

## **Telecoms: consultation on future universal service in digital era**

***A public consultation on what is the best approach to ensure that basic telecoms services are available for all EU citizens has been launched today by the European Commission. Current EU rules on universal service obligations for telecoms date from 2002 and guarantee that Europeans have access to public telephone networks and to services like basic internet access. The consultation launched today aims to see if these rules and definitions on universal service need to be updated for the digital age, and in particular if they should be extended to cover broadband access. Reactions from consumers, industry stakeholders, and policy experts will help the Commission decide if it needs to present new legislative proposals on universal service obligations for telecoms by end of 2010. The consultation will run until 7 May 2010.***

Digital Agenda Commissioner Neelie Kroes said "This consultation will help us to check if we need to update the rules to ensure that all EU citizens have access to essential communication services, including fast internet. As markets and technology are changing fast, we have to make sure that nobody is excluded from the digital society".

The Commission is looking into whether it is necessary to update the rules designed 10 years ago, which guarantee that people living in rural and remote areas or on a low income have affordable access to phones and the internet. The current [rules](#) guarantee that EU citizens can connect to the public network and use public phone services to make phone calls, send faxes or have internet access. They also ensure that directory enquiry services and directories, public payphones and special help for the disabled are available.

The Commission is seeking views on the following key areas:

- **Basic concept of universal service:** The current concept of universal service was designed for traditional voice-based telecoms services, but is this approach still valid in today's dynamic digital environment? Which policies should we use to ensure that consumers in remote and rural areas or those on a low income can access and use basic telecoms services?
- **Broadband:** Wide broadband coverage is crucial to foster growth and jobs in Europe. But 23% of people in rural areas do not have access to fixed broadband networks. Should universal service principles help to reach the EU's goal of 'broadband for all', or would competition on the open telecoms market or other policy options be more effective?
- **National flexibility and a coordinated EU approach:** The state of development of telecoms markets, availability of broadband, take-up by consumers, and government responses to the so-called 'digital divide' (i.e. the gap between those sections of the population that have access to internet and other digital technologies and those that do not) can vary considerably from country to country. What is the right balance between a coordinated EU-wide response and the need for national flexibility?
- **Financing:** How should universal service be financed in the future? Should there be a financial contribution from the telecoms sector to ensure universal broadband coverage, or should the public purse intervene since other sectors of the economy and society as a whole also feel the benefits?

The Commission will also organise a public workshop on 30 March 2010 in Brussels so that consumers, industry stakeholders, policy experts and other interested parties can exchange their views. The consultation closes on 7 May 2010 and the Commission will report on the results in a Communication, which it may follow with legislative proposals before the end of 2010, if necessary.

## Background

Liberalisation of the telecoms sector in the late 1990s was accompanied by universal service rules to act as a safety net where the market alone did not deliver basic services. The aim was to prevent social exclusion by ensuring that citizens in rural and remote areas or low-income households had affordable access to basic and essential telecoms services.

Current EU rules (under the EU's [Universal Service Directive](#) of 2002) require Member States to ensure that citizens must be able to connect to the public phone network at a fixed location and access public phone services for voice and data communications with functional access to the Internet. The Directive also requires Member States to ensure that consumers have access to directory enquiry services and directories, public payphones and special measures if they are disabled. The Commission reviews the scope of the Universal Service Directive every 3 years (see [IP/08/1397](#), [IP/05/594](#), [IP/06/488](#)).

The consultation follows the European Commission's Declaration on universal service to the European Parliament during the negotiation of the 'Telecom Package' in 2009 ([MEMO/09/513](#)) and the second review of the scope of universal service in 2008 ([IP/08/1397](#), [MEMO/08/583](#)).

**Links:**

The Commission's public consultation document, including information on the public hearing, can be found on:

[http://ec.europa.eu/information\\_society/policy/ecomms/library/public\\_consult/index\\_en.htm](http://ec.europa.eu/information_society/policy/ecomms/library/public_consult/index_en.htm)