

Procedure file

Basic information			
COS - Procedure on a strategy paper (historic)	1996/2052(COS)	Procedure completed	
Telecommunications: universal service in the perspective of a fully liberalized environment			
Subject 2.40.02 Public services, of general interest, universal service 3.30.03 Telecommunications, data transmission, telephone			

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PSE <u>BERÈS Pervenche</u>	24/04/1996
	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy	PSE <u>MANN Erika</u>	30/05/1996
	JURI Legal Affairs, Citizens' Rights	PSE <u>COT Jean-Pierre</u>	04/06/1996
	ENVI Environment, Public Health and Consumer Protection	PSE <u>DE COENE Philippe C.</u>	27/06/1996
Council of the European Union	Council configuration	Meeting	Date
	Telecommunications	<u>1941</u>	27/06/1996

Key events			
13/03/1996	Non-legislative basic document published	COM(1996)0073	Summary
15/04/1996	Committee referral announced in Parliament		
27/06/1996	Debate in Council	<u>1941</u>	
20/11/1996	Vote in committee		Summary
20/11/1996	Committee report tabled for plenary	<u>A4-0389/1996</u>	
10/12/1996	Debate in Parliament		
12/12/1996	Decision by Parliament	T4-0686/1996	Summary
12/12/1996	End of procedure in Parliament		

Technical information

Procedure reference	1996/2052(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07730

Documentation gateway

Non-legislative basic document	COM(1996)0073	13/03/1996	EC	Summary
Economic and Social Committee: opinion, report	CES1075/1996 OJ C 030 30.01.1997, p. 0022	25/09/1996	ESC	Summary
Committee report tabled for plenary, single reading	A4-0389/1996 OJ C 020 20.01.1997, p. 0003	20/11/1996	EP	
Text adopted by Parliament, single reading	T4-0686/1996 OJ C 020 20.01.1997, p. 0092-0156	12/12/1996	EP	Summary
Committee of the Regions: opinion	CDR0371/1996 OJ C 116 14.04.1997, p. 0033	15/01/1997	CofR	

Telecommunications: universal service in the perspective of a fully liberalized environment

OBJECTIVE: The objectives of the Commission communication are three-fold: - to describe the current concept of universal service in telecommunications, both in terms of the regulatory framework and in terms of the current level of universal service provision in the Member States; - to address practical issues and propose solutions and actions for the future development of universal service; - to place universal service for telecommunications in the broader context of the information society. **SUBSTANCE:** The Commission identifies universal service as an essential element allowing entry to the information society. In order to support and speed up this development it draws three conclusions: 1. The current concept of universal service constitutes a firm reference point for the regulatory reforms which are underway at national level and which are intended to ensure that the telecommunications sector is fully liberalized on 1 January 1998. The concept involves the requirement to provide access to the public telephone network and a telephony service at an affordable price for all users who apply for it. The detailed aspects of the service are described in the directive on the application of the ONP (Open Network Provision) principles to voice telephony. As regards the funding of the universal service, the Commission refers to two directives: the directive on interconnection and the directive on the complete liberalization of telecommunications. Common principles are proposed with a view to identifying the cost of universal service. These costs may be shared with other players in the market either (a) via a universal service fund at national level or (b) by means of direct payments to operators providing universal service. According to the Commission, where a Member State imposes extra obligations in addition to universal service the financial burden must not be covered by means of the mechanism established in order to finance the universal service. 2. Universal service in the EU can and must be strengthened in the short term: the Commission stresses that the 'affordable' nature of the price is not a requirement explicitly laid down in the ONP/voice telephony directive. It takes the view that this crucial matter should be clarified by the Member States. It nonetheless takes the view that the price increases imposed on users in remote or rural areas should not be used to make up for revenue losses resulting from price reductions elsewhere. Similarly, pricing differences between rural and urban areas must not make prices unaffordable. It also envisages special arrangements for disadvantaged users (the elderly and the disabled) and it recommends improved access to on-line information networks. Lastly, the Commission will encourage measures for the benefit of disadvantaged regions in order to speed up the digitalization of the network in those part and it will ensure that the introduction of competition and new technologies will help to reduce regional disparities rather than aggravate them. 3. Universal service is a dynamic, evolutionary concept. The Commission has announced that, by 1 January 1998, it will submit a report on the extent, the level, the quality and the affordability of universal service in the Community and that it will consider the adaptation requirements of the universal service concept. ?

Telecommunications: universal service in the perspective of a fully liberalized environment

The Committee agrees with the Commission that the concept of universal service must form a firm anchor for the regulatory reforms underway at national level with a view to fully liberalizing the telecommunications sector in Europe. The Committee considers it important to put pressure on Member States to introduce the universal service as quickly as possible. Coordination of this work would be furthered by the establishment of a European regulatory body, which the Committee supported in its Opinion on the ONP directive (COM(95) 379 final) issued on 28-29 February 1996. Finally, as progress towards the information society continues, the Commission and the Member States are urged to adopt

every possible measure in support of disadvantaged regions so that the digitalization of networks is speeded up in those regions and regional imbalances in the Community are thereby reduced. The aim of providing all citizens with a broad high-quality universal service will thus be furthered.?

Telecommunications: universal service in the perspective of a fully liberalized environment

The liberalization of telecommunications must go hand in hand with efforts to provide a universal service. This was the message in the report (consultation) by Pervenche BERES (PSE, F) a universal telecommunications service. It was adopted by the Committee, chaired by Karl VON WOGAU, EPP, D. The proposal stresses the need for as wide a definition of the universal service as possible, in order to avoid disparities between Member States. The list of basic services should be updated from time to time. There should also be a guarantee that local calls can be made at a modest price. Public access should be guaranteed to networks and services in schools and libraries. The draft resolution urges the need for a funding mechanism to ensure universality. Those that provide mobile telephone services should also take part so that contributions are not limited to those that provide voice telephony or services connected to the public network.?

Telecommunications: universal service in the perspective of a fully liberalized environment

In adopting the report by Mrs Pervenche BERES (PSE, F), Parliament considered that the liberalization of telecommunications should be coupled with a strengthening of a universal service. It stressed the fact that the definition of universal service at European level should be as broad as possible in order to avoid disparities between the Member States. The list of universal service provision must be adapted periodically. There must also be the guarantee that local calls of conventional duration can be made at an affordable price, and public access to services must be made available in institutions such as schools and libraries. It asked the Commission therefore to prepare a document on a coherent strategy for universal access. In order to be able to assure correctly the financing of the universal service, Parliament considered that a fund must be established as the only way of providing effective and transparent management. This fund would finance, on the basis of real costs, the expenditure on the provision of universal service and funds would be contributed by all operators of infrastructure and services in proportion to their respective market share and the gross profitability of their revenues. Parliament called on the Commission to submit before the end of 1997 a study to determine whether and to what extent other beneficiaries of the liberalisation process, including new service providers, could contribute to the financing of the universal service. ?