


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) 1998/2048(COS)	Procedure completed
Telecommunications: universal service. 1st monitoring report	
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 READ Imelda Mary	16/04/1998
	Committee for opinion	Rapporteur for opinion	Appointed
	ENER Research, Technological Development and Energy	The committee decided not to give an opinion.	
	ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Telecommunications	2071	26/02/1998

Key events			
25/02/1998	Non-legislative basic document published	COM(1998)0101	Summary
26/02/1998	Debate in Council	2071	
29/04/1998	Committee referral announced in Parliament		
28/10/1998	Vote in committee		Summary
28/10/1998	Committee report tabled for plenary	A4-0386/1998	
27/01/1999	Debate in Parliament		
09/02/1999	Decision by Parliament	T4-0076/1999	Summary
09/02/1999	End of procedure in Parliament		
28/05/1999	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2048(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/4/09823

Documentation gateway

Non-legislative basic document		COM(1998)0101	25/02/1998	EC	Summary
Committee report tabled for plenary, single reading		A4-0386/1998 OJ C 359 23.11.1998, p. 0005	28/10/1998	EP	
Text adopted by Parliament, single reading		T4-0076/1999 OJ C 150 28.05.1999, p. 0018-0061	09/02/1999	EP	Summary

Telecommunications: universal service. 1st monitoring report

OBJECTIVE: to provide an overview of the situation on the eve of the full liberalisation of the telecommunications sector in most European Union countries. **SUBSTANCE:** this communication is the first monitoring report on universal service in the telecommunications sector and coincides with the launch of full telecommunications liberalisation across the European Union. The report confirms the gradual but continuing improvement in service levels, price and quality which marked the 1996 report. The number of households without telephone service has continued to decline and so too has the gap in telephone line penetration between Member States. Demand for second telephone lines and traffic on existing lines has grown as the Internet phenomenon has accelerated. The number of users of mobile communications is also growing strongly in the Union, in particular where there is real competition between operators (i.e. when at least 3 service providers have launched mobile telecommunications services). At the same time that use of Internet and mobile communications is growing strongly, national regulatory authorities are devoting more attention to the needs of lower income and disadvantaged consumers. However the lack of monitoring information indicates that some Member States are still not taking sufficient measures to identify the 'un-telephoned' and the reasons why they do not subscribe to services. With respect to tariffs and affordability, overall price levels appear to have fallen since 1990 and most consumers are better off in real terms. Generally this trend has been more beneficial for average rather than occasional users. In establishing a framework for full telecommunications liberalisation from 1998 onwards, the European Union has established measures both to safeguard universal service and at the same time to improve consumer rights. In practice, the majority of Member States have not seen the need at this stage to establish specific schemes for the sharing of any costs related to universal service obligations. In conclusion the Commission considers that the benefits of competition and choice should extend to all citizens, irrespective of income and location. The Commission therefore intends to continue its efforts to improve the monitoring of developments throughout the Union, including the implementation of the range of consumer protection measures included in the amended Voice Telephony Directive. In addition, the Commission will re-examine universal service in the European Union in the context of the review of European Union telecommunications legislation, to be undertaken by the end of 1999. The Commission will focus its monitoring activities on the areas which appear to be of the greatest concern, including households without telephone service, affordability and related consumer protection issues, the situation of low income and disabled users, the state of affairs at a regional level and, in the context of the growing use of Internet, the situation for schools, hospitals and libraries. ?

Telecommunications: universal service. 1st monitoring report

In a follow-up report on the liberalisation of the telecommunications sector the Committee expressed concern that many of the so-called universal service obligations have yet to be fulfilled by member states. Throughout the legislative process towards liberalisation, Parliament has consistently fought for special measures for users with special needs. However, rapporteur Imelda READ (PES, UK) points to several worrying trends in recent years; in particular, the overall cost for maintaining a telephone has gone up for many households as rental charges have risen sharply in several Member States, hitting infrequent users especially hard. In addition, so far Member States have done little to provide special schemes for low-income and disadvantaged users, as required by European legislation. Finally, the Committee was also extremely concerned that the rate of telephone penetration seems to be decreasing in certain Member States, and it called upon the Commission to study the causes of this. ?

Telecommunications: universal service. 1st monitoring report

The European Parliament voted to adopt the resolution on the Commission communication on the first monitoring report on universal service in telecommunications in the European Union. This report by Imelda Mary Read (PSE, UK) expresses the European parliament's hope that the many gaps in the information supplied by Member States will be made good in subsequent reports. It is surprised by a fall in the rate of household penetration by the telephone and feels that this requires an explanation. The Parliament feels that not enough is being done to provide special tariffs for low-income users nor to provide "special arrangements" for disabled users and therefore considers that a distinction should be made between occasional users and disadvantaged users as regards tariff arrangements to the advantage of the latter. It is concerned by the lack of clear specifications in national rules and regulations on arrangements for measuring affordability and calls for measures to reinforce consumers' rights and, by means of a comparison of Member State criteria for measuring affordability, achieve greater

non-binding harmonisation of the relevant national legislation. It draws attention to the obligation of Member States to provide affordable prices throughout their territory, including rural and high-cost areas. The report stresses that the strong growth in cellular telephone penetration does not justify cutting back on public payphones. The Parliament considers that, as soon as competition permitted, it could be desirable to for the choice of operator responsible for the universal service to be determined by competitive tendering, having due regard to the quality of service provided. It places priority on the need to promote public internet access for all, to be considered when the ONP directives come up for review in 2000. Finally, it wishes to see an increased provision of schemes which provide automatic conversion to the supply of services most suited to users' consumption patterns.?