Basic information

1996/2268(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Universal service in telecommunications: assessment criteria for national schemes for the costing and financing **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	VAN VELZEN W.G. (PPE)	22/01/1997
	Committee for opinion	**Rapporteur for opinion**	**Appointed**
	JURI Legal Affairs, Citizens' Rights	COT Jean-Pierre (PSE)	22/01/1997
Council of the European Union			

Key events

Date	Event	Reference	Summary
27/11/1996	Non-legislative basic document published	COM(1996)0608	Summary
10/12/1996	Committee referral announced in Parliament		
03/09/1997	Vote in committee		Summary
03/09/1997	Committee report tabled for plenary	A4-0270/1997	
17/09/1997	Debate in Parliament		
18/09/1997	End of procedure in Parliament		
06/10/1997	Final act published in Official Journal		

Technical information

Procedure reference	1996/2268(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper

Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08493

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0270/1997 OJ C 304 06.10.1997, p. 0007	03/09/1997	
Text adopted by Parliament, single reading		T4-0451/1997 OJ C 304 06.10.1997, p. 0100-0123	18/09/1997	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1996)0608	27/11/1996	Summary
Document attached to the procedure	COM(1998)0494	03/09/1998	Summary

Universal service in telecommunications: assessment criteria for national schemes for the costing and financing

1996/2268(COS) - 27/11/1996 - Non-legislative basic document

OBJECTIVE: the communication seeks to inform the Member States on the criteria which the Commission will use in assessing under Community law provisions relating to the costing and financing of universal service within national schemes for universal service. SUBSTANCE: universal service is the guarantee that every citizen, independent of their place of residence or standard of living, has access to essential services at an affordable price. For telecommunications the Commission indicated that that defined service comprises 'the provision of voice telephony service via a fixed connection which will also allow a fax and a modem to operate, as well as the provision of operator assistance, emergency and directory enquiry services (including the provision of subscriber directories) and the provision of public payphones. In addition 'users should have access to published information about the cost, prices and quality of services'. With regard to the financing of the universal service, the document points out that the national regulatory authorities can choose between the following three options: - universal financing is not required, because universal service obligations do not result in a net cost or the net cost established does not represent an unfair burden for the operator concerned; - universal service obligations do represent a burden, but the State chooses to finance it directly or indirectly; - universal service obligations are considered a burden and a specific universal service financing scheme is required, In such a case the national schemes must be in accordance with Community law and the Commission must assess them. To this end the Commission indicates that it will examine the following aspects: 1) national schemes may cover only the net cost of universal service obligations as defined in Community law (i.e. the costs associated with the provision of the public fixed telephone networks and publicly available fixed telephone service). The calculation should take account of both costs and revenues; 2) national schemes must ensure that the net cost of universal service is calculated according to objective, transparent, non-discriminatory and proportional criteria and procedures; 3) national schemes must ensure that an operator claiming universal service financing clearly identify (for example by way of a formal declaration), which customers or groups of customers it formally refuses to service or it intends to disconnect, unless the burden associated with offering service to them is shared via a national scheme; 4) national schemes may not be used to recover net costs which are not attributable to universal service obligations (e.g. maintenance of public security, supplies to schools, hospitals or similar establishments, refunds to users because of failure to meet quality levels, normal network modernization); 5) the Commission will also examine: - whether the specific mechanisms created to fund universal service are objective, non-discriminatory, transparent and proportionate; - which bodies (clearly identified by the national schemes) are required to contribute to the costs associated with universal service obligations; - the method chosen to identify and apportion the contributions to the net cost of universal service amongst market players; - the mechanisms for payments out of national schemes.

Universal service in telecommunications: assessment criteria for national schemes for the costing and financing

1996/2268(COS) - 03/09/1998 - Document attached to the procedure

This communication was a supplement (and not a new text) to the Commission communication of 27 November 1996 (COM(96) 608) on assessment criteria for national schemes for the costing and financing of the universal service in telecommunications and guidelines for the Member States with regard to the operation of these schemes. It followed the adoption by the European Parliament of its resolution of 18 September 1997 on the communication in question in which, in substance, Parliament asked about the precise status of that communication. In this instance, Parliament was concerned by the fact that the text of the communication could suggest that new legal obligations could fall upon the Member States with regard to the costing and financing of the universal service in telecommunications in the Member States. In this regard, the supplementary text presented in this document gave definitive clarification of the situation, pointing out that the 1996 communication went no further than a notification to the Member States on the criteria that the Commission would use to assess in Community law the provisions relating to the costing of the universal service and its financing in the national universal service schemes. It therefore sought only to clarify the 'existing' or proposed obligations under the Community framework for telecommunications.

Universal service in telecommunications: assessment criteria for national schemes for the costing and financing

1996/2268(COS) - 18/09/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr Wim van VELZEN (PPE, NL), Parliament expressed its disapproval of the fact that the important subject of universal service was regulated in a variety of directives and communications. It called for a consolidated directive on telecommunications and a directive on costing and financing the universal service to be drawn up at an early date. It asked the Commission to publish an overview of legislation on the financing of universal telecommunications service in the Member States. Parliament subscribed to the principle that the rules for universal telecommunications service should only relate to the costs to be charged to the provision of the universal service. It considered that net costs should be calculated on the basis of procedures and criteria which were objective, transparent, non-discriminatory and which satisfied the principle of proportionality. It called on the Commission to: - ensure that market operators were not asked to make a contribution to universal service for as long as there were no cost-based interconnection tariffs in a Member State; - ensure that Member States seeking to finance the net costs of universal service in the telecommunications sector from the public budget only took such action if it fully conformed with the rules on state aid, in order to prevent an unfair advantage for existing enterprises. Finally, Parliament emphasized that, even after tariff restructuring, each citizen should have the right to a connection which was affordable and that a universal service mechanism could be set up for this purpose.