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TV Landscape

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The doldrums of Europe's TV landscape

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Abstract

Europe is still grappling to find an appropriate satellite strategy. The advent of the Luxembourg-based Coronet project has speeded up things considerably, by making decision-makers aware of the fact that they were investing in the wrong technology. Coronet represents a striking example of commercial, trans-border satellite programme distribution and is challenging the assumptions of European broadcasting as well as telecommunications policy. The project is widely seen as a forerunner, a test-case on how the structures of the existing industries might be eroded. At the same time PTTs are afraid that their monopoly to carry crossborder satellite services in Europe will be challenged and that this might cause serious economic harm to their common organization Eutelsat.

Introduction

The careful observer of developments in the fields of television and communication in Europe will be struck these days by what seems to be an amazing contradiction. On the one hand, one senses everywhere in Europe the awareness that something has to be done to react to the threat associated with what is widely seen as an hegemonial plot by US interests in the field to take control of European developments. On the other hand Europe is quite definitely caught up in political and industrial policy contradictions that prevent the continent as a whole from making use of its combined resources and creativity in order to set up its own countervailing power to these perceived US initiatives, which are after all, far from being just a remake of the often heard lament about nasty American attempts to prevent Europe from finding and living up to its own identity.

The Coronet project, initiated by the Luxembourg government under Prime Minister Pierre Werner in 1983 with the help of an American midwife, Dr. Clay T. Whitehead, highlighted in a unique way these contradictions. The fact that one of the smallest European countries has come up with what was unanimously acknowledged as a bright idea was not especially helpful since it was the source of quite some resentment. After all you cannot expect, acting from a Luxembourg base, to get away unharmed, having proven to the larger European countries that they were heading in the wrong direction. Confronted with the Coronet concept, most of the other European satellite projects appeared as cumbersome, lameduck undertakings where neither the technology nor the economics were quite what was required to meet the US challenge and the needs of the market.

The difficulties the Coronet project has run into lately on the political and the regulatory front are in a way the price Luxembourg has to pay for the fact that it is ahead of its time. It is certainly true that the Coronet promoters and the Luxembourg government underestimated the power of vested interests in the field of TV and communications. It is too easy to see in the hostile reactions to the Coronet project a classical

example of monopolies fighting the idea of deregulation, even though a case along these lines could be made. It seems to be much more to the point to say that Coronet incorporates all those things that informed observers know are bound to happen, even in Europe, and which public opinion eagerly wants, about which for some reason the people who have a say want to delay as long as can be done. As long as such a project is supported only by the Grand-Duchy of Luxembourg and provided the political clout that could be derived by major European interests in the industrial field would not materialize, it is fairly easy to dismiss the Coronet project as a lunatic idea, reinforced by the notion that Luxembourg was being abused as a Trojan horse for American interests. It is however amazing that Coronet gets, short of firm commitments, all sorts of encouragements from precisely these quarters whose support is essential for the success of the project, namely, programmers and would-be programmers, electronics companies, advertising agencies and a few of Europe's seedling venture capitalists. While there is an attitude of wait and see (characteristically enough major groups in the electronics and programming field are engaged in a rush to be the last to invest in the project), almost everybody with rank and name in the sectors concerned by Coronet keeps telling the promoters to hold on. The message is to say that the time will come when the project can be carried through and when everybody will fall in line. Meanwhile the Coronet promoters have to find their comfort in the fact that their project has helped to speed up things in Europe both on the technological and on the programming level, and as a matter of fact Coronet is widely credited all over Europe for having created an awareness for the challenges of private, satellite television Europe will have to face.

The European broadcasting pictures

Direct broadcasting by satellite has captured the imagination of European governments, satellite manufacturers, broadcasters, cable television operators and film makers. The expectation is of course that millions of homes will receive extra television channels beamed from a satellite to a small dish aerial.

Most of the European projects, all of them government sponsored tepidly-supported by industry, have become aware of the fact that the risks are enormous and the start-up costs huge. These high costs, together with changes in technology, have called into question the suitability of the very high powered satellites envisaged originally for DBS. In Europe, the power levels for DBS were established at the WARC 1977 in Geneva. But since then there have been major advances in the technology, not so much in the satellites themselves but more so in increasingly sensitive and sophisticated reception equipment. The result is that it is no longer clear that Europe needs the high power satellites now on the drawing board and expected to become operational two years from now.

There are many indicators that Europe is having second thoughts about the DBS technology, this quite independently from the Coronet project. It is however fair to say that the emergence of this project has focused existing suspicions. It has prompted the conclusion that all these undertakings amount to what Brenda Maddox has termed a "desperate attempt in pursuit of the unviable" (in reference to the British DBS Unisat).¹) In France, the same point has been made quite conclusively in the famous Théry report early this year. This was an official investigation commissioned by the French Prime Minister into the TDF-1 DBS project which concluded that high power DBS was "passé". The European controversy is also fuelled by the apparent contradiction between the ambitious cabling policy pursued by most of the major European countries and satellite broadcasting. It would seem that the cabling policy will make sense only if satellites

are used to feed the programmes they carry into the cable networks. However in order to achieve this, medium-powered satellites are all you need. This might explain the amazing success of the concept behind the European Communications Satellites (ECS) operated by Eutelsat. A much better bet would be of course the use of a medium-powered satellite of a kind still classifiable as DBS by the International Telecommunication Union rules. This is precisely the idea behind the Coronet concept. Such a satellite would allow both for individual reception and for the feeding of programmes into cable networks as well as collective antenna systems.

It is a pity that Europe is not prepared, from a technological point of view, to give the right answer to these impending questions. It just so happens that Europe's aerospace industry has not yet caught up with the trend towards medium-powered, satellites which seem to serve best its present needs. For that reason Coronet is obliged to rely on American hardware. But on the other hand, the lingering threat of Coronet has persuaded both the French and the German governments that it would be prudent to see the handwriting on the wall and they are thus accelerating the development of so-called "second-generation" satellites which will be most likely modelled on the Coronet technology. When one's detractors begin directly to imitate, it is a telling symbol of how Coronet has led the way.

Even more irritating to European governments, keen on keeping a tight control on broadcasting as they are, were the implications of technological advances for the regulatory environment. As a rule most European governments are not yet prepared to acknowledge that improvements in reception technology blur regulatory distinctions between high-powered DBS and medium-powered satellites, which operate under different rules but are still capable of delivering programmes that can be picked up by individual homes. It is true that the medium-powered satellites operating in the Ku Band have not been designed for transmission to individuals.

Also, they make use of frequencies not initially intended for direct broadcast to individuals, being considered point-to-point or Fixed Service facilities rather than facilities for general Broadcasting Service. But the improved reception technology together with the pressures of the market place have already made anachronistic the existing regulatory structure. Some of the problems Coronet has run into with European PTTs and Eutelsat are related to this lag, common in many technologically sophisticated industries, between actual practice and the regulatory environment.

Coronet, which prides itself on being the first private satellite television distribution company in Europe, is seen of course as a major threat to state monopoly broadcasting prevalent in Europe. David Webster has proposed an excellent definition of the European way of doing things in broadcasting: "Europe has put its faith in a system which relied on the reallocation of resources in the name of the public good, by financing the bread from the revenues of a limited number of circuses." ²⁾

Public versus private broadcasting

There is an increasing awareness in Europe that the internationalization of broadcasting will not bypass the Continent. This means of course that existing structures will have to change. This applies especially to the state monopoly over broadcasting that has existed in most European countries. Satellite broadcasting techniques render, national boundaries meaningless.

The Commission of the European Communities has urged EC governments in the recent "Green paper on the establishment of a common market in broadcasting" ³⁾ to move towards a "common market for broadcasting" based on harmonised legislation capable of exploiting the looming expansion of radio and television transmission by satellite and cable. The Commission is of the opinion that the creation of a common market for broadcasting and cross-frontier distribution of broadcasting services will help push

through the new information and communication techniques needed in terms of the economy as a whole. The possibility of a Community-wide approach, including licensing to transmit via cable, the regulation of advertising and the protection of minors has been widely hailed by most parties active in the field. The EC Green Paper recommends for example that advertising be limited to 20 per cent of total cross-frontier broadcasting time. This is higher than several countries presently allow but it is a measure of the advertising demand which the Commission has identified.

The significance and prospects of this policy have been outlined explicitly in the document: "Attractive broadcasting in the Community will pave the way for even more significant innovations in information and communication techniques. The cross-frontier distribution of broadcasting will provide listeners and viewers in the Community with new channels and programmes, which in turn are a necessary precondition for stimulating private demand to make use of the new transmission techniques. Investment of the order of over 100 000 million ECU in the Community as a whole will be required to establish viable information and communication networks. The main initial beneficiaries will be the whole telecommunications industry. The establishment of a viable infrastructure will create a need for new items of consumer electronics equipment, and private and commercial users of the information and communication infrastructures will require new and additional items of consumer electronics and office equipment. The demand for programmes will increase sharply, opening up new marketing possibilities for the originators of creative works and new employment perspectives for performing artists. Lastly, the commercial utilization of the new communication networks will enable firms in the Community to increase their efficiency and cut their costs, as is essential if they are to maintain and improve their international competitiveness."

Despite this eloquent plea for an "open skies" policy in broadcasting, it must be added however that for the time being this amounts largely to wishful thinking on behalf of the Commission. True enough, some private groups like Coronet and Thorn-EMI* for instance have decided to move ahead, even though the framework for their ambitious plans is still largely hostile. Market research undertaken by Coronet has identified a potentially promising market place that will develop from a total of 33 million European homes connected to cable today to 54 million in 1990 and approximately 70 million in 1995. But it is far from clear today whether things will proceed in this optimistic fashion and it is also unclear how open viewers (and their governments) will be to cross-border programming.

Major research done by The Economist Intelligence Unit and by CIT Research recently⁴⁾ has raised further questions regarding the pan-european market and its growth prospects pointing, among other things, to the uncertainty and unease with which the European cable industries currently view their development. The suggestion here is that the entire european cable development programme is in danger of being undermined by well-intentioned but unrealistic governments which are imposing technical, commercial and financial burdens which the fledgling cable industry cannot support. This remark applies equally well to satellite policies. As it is, ends and means are proving everywhere hard to reconcile, as one notices a striking contradiction between the enthusiasm for high technology at almost any price and a lack of realism about subscription services, programming and the investment picture. Unless the discrepancies between European policy and practice can be corrected, the impetus for these new developments may be lost. Although there is little pay-TV yet in Europe it is being looked on favorably by most countries eager to encourage cabling. At the same time commercial, trans-border satellite distribution is developing; and despite the fact

* 4 out of 12 planned Pay TV-channels in Europe are controlled more or less directly by Thorn-EMI

that existing broadcasting is still reasonably cheap to viewers the new techniques are challenging quite obviously the assumptions of European broadcasting and telecommunications policy and eroding the structure on which the existing industries and institutions have been built. The main factor in this erosion comes of course from the need to fund broadband cable development. Add to that the commercial pressure from programme distribution and cable operators, the need for broadcasters to generate extra revenues, the redundancy of national regulations in the face of cross-national satellite distribution, the technical momentum in communications development and one gets a good picture of the knots Europe must untie.

Most European governments are desperately trying to keep things under control. Faced with losing control over the television signals entering their countries, and thereby over the whole structure of their broadcasting (satellite signals are almost impossible to jam), most European governments have tried to set up broadcasting Maginot lines. Technical standards incompatible with those of other countries were and still are a convenient means to achieve this. As of today television standards remain incompatible in Europe and attempts to reach a common standard for DBS transmission have proved to be futile so far. The reason for this reluctance to embark on common standards can be seen in the fact that the present situation of incompatible standards suits some governments because it enables them to control the signals to be received in their countries.

Cable turns out to be an excellent national filter as well, in so far as it enables national governments to rig the market to inhibit the spread of satellite reception directly by individuals. As a matter of fact it looks as if direct reception will be discouraged by technological standards and by an economic structure that makes cable cheaper for the consumer. Another reason why preference is given to reception via cable has to do with

the fact that cable systems, being a public franchise, can be regulated ad libitum by government agencies.

European governments are slowly but inevitably recognizing that this leaves them with a troublesome problem. The recognition is dawning that without new, attractive and suitable programming the ambitious largely government-financed cabling policies will most likely turn out to be a flop. In Europe programming, not channel capacity, is indeed the new scarce resource and most observers readily admit that the realities of commercial programming have yet to be effectively addressed. CIT Research managing director Patrick Whitten has summed up the situation in a telling simile: "I believe that there has been too much concern about the quality of the road surface and not enough attention to where it is leading or the traffic it is carrying. We would like to see a thriving European cable industry with all its opportunities for new programmes and services and we believe it will develop. But our research suggests that it is being rather sidetracked." 5)

A good example of this sidetracking can be seen in the rather futile debate on American cultural hegemony. Coronet became a prominent victim of this lament, because it was widely but wrongly seen to pave the avenue for a forceful entry of American media companies into the European market. This is of course a caricature of Coronet's role. Coronet views itself as an instrument in the service of Europe's programming industry, which confined to the few public networks existing in most European countries has not had the outlets to grow. By offering up to 16 transponders, Coronet will for the first time in Europe create unique opportunities for the whole production field. It is true of course that few European countries have the production base to feed multi-channeled and trans-border television for the simple reason that the production sector has been trimmed down to the limited needs of public broadcasting which more often than not is lacking the budgetary means to stimulate a genuine and lively home-grown production.

Because of this obvious deficit in programming, quite a few people are afraid that the only way to feed the insatiable and indiscriminating appetite for programmes cable systems will be faced with if they want to become attractive and viable, will be to rely even more heavily than now on US programming resources and products. It is of course true that the only source popular entertainment at the right quantities and at the right price is the United States. In 1983 the Commission of the European Communities published an interim report on "Realities and tendencies in European television" ⁶⁾ which contained a shattering and embarrassing revelation about the foreseeable deficits in the programming industry in the advent of channel multiplication and a more liberal framework. On the assumption that on the average around thirty channels would be available in most European countries in the near future the Commission estimates the programming needs at 1.5 million hours per year. If you discard rediffusions and direct broadcasting of current events you are still left with some 250 000 hours of original programmes. On the other hand, if you put together all the existing production resources in the television and movie business in the European Community as they exist today you barely manage to come up with programming not in excess of 2 500 hours per year. The gap is enormous and disquieting. In the "Green Book" the Commission comes to a slightly more positive assessment of the situation that will prevail after 1990. Among other things it rejects the argument that the co-existence of two types of television organization -one financed from licence fees and the other financed on a commercial basis - will inevitably lead to a drop in the high quality of programmes.

The Coronet concept

Jonathan Miller has argued persuasively that Europe can learn quite a bit from American experience: "Europeans, who are still grappling to find an appropriate satellite strategy, would be wise to recognize the crucial role already played by satellites in energizing the American cable industry ... By creating the possibility for economical distribution of new programmes to

to cable systems, and in particular, the distribution of pay-television services, the satellite carriers provided cable operators with an opportunity to double their revenue from existing subscribers, and an economic incentive to build new systems. It is no accident that the growth of cable in the past ten years tracks exactly the growth of the domestic satellite industry, and the new availability of satellite earth stations priced at a level that even the smallest cable operators could afford." 7)

Dr. Clay T. Whitehead, promotor, has also drawn the attention of Europeans to another development in the United States, a development he was himself instrumental in helping come about as one of the artisans of the Galaxy system developed by Hughes Communications. The new service emerging in the States and known as Satellite Master Antenna Television (SMATV) could turn out to be very promising in Europe if one keeps in mind the troubles the gigantic cabling policies have run into. SMATV is a hybrid between direct broadcasting and cable. The combination of medium-powered satellites and inexpensive earth stations opens the opportunity for small communities (they could be as small as a single apartment building) to establish their own self-contained programme-distribution networks. The arrival of medium-powered satellites, which have an output of around 50 watt is bound to create a new market for direct-to-home services. Coronet has not emphasized this dimension, largely to avoid provoking more European regulatory agencies, but everyone who is aware of the technical capabilities of medium-powered satellites knows that this possibility exists, provided the regulatory environment doesn't hamper it. Because medium-powered satellites have around 24 transponders, (although Coronet will only use 16 to save the remainder as back-ups), they offer programmers an attractive device for clustering services while at the same time, providing consumers with an attractive supply of programming that will justify the purchase or rental of the necessary receiving equipment. Coronet is the only private enterprise satellite project currently underway in Europe. Unlike the government-sponsored satellite projects, Coronet is the

only satellite television project designed technically, economically and politically to tap the potential of the European commercial television market.

Coronet will provide the first private enterprise satellite for transmission of commercial television programmes, including both pay-TV and advertising-sponsored programmes and new services such as teletext and direct delivery to VCRs. The system is designed to provide distribution to all three means of reaching TV sets: cable, collective antenna systems and individual antennae. Coronet will have the capacity to provide between four to six audio channels for each video channel allowing simultaneous, multilingual service. Programmers will thus have not only their own natural linguistic market, but all of the western European market.

Unlike other European satellite systems that have been initiated for other purposes (aerospace subsidization, national broadcasting or telecommunications), Coronet has been specifically designed to deliver commercial television to all European households in the most costefficient manner, either directly or through cable and collective antenna systems. This concept includes the satellite itself (which will be of well proven, reliable, commercial design and manufacture), the antennae (which will be small and affordable) and the common uplink facility in Luxembourg. Coronet is at the forefront of implementing the commercially viable technology in each of these areas. There may be further developments in antenna technology and manufacture which would lower the cost and allow Coronet to offer even more services than anticipated on current information.

Until recently, it was commonly believed that satellite transmission into antennae of less than one meter in diameter required very high-powered satellites. Conventional telecommunications satellites were thought to be useful only for sending signals into 4-5 meter antennae. This distinction has disappeared for all practical purposes as conventional satellites have become more powerful and as receiving technology has undergone significant improvements.

Specifically, because of recent advances in antenna and receiver design and better modulation techniques, medium-powered telecommunications satellites can transmit into antennae 0.9 meter in diameter with power levels of 50-53 dBW over most of Western Europe. This is only one-tenth the power of satellites considered necessary under WARC 77 rules.

The significance of this is that medium-powered telecommunications satellites can transmit television pictures of high quality into small antennae suitable for individual reception as well into antennae at cable or collective antenna systems. These satellites cost less than half the price of higher powered ones and they have up to five times as many channels resulting in a dramatically lower cost per channel.

Competition and the regulatory environment

The Coronet technology will be optimized for TV transmission to all three means of video distribution : cable systems, collective antenna systems and individual antennae. Coronet reinforces but does not compete with these three means of video distribution. Satellites have proven to be by far the most cost-effective means of sending video signals over a widespread geographic area to any or all of these ultimate consumer reception points. Most importantly, cable systems will need the large number of new programmes brought by the Coronet satellite to become economically viable.

The Coronet project is being developed in cooperation with the Government of the Grand-Duchy of Luxembourg. Luxembourg will grant a franchise to Coronet giving it the exclusive right to television distribution utilizing one of Luxembourg's Fixed Satellite Services (FSS) orbit positions. In August 1983 Luxembourg filed a registration request for coordination with the International

Frequency Registration Board of the International Telecommunication Union in Geneva. To the extent possible, Coronet intends to work with the PTTs to secure maximum collaboration. PTT and ECS satellite facilities may be used for transmission of programme material from each country to the Luxembourg uplink facility. Coronet has been specifically excluded from distributing telephone or data telecommunications and therefore it is clear that it won't compete with these traditional PTT services.

Laws and regulations concerning copyright and licensing of intellectual property are changing in Europe. The holders of rights to films and video material recognize that it is in their economic interest to secure a broad distribution base and they are working to ensure that the emerging rules in this respect are realistic. Programmes are currently being transmitted by FSS satellites across national borders in both North America and Europe. This trend towards the acceptance of signals transmitted from across borders is likely to continue and to be encouraged by policy initiatives such as those outlined in the "Green Paper" of the Commission of the European Communities. Provisions in the Treaty of Rome concerning the free circulation of goods and services in Western Europe are cast in general terms and do not explicitly address questions of the right to receive television signals. The jurisprudence of the Court of Justice of the European Communities has however made it clear repeatedly that this kind of service falls under the provisions of articles 59 et seq. of the EEC Treaty which outline the principle of freedom to provide services.

Despite these provisos, the Coronet project has run into heavy waters because of the lukewarm if not openly hostile attitude of most European PTTs and their international bodies CEPT and Eutelsat. Eutelsat, a common organization of European PTTs that operates the ECS satellite system, has tried to get rid of Coronet by pushing it into a corner where it obviously doesn't belong.

Eutelsat has repeated several times in the recent past the case for maintaining a "single regional international telecommunications satellite system" in Europe.⁸⁾ Ever since November 1983 the organization has made it clear that because it is still in its initial stage of operation and its economic viability is still being gradually established, any new satellite system, and consequently GDL (GDL stands for Grand-Duchy of Luxembourg and refers in Eutelsat jargon to the satellite system Coronet is planning to operate), whose mission is to provide "international public telecommunications services" in Europe could not fail to cause "significant economic harm" to the organization.

Eutelsat sticks to an almost all-encompassing definition of what falls under "international public telecommunications services", reflecting the preoccupation of European PTTs to keep as much of their monopoly as they can. At a meeting of the Assembly of Eutelsat Signatory Parties held in Paris in early November 1983 and which dealt extensively with the GDL/Coronet dossier it was already established that the satellite television distribution service is indeed a public telecommunications service as defined by the Eutelsat Convention and by the Radio Regulations of the International Telecommunication Union. Eutelsat is of the opinion that the market in Europe for satellite communication has not yet developed to the extent where more than one system can be justified. The organization also likes to emphasize that its operational planning is already such as to envisage meeting Luxembourg's requirements for international telecommunications.

Eutelsat believes that by its determination, it is reaffirming the pre-eminence of a regional satellite system in Europe, operated jointly by twenty telecommunications administrations or entities (including the Luxembourg PTT), whose public-service role should be preserved in the interest of the users and to make worthwhile the considerable investments such a system has required. This

attitude was strongly reaffirmed at the end of September 1984 when Eutelsat's policy-making body, the ECS council gave the green light for the launch of a third ECS satellite (Eutelsat F-3). The three satellite in orbit system Eutelsat will have at its disposal will provide several more transponders for TV relay, and also more capacity for the business services system (SMS). This decision was quite clearly a victory for Eutelsat's secretary general Andrea Caruso, who has been Coronet's most outspoken opponent. He declared himself confident that his organization will now be able to meet the transponder demand in Europe, particularly for TV relay and he added with a glance at Coronet: "This should stop certain private initiatives announced in a number of countries in Europe." 9)

The rift between Coronet and Eutelsat has been limited so far to serious warnings addressed to Luxembourg. For instance Eutelsat's assembly of signatory parties adopted at its sixteenth meeting in November 1983 a resolution stating that a participation by signatory parties in the use of the GDL networks, with the consequent extension of their services beyond the Grand-Duchy of Luxembourg to provide international public telecommunications' services in Europe, will have serious consequences on the Eutelsat system and the investment and objectives of the CEPT administrations which are members of Eutelsat. This attitude was restated at the 17th meeting of Eutelsat's assembly of signatory parties (Paris, 14-17 May 1984) and the assembly decided to "urge all Eutelsat signatories to refrain from entering into any arrangements which may lead to the establishment and use of any new satellite systems providing international public telecommunications services in Europe and which might cause potential harmful competition to Eutelsat." 10)

It must be noted that the Secretary General did not succeed with a resolution that contained much stronger wording that has been outlined in a document with the title "GDL system compatibility with the Eutelsat system."¹¹⁾ In this document the Secretary General invited the assembly to "conclude that the proposed

GDL system and any other European network intending to provide international public telecommunications services in Europe has to be considered in the same way as the proposed competitors of Intelsat over the Atlantic basin". The Secretary General did not hesitate to deride the Coronet project in order to gain support for his hostile attitude. In the document he expressed his personal conclusion in the following way, which in turn provoked a strong reaction from Luxembourg's Prime minister Pierre Werner: "It is clear that the GDL project is driven by North American private interests in the spacecraft manufacturing and the distribution of TV material. These interest groups may, via this project, dump their surplus facilities and already available American programmes over Europe".

While this extreme view was not ratified by Eutelsat's bodies, it gave the start to an all-out campaign against the Coronet project and its American coloration masterminded by France. France was of course afraid that Luxembourg might drop out of an arrangement between the two countries for the exploitation in common of the French DBS TDF-1 that would allot two out of four transponders to Luxembourg-based commercial broadcaster "Compagnie luxembourgeoise de télédiffusion" (CLT/RTL).¹²⁾

At a meeting of the telecommunications commission of CEPT (Conférence Européenne des Postes et Télécommunications) in Montpellier, 20-27 June 1984, the Coronet project was once more a prominent topic. Without taking a binding decision, the telecommunications commission subscribed to the view adopted by another CEPT body, the CCTS at its meeting in The Hague, 25-27 April 1984. Both CEPT bodies take note of the problems caused by the establishment of the GDL system. They also recall that the 14th session of the Intelsat meeting of signatories (Washington, April 1984) unanimously adopted a resolution on the implications of the development of separate systems on the viability of the Intelsat system and the economics of its service offering. The two CEPT

bodies also restate that this Intelsat resolution invites the signatories not to enter into agreements that might lead to the establishment and subsequent use of separate systems to carry traffic from or to their countries. Both CCTS and the telecommunications commission emphasize that Eutelsat system viability might be seriously jeopardized if one or more systems separate from Eutelsat were established in Europe to carry international telecommunications traffic. Consequently, both bodies invited the CEPT administrations to adopt the same firm attitude vis-à-vis these systems as they adopted at the Intelsat meeting of signatories with respect to the separate transoceanic networks.

Luxembourg feels that these actions on the regulatory front are no serious impediment of the GDL/Coronet plans, the more so since some other major European countries have come to realize that the monopolistic attitude taken by Eutelsat could seriously hamper their own national telecommunications satellite plans. The general feeling is that Coronet was a test-case and most countries are in a way happy that Luxembourg offered itself to bear the brunt by testing ways and means to achieve deregulation in Europe. Luxembourg is confident that the winners in the satellite race will be those who provide their customers with best services at the best price. In view of the significant volume of unsatisfied demand for TV transponder leases in Europe, Coronet is confident it will find a market for its services.

NOTES

- 1) Brenda Maddox, "In pursuit of the unviable", Connections 13 August 1984
- 2) David Webster, "Direct Broadcast Satellites: Proximity, Sovereignty and National Identity", Foreign Affairs, Summer 1984
- 3) Commission of the European Communities, Europe-wide television. Green paper on the establishment of a Common market in broadcasting by cable and satellite, Brussels 1984 - COM (84) 300 final.
- 4) Cable television in Western Europe: "A licence to print money?" The Economist Intelligence Unit, London 1983; "Cable TV communication" in Western Europe, CIT Research London 1984.
- 5) Quoted in Cable & Satellite Europe, 4/1984.
- 6) Commission of the European Communities, Realities and tendencies in European television: Perspectives and options, Brussels 1983 - COM (83) 229 final.
- 7) Jonathan Miller, "Europe needs an open market", Cable & Satellite Europe, 6/1984.
- 8) Cf. Interim Eutelsat, Press release No. 27, 18 May 1984.
- 9) Quoted in Cable & Satellite Europe, 10/1984.
- 10) The minutes and decisions of this meeting are reproduced in Eutelsat document APS 17 - 3E.
- 11) Eutelsat document APS 17-16E, 4 May 1984.
- 12) On CLT/RTL and its French connection cf. Mario Hirsch, Radio-Télé-Luxembourg: Gebremster Vormarsch?, Rundfunk und Fernsehen, 1983/2.
- 13) Council of Europe, Mass media steering committee: Developments in low-power satellite transponder leasing for TV distribution, prepared by John Chaplin and circulated under the reference CCB/36749/JC/CMM = (5), Strasbourg 1984.