

# **The Universal Service Directive 2002/22/EC and the relevant acquis**

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# Content

- **The regulatory framework and the Universal Service Directive (USD)**
- **Communication on the review of the scope of universal service**
- **Recommendation on the processing of caller location information**

# Universal Service Directive 2002/22/EC

- **Directive on universal service and users' rights**
- **Principles**
  - Choice (via competition) is the best way to satisfy user needs
  - The market should determine retail prices and quality but...
  - NRAs should have power to act where user needs are not met
- **MS must ensure that a series of services are made available to all end-users in the whole territory at an affordable price**



# User and consumer interests and rights

- **Retail Price Regulation**

- **General Rights**

- Contracts – minimum specifications, right to withdraw and notification of proposed modifications
- Transparency of tariffs
- Quality of service - monitor compliance with targets set
- Digital TV equipment
- Non-geographic numbers
- Itemised billing, call barring, pre-payment system
- Non-payment of bills

# Scope of universal service

- **Scope of universal service covers 4 elements:**
  - Provision of access at a fixed location (reasonable requests) capable of allowing end-users to make and receive, local, national and international calls, faxes and data communications at data rates sufficient to permit functional internet access (56kbit/s)
  - Directory enquiry services
  - Directories
  - Public pay telephones
- **And if a Member State deems necessary, specific measures to ensure access and affordability for disabled users**



# Affordability

- **It is up to the NRAs to monitor the level of retail tariffs of the services within the scope of the universal service in relation to consumer prices and income**
- **People on low incomes or with special social needs should not be prevented from accessing/using these services**



# Designation

- **If the basic set of services is not being provided under normal commercial conditions at an affordable price, MS may choose to designate one or more undertakings in all or parts of the national territory**
  - Mechanism must be efficient, objective, transparent and non-discriminatory ensuring that no a priori exclusion results
  - *In this respect how is the provision of universal service ensured?*

# Financing

- NRAs shall calculate the net cost of the provision of these services if they represent an unfair burden to the designated undertaking(s)
- Compensation of the determined net cost upon request from a designated undertaking and only once intangible benefits have been calculated:
  - From public funds
  - Through a sharing mechanism – if national turnover is less than a set limit no need to contribute
- **Transparency, least market distortion, non-discrimination and proportionality must be ensured (annual report)**
  - *In this respect, is a compensation mechanism in operation? If yes, how is it financed?*





# Directories and directory enquiry services

- **At least one comprehensive directory and at least one comprehensive directory enquiry service (including mobile) should be available in all MS**
- **Obligation on operators to inform customers of their right to include all details (including mobile) in a directory**
- **A liberalised service using 118xx in some MS**
  - *KPN* judgement: access to data at cost-oriented prices



# Carrier selection and carrier pre-selection

- **NRAs impose obligations on operators deemed as having SMP on the market for provision of connection to and use of the public telephone network at a fixed location must enable:**
  - CS
  - CPS
- **Cost orientation must be ensured**

# Number portability

- **Ability of subscribers to retain their number when changing provider both for fixed and mobile**
- **Prices must be cost-oriented**
- **Considerable impact on market; competition-enhancing instrument and facilitator of consumer choice**

# Emergency services (112)

- **Everyone must be able to call the emergency services by using the same number regardless of where he/she may be in the EU**
  - Appropriate answering and handling
  - Availability of caller location information
  - Citizens must be adequately informed of the existence and use of 112
- **A lot of progress over the past year**
  - Eurobarometer survey but..
  - Room for improvement



# Arrangements in place for people with special social needs

- **Promotion of an inclusive European information society**
- **Action is encouraged by the NRF rather than mandated**
- **Action includes:**
  - payphones with wheelchair access
  - braille billing
  - special directory enquiry services
- **Special tariff packages are provided to those on low incomes or with special social needs in some countries**



# Must carry obligations

- **Member States may impose reasonable must carry obligations**
- **Must be:**
  - Necessary to meet *clearly defined* general interest objectives
  - Proportionate
  - Transparent
  - Subject to periodical review
- **If there is a remuneration, no undertaking should be discriminated and it should be applied in a proportionate and transparent manner**



# Out-of-court dispute resolution

- **MS must put in place an effective mechanism capable of dealing with disputes between consumers on the one hand and undertakings providing publicly available communications services on the other**
- **Mechanism should be inexpensive and disputes should be settled promptly**
- **MS have developed these mechanisms in different ways: some are the fruit of public initiatives whilst others spring from private initiatives**



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# Communication on the review of the scope of universal service

- The review shall be undertaken in the light of social, economic and technological developments, taking into account, *inter alia* , mobility and data rates in the light of the prevailing technologies used by the majority of subscribers
- Questions which were addressed:
  - are specific services available to, and used by, a majority of consumers ?
  - does the lack of availability or non-use by a minority of consumers result in social exclusion for those that cannot afford them?
  - does the availability and use of specific services convey a general net benefit to all consumers such that public intervention is warranted?

# Review of scope - mobile

- National licence conditions have made mobile communications ubiquitously available (at least 95% of the EU population covered)
- Over 80% of the EU population using mobile
- Access radio network shared: low cost base; subscriber added at a marginal cost irrespective of location
- Pre-paid services: low entry price for consumers; greater possibility to control costs



are mobile services available to, and used by, a majority of consumers ? **YES**

does the lack of availability or non-use by a minority of consumers result in social exclusion for those that cannot afford them? **NO**

# Review of scope - broadband

- Member States have put comprehensive national broadband strategies in place, but as yet, the overall proportion of the population in the EU using broadband does not fulfil the requirement of a service used by a majority of consumers

 are broadband services available to, and used by, a majority of consumers? **NO**

# More information on scope

- **Communication regarding the outcome of the Review of the Scope of Universal Service in accordance with Article 15(2) of Directive 2002/22/EC adopted on 7 April 2006**
- **[http://europa.eu.int/information\\_society/policy/ecomm/doc/info\\_centre/communic\\_reports/universal\\_service/com\\_2006\\_163\\_final\\_en.pdf](http://europa.eu.int/information_society/policy/ecomm/doc/info_centre/communic_reports/universal_service/com_2006_163_final_en.pdf)**

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# Commission recommendation on caller location information 2003/558/EC

- **Technical feasibility:** it is acceptable that the operators make available location information on request only i.e. *pull*
- **But operators should be able to *push* to the PSAP's, the location of the caller**
- **Both for calls made from a fixed and a mobile network**

**Thank you!!**

