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***Preliminary proposal for revising CPC on
Telecommunication Services***

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Preliminary proposal for revising CPC on Telecommunication Services

Introduction

The markets for Telecommunications Services are rapidly developing, both as regards the size of the markets and the services offered, because of technological, regulatory and commercial reasons. Total turnover for Telecommunications Services in the European Union in 1993 was nearly 3 per cent of overall GDP. The nominal growth rate over the last five years has averaged about 7 per cent annually.

It is the new services market areas that show the largest growth rates where competitive service provision has occurred. Mobile communications has taken the lead from data communications and value-added services as the most dynamic part of the services market. The first applications of integrated or multimedia services have appeared, but the economic importance is as yet limited. Telecommunications and television or broadcasting services are still mainly supplied by separate networks.

Stable and reliable statistics on Telecommunications Services on the European as well as the world level are rather few and do not lend themselves to any detailed descriptions or analyses.

In order to be able to follow and analyse the developments on the Telecommunications Services market the statistics have to be developed. An important element in this is to develop the necessary nomenclatures.

These nomenclatures have to be defined in such a way that they take into account the rapid growth of new products and services, led both by the liberalisation and the technological evolution. CPA and CPC in their present versions are not satisfactory for a statistical description of the Telecommunications Services sector.

Eurostat/D4 has, in collaboration with DG XIII, elaborated the proposal for revising CPC and CPA presented in this document. The proposal is based on an earlier version presented in a meeting of the Task Force on Information and Communication Services 21-22 February 1995. Subsequent comments from Member countries, International Telecommunication Union (ITU) and OECD have been taken into account.

The proposal is based on the recognition that the CPA, as given in the Council Regulation (EEC) 3696/93 of 29 October 1993 on the statistical classification of products by activity (CPA) in the European Economic Community, does not reflect the increasing importance of mobile services and new services on the total market for Telecommunications Services.

CPA

In CPA the Telecommunication Services are subdivided into 3 categories (the 5-digit level) and 15 subcategories (the 6-digit-level) as follows:

- Data and message transmitting services (7 subcategories)
- Other telecommunications services (7 subcategories)
- Radio and television cable services (1 subcategory)

The services as defined by subcategories are distributed in an unsystematic way between the two first categories. Mobile services appear in both categories, broadcasting services are grouped together with point-to-point services, interconnection services are grouped together with end-user services. This implies that CPA will not be very useful for analyzing the developments of the different markets for Telecommunications Services.

Both CPC and CPA have two subcategories for public telephone services. In the CPC Public **local** telephone services are described as communications *within* a local calling area and Public **long distance** telephone services as communications *between* local calling areas. In CPA Public **local** telephone services are described as communications *between* local calling areas and Public **long distance** telephone services as transmission *from* the local area to the international network. Thus CPC and CPA together have three subcategories of public telephone services, which seems to be the appropriate number.

The Eurostat/D4 proposal

The departing point for the Eurostat/D4 proposal is that Telecommunications Services are developing and changing rapidly, which implies a risk for the classification to become obsolete in a rather short time. The Eurostat/D4 approach is to structure the Telecommunications Services in such a way that the categories are broad enough to be more stable over time. At the same time the categories should correspond to relevant segments of the Telecommunications Services Market, which makes them useful for analysis.

Another basic idea is to make the distinction between public and private services explicit, which concerns the subcategory level. Public telecommunications includes telecommunication networks that connect subscribers. Anyone can subscribe to the network: the term public refers to the access arrangement rather than the ownership of the network. Private networks do not automatically connect to the public network or have limitations on membership. They are intended for own use or use by closed user groups.

In parallel Public Telecommunication Services are provided to the general public and Private telecommunication services are for own use or the use of members of closed user groups.

The Eurostat/D4 proposal consists of 7 categories and 30 subcategories. The proposed seven categories in which the Telecommunications Services market is divided are

- Fixed network telecommunication services	(10 subcategories)
- Mobile telecommunication services	(8 " -)
- Interconnection services	(1 " -)
- Communications management services	(4 " -)
- Value added telecommunications network services	(4 " -)
- Broadcast services	(2 " -)
- Radio and television cable services	(1 " -)

In Annex 1 the detailed proposal for revision of CPA is presented with explanatory notes and with an indication with numerical codes of the corresponding categories/subcategories of CPA and CPC.

For quick reference CPA for telecommunication services is attached in Annex 2 and CPC in Annex 3.

Proposal for revising CPA for telecommunication services

Eurostat/D4 preliminary proposal for a revised CPA for telecommunication services		CPA	CPC
64.2	Telecommunications and broadcasting services	64 2	752
64.20	Telecommunications and broadcasting services		
64.20.1	<u>Fixed network telecommunication services</u>	part of 64 20.1	part of 752a
64.20.11	<u>Public</u> local telephony services	64 20.11	75211
	<p><i>Switching and transmission services necessary to establish and maintain communications within a local calling area. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex).</i></p> <p><i>Exclusions: Private line services and rental services of terminal equipment are classified in subcategories 64.20.15 and in 71.34.10 (Leasing and rental services concerning other machinery without operators) respectively.</i></p>		
64.20.12	<u>Public</u> long distance telephony services	part of 64 20.12	part of 75212
	<p><i>Switching and transmission services necessary to establish and maintain communications from a local calling area to another local calling area. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex).</i></p> <p><i>Exclusions: see 64.20.11</i></p>		

64.20.13	Public international telephony services	part of 64.20.12	part of 75212
	<i>Switching and transmission services necessary to establish and maintain communications from a local calling area to a cross-border destination. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex).</i>		
	<i>Exclusions: see 64.20.11</i>		
64.20.14	Datacommunication services over <u>dedicated public</u> networks	part of 64.20.16	part of 75231
	<i>Inclusions: packet switched data services, circuit switched data services, ATM services</i>		
64.20.15	Leased lines/circuits	part of 64.20.24	part of 75260
	<i>The provision of leased lines or circuits to particular customers or to closed user groups, using terrestrial infrastructure (metallic or fibreoptic cable or microwave radio or by satellite)</i>		
64.20.16	Integrated digital network services (ISDN)	part of 64.20.24	part of 75260
	<i>Subscription, access services, incl. basic access and primary access, and special services.</i>		
64.20.17	Tele- and videoconferencing	64.20.26	75292
	<i>Network and related services necessary to hold a one-way(?) or two-way fully interactive tele or video conference.</i>		
64.20.18	Other private telecommunications services provided on independent networks reserved for closed user group usage	64.20.14	75221
	<i>Concerns applications like virtual private network services, business satellite networks, VSAT, LAN interconnection services.</i>		
		64.20.15	75222
64.20.19	Telex, telegraph and telegram services	part of 64.20.12	part of 75212
64.20.20	Other fixed network telecommunications services		
	<i>Fixed network telecommunications services, not elsewhere classified. This includes the provision of access to telecommunication network services by connecting the customer's premises to the carrier's facilities.</i>		
	<i>Exclusion: Electrical installation work of telecommunications equipment is classified in 45.31.41</i>		

64.20.2 Mobile telecommunications services

64.20.21 Public cellular telephone and other two-way public mobile radio services part of part of
64.20.13 75213

Radio telephone services which, by means of transportable equipment, give two-way access to the public telephone network or other mobile telephones. Some versions of this service, with proper terminal equipment, may be used to transmit facsimiles as well as voice communications.

64.20.22 Public paging services 64.20.25 75291

The summoning of a person to the telephone through the use of an electronic pager. This includes tone, voice and digital display paging services.

64.20.23 Public mobile dedicated data services part of part of
64.20.16 75231

Specific radio-based communication services for data transmission.

64.20.24 Private mobile radio services part of part of
64.20.13 75213

Services by means of a private radio communications system, normally operating on a local or regional basis, from a single base station and using a single or small number of radio channels. Communication is generally limited to a closed user group.

64.20.25 Private mobile dedicated data services part of part of
64.20.16 75231

Specific radio-based communications services for data transmission in closed user group applications.

64.20.26 Maritime services and air-to-ground communications services part of part of
64.20.27 75299

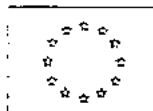
Radiocommunication based services allowing airline passengers to communicate from a plane whilst in flight are included here.

64.20.27 Localizing and positioning services part of part of
64.20.27 75299

64.20.28 Other mobile services n.e.c part of part of
64.20.13 75213

<u>64.20.3</u>	<u>Interconnection services</u>		
64.20.30	Interconnection services	64.20.23	75250
	<i>Network services by one carrier to another when a communication originating in a carrier's territory must travel through another carrier's network to reach its destination.</i>		
		part of	part of
		64.20.27	75299
<u>64.20.4</u>	<u>Communications management services</u>		
64.20.41	Managed network services and outsourcing	" -	" -
	<i>Data communication provided over a third party network including extras like protocol conversion and network access security; supervision and management of a customer's network for data and/or voice communications - may include providing the staff and equipment accomodation for that network.</i>		
64.20.42	Resale of bearer services	" -	" -
64.20.43	Provision of intelligent network features	part of	part of
		64.20.17	64.20.17
	<i>Advanced network concept allowing rapid and flexible introduction of new services such as freephone, premium rate customer-controlled routing and bandwidth-on-demand</i>		
64.20.49	Other Communications management services		
<u>64.20.5</u>	<u>Value added telecommunication network services</u>	part of	part of
		64.20.17	75232
	<i>Network and related services necessary to send and receive electronic messages and/or to access information in data bases.</i>		
	<i>(Exclusion: Data base services, i.e. the provision of on-line information retrieval services are classified under Computer related services 72.40)</i>		
64.20.51	Electronic mail	part of	part of
		64.20.17	75232
	<i>An electronic mail service supplied by a third party.</i>		
64.20.52	Voice messaging	" -	" -
	<i>Delayed voice communication between different parties where spoken messages are stored and retrieved.</i>		

64.20.53	Telemetry	" -	" -
	<i>Recording of measurements, such as electricity meter readings, and automatic transmission of that information to a remote collection point, such as a computer system.</i>		
64.20.59	Other Value added telecommunication network services	" -	" -
<u>64.20.6</u>	<u>Broadcast services</u>	part of 64.20.2	part of 752b
64.20.61	Television broadcast transmission services	64.20.21	75241
	<i>Network services necessary for the transmission of television signals, independently of the type of technology (network) employed.</i>		
	<i>Exclusion: Television cable services are classified in 64.20.63. Production services of television programmes, even in connection with broadcasting are classified in 92.20.</i>		
64.20.62	Radio broadcast transmission services	64.20.22	75242
	<i>Network services necessary for the transmission of signals such as radio broadcasting, wired music and loudspeaker.</i>		
	<i>Exclusions: Mobile radio telephone services are classified in 64.20.21. Radio cable services are classified in 64.20.63. Production services of radio programmes, even in connection with broadcasting are classified in 92.20.</i>		
<u>64.20.7</u>	<u>Radio and television cable services</u>	64.20.3	753
64.20.70	Radio and television cable services	64.20.30	75300
	<i>Radio and television programming packages via cable. This includes both basic and "pay-TV" services.</i>		
	<i>Exclusion: Radio or television production services are classified in category 92.20.1.</i>		



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CPA EXPLANATORY NOTES

This is a Eurostat working document
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For more information please contact

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Services consisting of pick-up, transport and delivery services, whether for domestic or foreign destinations of letters, parcels and packages, rendered by courier and using one or more modes of transport, other than by the national postal administration. These services can be provided by using either self-owned or public transport media.

64.12.12 Other courier services 75129

Door-to-door delivery services using city messengers and goods taxis.

64.2 TELECOMMUNICATIONS SERVICES

64.20 Telecommunications services

64.20.1 Data and message transmitting services 752a

64.20.11 Public local telephone services 75211

Switching and transmission services necessary to establish and maintain communications between local calling areas. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex) and may be provided on a toll or flat rate basis. This service provides the customer with access to the supplier's and connecting carrier's entire telephone network or, in some instances, to a limited number of exchange areas (WATS services).

Exclusions: Private line services and rental services of terminal equipment are classified in subcategories 64.20.14 and 64.20.15 and in 71.34.10, respectively.

64.20.12 Public long distance telephone services 75212

Conventional analogue telephone services for transmission of messages by voice from the local area to the international network.

Telex, telegraph, teletex and telefax services.

Low speed digital telephone services (facsimile).

Taxi phone services are also included.

64.20.13 Mobile telephone services 75213

Radio telephone services that, by means of transportable equipment, give two-way access to the public telephone network or other mobile telephones. Some versions of this service, with proper terminal equipment, may be used to transmit facsimiles as well as voice communications.

Exclusion: Air-to-ground and maritime mobile communications services are classified in 64.20.27.

64.20.14 Shared business network services 75221

Network services necessary to establish telephone communications between selected (point-to-point or multi-point) locations (terminals) via a public (shared) network. This type of service is primarily used to establish long distance voice communications but some versions can also accommodate facsimile and data transmission.

64.20.15 Dedicated business network services 75222

Network services necessary to establish telephone communications between selected (point-to-point or multi-point) locations (terminals) via private line(s). This type of service is primarily used to establish voice communications between distant PBX's (tie line), between a distant location and a PBX (off premises' extension), between a PBX and a distant exchange area (foreign exchange) or between designated telephone sets, but may also accommodate data transmission.

64.20.16 Data network services 75231

Network services necessary to transmit data between equipment using the same or different protocols. This service can be provided via a public or dedicated data network (i.e. via a network dedicated to the customer's use).

64.20.17 Electronic message and information services 75232

Network and related services (hardware and software) necessary to send and receive electronic messages (telegraph and telex/TWX services) and/or to access information in data bases (so-called value-added network services).

Exclusion: Data base services, i.e. the provision of on-line information retrieval services are classified in 72.40.10.

64.20.2 Other telecommunications services 752b

64.20.21 Television broadcast transmission services 75241

Network services necessary for the transmission of television signals, independently of the type of technology (network) employed.

Exclusions: Television cable services are classified in 64.20.30. Production services of television programmes, even in connection with broadcasting, are classified in 92.20.12.

64.20.22 Radio broadcast transmission services 75242

Exclusions: Mobile radio telephone services are classified in 64.20.13. Radio cable services are classified in 64.20.30.

Production services of radio programmes, even in connection with broadcasting, are classified in 92.20.11.

64.20.23 Interconnection services 75250

Network services by one carrier to another when a communication originating in a carrier's territory must travel through another carrier's network to reach its destination.

64.20.24 Integrated telecommunications services 75260

Private point-to-point or multipoint network services that enable the users to simultaneously or alternately transmit voice, data and/or image. This type of service offers high bandwidth capacity and flexible, customer controlled network reconfiguration to accommodate changing traffic patterns.

64.20.25 Paging services 75291

The summoning of a person to the telephone through the use of an electronic pager. This includes tone, voice and digital display paging services.

64.20.26 Teleconferencing services 75292

Network and related services necessary to hold a one-way or two-way fully interactive video conference.

64.20.27 Other telecommunications services 75299

Telecommunications services, not elsewhere classified. This includes mobile maritime and air-to-ground communications services.

64.20.3 Radio and television cable services 753

64.20.30 Radio and television cable services 75300

Radio and television programming package via cable. This includes both basic and "pay-TV" services.

Exclusion: Radio or television production services are classified in category 92.20.1.

J FINANCIAL INTERMEDIATION SERVICES

**65 FINANCIAL INTERMEDIATION SERVICES
EXCEPT INSURANCE AND PENSION FUNDING
SERVICES**

65.1 MONETARY INTERMEDIATION SERVICES

65.11 Central banking services

EUROSTAT

UNIT B5 CLASSIFICATIONS

**EXPLANATORY NOTES FOR
SERVICES**

CPC

**PROVISIONAL CENTRAL PRODUCT
CLASSIFICATION**

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letters, parcels and packages, rendered by courier and using one or more modes of transport, other than by the national postal administration. These services can be provided by using either self-owned or public transport media.

Exclusions: Courier services for mail by air are classified in subclass 73210 (Mail transportation by air).

75129 Other courier services

Other courier services for goods, not elsewhere classified, e.g. trucking or transfer services without storage, for freight.

752 Telecommunications services

7521 Public telephone services

75211 Public local telephone services

Switching and transmission services necessary to establish and maintain communications within a local calling area. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex) and is generally provided for a flat monthly fee independently of the number of calls made by the subscriber.

Exclusions: Private line services and rental services of terminal equipment are classified in class 7522 (Business network services) and 7541 (Equipment rental services), respectively.

75212 Public long distance telephone services

Switching and transmission services necessary to establish and maintain communications between local calling areas. This service is primarily designed (used) to establish voice communications, but may serve other applications such as text communication (facsimile or teletex) and may be

provided on a toll or flat rate basis. This service provides the customer with access to the supplier's and connecting carrier's entire telephone network or, in some instances, to a limited number of exchange areas (WATS service).

75213 Mobile telephone services

Radio telephone services which, by means of transportable equipment, give bothway access to the public telephone network or other mobile telephones. Some versions of this service, with proper terminal equipment, may be used to transmit facsimiles as well as voice communications.

Exclusion: Air-to-ground and maritime mobile communications services are classified in subclass 75299 (Other telecommunications services n.e.c.).

7522 Business network services

75221 Shared network services

Network services necessary to establish telephone communications between selected (point-to-point or multi-point) locations (terminals) via a public (shared) network. This type of service is primarily used to establish long distance voice communications but some versions can also accommodate facsimile and data transmission. It is provided on a pay-as-you-use basis at discount rates over regular long distance telephone charges.

75222 Dedicated network services

Network services necessary to establish telephone communications between selected (point-to-point or multi-point) locations (terminals) via private line(s). This type of service is primarily used to establish voice communications between distant PBX's (tie line), between a distant location and a PBX (off premises extension), between a PBX and a distant exchange area (foreign

exchange) or between designated telephone sets, but may also accommodate data transmission. It is provided on a lease basis.

7523 Data and message transmission services

75231 Data network services

Network services necessary to transmit data between equipment using the same or different protocols. This service can be provided via a public or dedicated data network (i.e. via a network dedicated to the customer's use).

75232 Electronic message and information services

Network and related services (hardware and software) necessary to send and receive electronic messages (telegraph and telex/TWX services) and/or to access and manipulate information in data bases (so-called value-added network services).

7524 Programme transmission services

75241 Television broadcast transmission services

Network services necessary for the transmission of television signals, independently of the type of technology (network) employed. This subclass does not include satellite-to-cable services where the provider sells T.V. signals via satellite to cable companies (as opposed to selling use of satellite facilities) nor does it include DTH (direct-to-home) satellite services where the provider sells television program packages directly to households located in remote areas.

75242 Radio broadcast transmission services

Network services necessary for the transmission of audio signals such as radio broadcasting, wired music and .

loudspeaker service.

7525 75250 Interconnection services

Network services by one carrier to another when a communication originating in a carrier's territory must travel through another carrier's network to reach its destination.

7526 75260 Integrated telecommunications services

Private point-to-point or multipoint network services which enable the users to simultaneously or alternatively transmit voice, data and/or image. This type of service offers high bandwidth capacity and flexible, customer controlled network reconfiguration to accommodate changing traffic patterns.

7529 Other telecommunications services

75291 Paging services

The summoning of a person to the telephone through the use of an electronic pager. This subclass includes tone, voice and digital display paging services.

75292 Teleconferencing services

Network and related services necessary to hold a one-way or two-way fully interactive video conference.

75299 Other telecommunications services n.e.c.

Telecommunications services, not elsewhere classified. This class includes mobile maritime and air-to-ground communications services.

753 Radio and television cable services

7530 75300 Radio and television cable services

Radio and television programming packages via cable. This