone per 33 rural inhabitants to only one in four or five. Funded by an EC grant of some $US 6 million, the plan is to build modern local telephone networks and telephone exchanges in three outlying districts of 20-25,000 people. The foundation hopes to draw another $1 million to begin plans for a Telephone Design Centre. The Centre will furnish system design and other technical assistance to other rural regions.

Polish private companies are also taking advantage of the deregulated environment. The Polish enterprise *RP Telecom* plans to build local telephone networks. Its rival, *TESA*, plans a long-distance and international network. Already under construction, is a network called Polpak, which will provide efficient data communications to industry. Further World Bank loans to support similar projects are expected over the next few years.

The Polish government is encouraging foreign companies to form joint ventures with the Polish manufacturers of digital switches and other electronic equipment. Alcatel CIT of France already has an arrangement with Teletra to make E10 switches. Other Polish producers are negotiating with Canada's Northern Telecom, Siemens of West Germany, Alcatel Sesa of Spain, and Ericsson of Sweden. The Spanish government has expressed its willingness to make a loan of $40 million for Alcatel Sesa to supply switches to the Polish market. Dishes for receiving satellite broadcasts of television programs are very popular.

Television: Polish Television operates on two channels. Channel 1 reaches 98% of the population, and Channel 2 is watched by 70%. There is no cable TV in the country, but several foreign companies are considering introducing the concept in larger cities. There is a private television station in the city of Wroclaw.

European Communications Industries (ECI) and Polish Television completed a joint feasibility study in May 1990 on the sale of 30% of the Polish second channel to UK investors. The strategy involves ECI's investment of up to £3.70 million to commission and broadcast programs from abroad on Polish television. Profits for the first five years would then be invested in the creation of a new third channel. The study projects advertising revenue at between $US 6 and 40 million in the second year of operation and $US 53 to 68 million in the third. The project is still on hold, owing to objections of Solidarity members at Polish Television.

Radio: Four national state-owned radio broadcasting networks exist in Poland. Radio Solidarity, a clandestine operation during the imposition of martial law, was subsequently launched as Poland's first commercial radio station. Its on-air operation is made possible by the assistance of two investment trusts managed by Aberdeen Fund Managers, a subsidiary of Aberdeen Trust Holdings. Several other privately-owned radio stations are either already broadcasting or preparing to air.

Computerization: When the Polish government announced its intention to introduce a western-style income tax, it invited tenders from western firms to design and implement a computerized tax collection system for the country. Groupe Bull was finally chosen from more than 200 competitors, including Siemens and IBM, to supply 367 DPX computers with Unix software to some 49 local Treasury offices. The French company will also train the three hundred computer specialists and technicians who operate the network.