Telecommunications: universal service. 1st monitoring report

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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.