

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION

TO THE COUNCIL, THE EUROPEAN PARLIAMENT AND THE ECONOMIC AND SOCIAL COMMITTEE

Developing universal service for telecommunications in a competitive environment

**Proposal for a
COUNCIL RESOLUTION**

on universal service principles in the telecommunications sector

(presented by the Commission)

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- **PROPOSAL FOR A COUNCIL RESOLUTION ON UNIVERSAL SERVICE PRINCIPLES IN THE FIELD OF TELECOMMUNICATIONS**

INTRODUCTION

On 28 April 1993 the Commission adopted a Communication to the Council and the European Parliament on the consultation on the review of the situation in the telecommunications services sector¹. This Communication presented the outcome of the wide-ranging public consultation launched by the Commission as part of the 1992 Telecommunications Review².

In the context of the Review the Commission had organised public hearings for the Telecommunications Organisations (TOs), Users, Service Providers, Equipment Manufacturers and the Trade Unions. The Joint Telecommunications Committee also gave its opinion on the Review³. More than 130 organisations and associations participated in the hearings and the Commission received more than 80 written contributions on the Review. The Commission worked closely with the High Level Committee of National Regulatory Authorities established by the Council of Ministers in its Resolution of 17 December 1992⁴.

A key theme in the consultation and in the Commission's subsequent Communication was the priority attached to the maintenance and further development of universal service throughout the Community, as a cornerstone of a more liberalised environment.

On 22 July 1993 the Council adopted Resolution 93/C213/01⁵ which confirmed the results of the consultation and the conclusions of the Commission's Communication.

¹ Communication to the Council and the European Parliament on the consultation on the review of the situation in the telecommunications services sector, COM(93)159, 28 April 1993

² Communication of the Commission to the Council and the European Parliament on the situation in the market for telecommunications services, SEC(92)1048, 21 October 1992

³ Opinion of the Joint Telecommunications Committee on the Commission Communication to the Council and the Proposal for a Council Resolution on the Review of the Situation in the Telecommunications Sector, 16 June 1993

⁴ Council Resolution 93/C8/01 of 17 December 1992 on the assessment of the situation in the Community Telecommunications Sector, OJ C2, 6.1.93.

⁵ Council Resolution 93/C213/01 of 22 July on the Review of the situation in the telecommunications sector and the need for further development in that market, OJ C213/1, 6.8.93

THE CONCEPT OF UNIVERSAL SERVICE

In the Communication of 28 April 1993, the political goal of universal service was identified as:

"making available a defined minimum service of specified quality to all users at an affordable price".

As was broadly recognised during the consultation on the Review, the main elements for a Community-wide definition of universal service principles⁶ have been developed within the framework of the Open Network Provision (ONP) Rules.

ONP is concerned with ensuring both fair, non-discriminatory access to networks and services, as well as ensuring that a defined minimum set of telecommunications services is available on a Community-wide basis, in particular the basic voice telephony offering.

ONP is not, however, exclusively focused on the provision of a basic service. ONP also requires the development of certain advanced services (such as direct dialling-in, call-forwarding and Community-wide 'Green Numbers') and the non-mandatory application of ONP principles to certain services such as data communications and to ISDN (integrated services digital networks).

The provision of such additional services, as well as the mandatory provision of a minimum set of leased line offerings, is a key element in reinforcing the international competitiveness of business in the Community, as well as promoting the development of new services, such as cross-border direct marketing and audiotex services and meeting market demands for innovation in service offerings.

Such additional services are generally provided according to commercial criteria to meet demand from specific groups of customers, in contrast to the basic voice telephony offering which must be generally provided, on the basis of a uniform charge not directly linked in every case to the actual cost incurred, to all customers reasonably requesting it.

Universal service obligations imposed by national legislation or authorisation regimes generally oblige market participants to provide a certain basic service to customers whom they may otherwise have insufficient economic incentive to serve. Such operators may in certain cases therefore be required to act differently to the way that normal commercial practice would dictate. The so-called 'economic cost' of universal service results from any

⁶ These are set out in the annex to the attached proposal for a Council Resolution

additional expense incurred in serving such customers, where the needs of those customers would not be met by market forces alone.

THE NEED FOR UNIVERSAL SERVICE PRINCIPLES

Within the Community all Member States place a variety of obligations on TOs and service providers which are aimed at ensuring the provision of a minimum level of service in their territory.

All Member States but one have in the past, in conformity with Commission Directive 388/90/EEC ("the Services Directive"), allowed monopoly rights over the establishment and operation of a network to be extended to the provision by the TOs of the basic voice telephony service. This situation has allowed the TOs to finance the provision of universal service out of internal revenue transfers, without it being necessary to define either the precise scope or cost of such universal service.

As indicated above, action at a Community level has been confined to harmonisation within the ONP rules.

These initiatives have now been given new impetus by the Telecommunications Council of 16 June 1993, which has established the timetable for the future development of the telecommunications sector.

In Council Resolution 93/C213/01 agreed at that meeting, and formally adopted on 22 July 1993, the Council identified as one of the principal objectives of Community Telecommunications Policy, the liberalisation of all voice telephony services "whilst maintaining universal service".

The Council set the overall date of 1 January 1998 for the full liberalisation of voice telephony services, with additional transition periods of up to five years for Member States with less developed networks (i.e. Spain, Ireland, Greece, and Portugal) and a possible period of up to two years for very small networks (i.e. Luxembourg).

In a parallel development, the European Court of Justice has recently held that the maintenance of exclusive rights is only justified to the extent that the resulting restrictions on competition, or even the complete exclusion of competition, are necessary to ensure the

⁷ Commission Directive 90/388/EEC of 28 June 1990 on competition in the market for telecommunications services. OJ L 192/10, 24.7.90

performance of a task of general economic interest which has been entrusted to the undertaking enjoying those exclusive rights⁸.

It is clear that the creation of a fully competitive environment now makes it essential to provide for a common definition of universal service principles, as well as the mechanism to be put in place to ensure its continuation and development. Such a step, aimed in the first place at ensuring that liberalisation does not lead to a fall in the quality of services which users receive, is necessary for the following reasons:

→ As long as telecommunications services were provided under direct State authority and as long as the TO, in dealing with users, benefited from certain legal immunities under national law, a definition in general terms, even though imprecise, of the notion of universal service could appear to have been sufficient.

As the traditional operators become increasingly independent and once the market is opened on the basis of free competition to new operators, it is necessary to determine the principles according to which the cost of universal service obligations can be shared amongst market participants. A clearer definition of universal service principles is vital to this process.

→ The introduction of competition is one of the preconditions to the creation of an open Community-wide market for telecommunications services. The creation of an environment in which operators can compete on an equal basis presupposes a comparable level of universal service obligations throughout the Community. All the same, consistent with the principle of subsidiarity, this does not prejudice the possibility of Member States imposing complementary obligations on the basis of their specific national situations, as long as such obligations do not create barriers to market entry.

Council Resolution 93/C213/01 recognised that "the application of ONP measures ...constitutes the basis for the definition of universal service" and emphasised "the importance, for the individual consumer, and for the competitiveness of Community industry and commercial users, of a Community telecommunications system offering to all users, including specific social groups, reasonable and affordable charges for access and use, high quality of service and technological innovation". It also called for, "where necessary, the adaptation, in the light of further liberalisation, of ONP principles in respect of the entities covered and of such issues as universal service."

⁸ Case C-320/91, *Corbeau v. Régie des Postes*, Judgment of 19 May 1993.

At this stage, the Commission does not envisage further measures beyond those set out in Council Resolution 93/C213/01 in relation to the provision of universal service.

It is, however, appropriate for the Commission to assist through this Communication in establishing a political consensus around certain universal service principles. These principles will provide guidance to the Member States in maintaining and developing universal service; firstly, by bringing together basic elements of universal service provision found in Community legislation and current proposals, and, secondly, by addressing the financing of universal service. In particular, it should assist them in carrying out at a national level the progressive rebalancing of tariffs called for in Council Resolution 93/C213/01.

In the absence of such common principles, divergent national measures, (for example, in the form of divergent licence obligations or access charge regimes), taken to ensure the provision and financing of universal service would be likely to create real barriers to the provision of telecommunications services both nationally and on a pan-European basis, and distort competition between market participants. Additionally, there would be a real risk of consumers and other users of telecommunications services being unaware of the extent of universal service which they can expect under Community law.

MAIN ELEMENTS OF UNIVERSAL SERVICE

On the basis of ONP, the universal service concept includes:

- the basic provision of service ;
- quality of service ;
- tariff principles i.e. cost-orientation of tariffs, combined with tariff flexibility (which allows, for example, specially targeted tariff schemes for low income groups) ;
- dispute resolution mechanisms ;
- special public service features (for example, operator assistance and emergency services) ;
- certain Community-wide service features.

Universal service obligations must be developed in line with the basic principles of ONP, in particular the principles of transparency, non-discrimination and proportionality, as well as being fully compatible with Community law, in particular the competition rules. Such obligations must also promote social and economic cohesion of the Community. The balance

between the definition of such obligations at a Community level and their practical application at a national level must be consistent with the principle of subsidiarity.

As a first step, the major elements of universal service in telecommunications whose provision each Member State must ensure, either through binding obligations or by the operation of market forces, have to be defined.

In this respect, the Commission considers that the principles provided for in the context of ONP are sufficient at this stage to form the basis of universal service conditions, whilst being open to further evolution on the basis of technological and market developments, as well as in the light of practical experience.

The first major objective of this Communication is therefore to draw together from the various ONP measures these elements, in order to present them as one coherent set, and thus facilitate their implementation.

FINANCING UNIVERSAL SERVICE

In developing universal service in the context of services liberalisation, a number of principles with regard to financing universal service must be agreed with both National Regulatory Authorities and operators on the basis of consultation.

Initiating this process is the second major objective of this Communication.

The introduction of liberalisation in the telecommunications sector will move tariff structures towards underlying costs.

The maintenance and development of universal service must go hand in hand with this process of tariff adjustment. This requires re-examination of the current methods of financing universal service and, in particular, the establishment of clear guidelines to manage the transition from a monopoly to a competitive environment.

A number of factors should, to the extent necessary, help to define this process :

- the identification of the cost of meeting universal service obligations in relation to those customers whose demand would not be fully met if normal commercial principles were followed ;

- the capacity should be retained, subject to compliance with Community law⁹, to finance those activities with an identifiable need - in particular in local access, (in those cases where deficit is unavoidable) - via transfers from more profitable long distance and international telephony ;
- the gradual rebalancing of tariff structures must be permitted so that direct subscriber revenue from connections and local calls makes a greater contribution to the cost of universal service, whilst bearing in mind the needs of more vulnerable or disadvantaged subscriber groups, (such as low income groups and handicapped users) ;
- new entrants should make an appropriate contribution to the provision of universal service and to the transfers required to finance the basic elements of universal service (in cases where deficit is unavoidable) via a system of access charges, provided such systems and any universal service obligations placed on such entrants are transparent, non-discriminatory and proportional and that they fully respect the Community's competition rules ;
- sufficient flexibility is maintained to take account of national situations, in line with the principle of subsidiarity whilst at the same time providing guidelines for convergence ;
- the requirement for social and economic cohesion is taken into account, as well as the maintenance of an adequate investment capability for rapid development in the peripheral regions with less developed networks.

The interplay between tariff rebalancing, transfers from more profitable service areas and access charges will determine the speed with which Member States and operators can adjust in preparation for full liberalisation.

At the same time, internal transfers and access charges cannot be seen as an alternative to tariff rebalancing, which remains a fundamental requirement within the time frame envisaged by Council Resolution 93/C213/1, nor should access charges be used as a means of controlling a competitor's cost structures.

⁹ See Communication from the Commission "Towards cost orientation and the adjustment of pricing structures - Telecommunications tariffs in the Community" (SEC(92)1050, 15.7.92).

Internal transfers and access charges must also be appropriately structured, so as to prevent their use to delay necessary improvements in cost efficiency or productivity gains by shifting the burden of inefficiency onto new market entrants.

In the case of the Community's peripheral regions with less developed networks, network investment required to maintain and develop universal service may also attract Community funding, alongside national financial resources, from the Community's support framework.

In preparing for liberalisation account must be taken of the fact that tariff structures, tariff levels, cost structures, the scale of internal transfers and the level of network development all differ currently between Member States.

In the limited period leading up to full liberalisation of voice telephony services, National Regulatory Authorities and national operators will rapidly have to establish and subsequently implement and monitor the necessary programmes for adjustment, in order to attain a new equilibrium with regard to financing universal service from direct subscriber revenues and from transfers.

In establishing such a balance, Member States should, where necessary, establish the principles and basis for determining a fair system of access charges. Such a system must build on the elements provided by ONP, be in line with a competitive market environment and be compatible with both the maintenance and further development of universal service.

THE FRAMEWORK FOR ADJUSTMENT

As the balance between revenues and costs will continue to vary in Member States, adjustment programmes - as called for in Council Resolution 93/C213/01 - will have to be worked out by the National Regulatory Authorities and the operators, building on agreed principles. The attached proposal for a Council Resolution should establish the basis for this work and provide for a common framework.

The main objectives of these adjustment programmes should be :

- the establishment of transparent accounting principles and cost allocation procedures for operators, in order to establish real costs of maintaining and developing universal service ;
- the development, on the basis of recognised common principles governing the future balance between direct subscriber revenue and revenue from transfers, of adjustment targets for tariff structures.

- in developing adjustment targets, tariffs must be based on the principle of cost orientation, whilst ensuring affordable and reasonable charges for all users and promoting an open competitive environment. Such an environment to be founded on the principles of transparency, non-discrimination and proportionality ;
- on this basis, to determine access charges, according to common principles.

The Commission will work closely with each Member State in assisting in the preparation and implementation of these adjustment programmes, as requested by Council Resolution 93/C213/01, and in the establishment of common principles concerning accounting, cost allocation and transfers. As called for in that Council Resolution, special attention will be given to those Member States with less developed networks or very small networks in order to achieve such adjustments as soon as possible and in the best possible way.

Finally, as called for in the Council Resolution 93/C213/01, the Commission will proceed in close consultation with the High Level Committee of National Regulatory Authorities.

CONCLUSIONS

Council Resolution 93/C213/01 of 22 July 1993 on the Review of the situation in the telecommunications sector emphasises the need to maintain and expand universal service. The Commission fully supports this goal as an essential condition for maximising the contribution of the telecommunications sector to overall economic growth, social well being and cohesion in the Community. It will pay the utmost attention to this objective in facilitating the adjustment of the sector to a competitive environment.

The Member States have given in that Council Resolution an active commitment to progressive structural adjustment and to the continued development of universal service in the field of telecommunications.

Adjustment should be based on common principles governing the appropriate balance between direct revenue, transfers from profitable activities, and access charge systems, through which market participants can make a fair contribution to the transfers required to fund universal service. Such access charge systems should be based on the principles of transparency, non-discrimination and proportionality.

The progressive adjustment of the telecommunications sector to a competitive environment will provide a unique opportunity for the further development of universal service and trans-European networks, if the appropriate regulatory environment can be established.

The attached proposal for a Council Resolution draws together the basic principles of universal service in the Community.

These principles provide a firm framework for the future evolution of universal service at both a Community and national level, as well as providing an appropriate basis for the process of adjustment of tariffs.

The Commission transmits this Communication and proposal for a Council Resolution to the Council, and to the European Parliament and the Economic and Social Committee.

PROPOSAL FOR A COUNCIL RESOLUTION

ON UNIVERSAL SERVICE PRINCIPLES IN THE TELECOMMUNICATIONS SECTOR

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,

Having regard to the proposal of the Commission,

Whereas Council Resolution 93/C213/01¹⁰ on the review of the situation in the telecommunications sector and the need for further development in that market has established as a major goal for the Community's telecommunications policy the liberalisation of all public voice telephony services, whilst maintaining universal service.

Whereas Council Resolution 93/C213/01 has established a firm time schedule for the transition to a liberalised environment and called for the initiation of necessary structural adjustments, in particular, of tariffs.

Whereas the importance of universal service was recognised in the Resolution of the European Parliament of 20 April 1993¹¹ and the Opinion of the Economic and Social Committee of ... 1993 on the 1992 Telecommunications Services Review.

Whereas Council Resolution 93/C213/01 identified the application of universal service as a major goal.

¹⁰ Council Resolution 93/C213/1 of 22 July 1993 on the Review of the situation in the telecommunications sector and the need for further development in that market, OJ C213, 6.8.93.

¹¹ Resolution of the European Parliament on the Commission Communication of 21st October 1992 concerning the 1992 Review of the situation in the telecommunications services sector (SEC(92)1048) 20 April 1993 and Resolution of the European Parliament on the Communication from the Commission "Towards cost orientation and the adjustment of pricing structures - Telecommunications tariffs in the Community" (SEC(92)1050), 20 April 1993.

Whereas this Resolution provides assistance in achieving this goal in a competitive environment, as well as to the progressive rebalancing of tariff structures, by identifying the major elements constituting universal service at a Community level and by providing guidance as to the principles to be applied to the financing of universal service.

Whereas Council Resolution 93/C213/01 recognised as a key factor in the development of future regulatory policy the importance, for the individual consumer, for the competitiveness of Community and commercial users, of a Community telecommunications system offering to all users including specific social groups, reasonable and affordable charges for access and use, high quality of service and technological innovation.

Whereas Council Resolution 93/C213/01 recognised that the application of Open Network Provision (ONP) measures constitutes the basis, at a Community level, for the definition of universal service and whereas ONP concerns both fair, non-discriminatory and open access to and use of public telecommunications networks and services, and also the provision of a defined minimum set of offerings to be made available on a Community-wide basis.

Whereas the principles established by ONP concern both the provision of basic elements of universal service, as well as the provision of additional services and the mandatory provision of a minimum set of leased line offerings.

Whereas in determining how best to ensure universal service offerings national regulatory authorities shall take full account of the fact that in most cases market forces would be expected to guarantee such offerings on a commercial basis without further intervention.

Whereas in other cases this may result in obligations on market participants to provide a basic service to customers whom they would otherwise have insufficient economic incentive to serve.

Whereas this concerns, in particular, the provision of a basic voice telephony offering at an affordable price to all customers reasonably requesting it.

Whereas in this case market participants should make an appropriate contribution to the provision of universal service and share in the financial transfers where required.

Whereas National Regulatory Authorities may impose, to the extent consistent with Community law, other obligations which may be required to adapt universal service to specific national situations, and in particular, planning policies aimed at ensuring cohesion within a Member State, provided such the fulfilment of such obligations is technically feasible at a reasonable cost.

Whereas the development of Trans-European Networks and Services will contribute at a Community level towards universal service; Whereas the application of harmonised standards is essential for Community-wide interconnectivity and interoperability.

Whereas the concept of universal service must evolve to keep pace with technological and market progress, in particular, in relation to digitisation and the trend towards broad band technologies.

RECOGNISES

- a) the importance for the future development of telecommunications in the Community of the maintenance and further development of universal service, based on the objectives of universality, equality and continuity.
- b) that on the basis of these objectives the essence of universal service is access to and the provision of a defined minimum service of specified quality to all users at an affordable price, irrespective of their geographical location.
- c) that common principles for the provision of universal service are useful and necessary in order to achieve a balanced and fair regulatory environment throughout the Community, as

well as being in the interests of consumers by establishing basic minimum service levels for both national and pan-European services.

- d) that common principles for the provision of universal service, have been defined in the Open Network Provision measures and that these can form the basis for the definition of universal service; that these elements should, where necessary, be further developed to take account of the future competitive environment and on the basis of practical experience. These agreed elements of universal service are set out in the Annex to this Resolution.
- e) that special and targeted provision for socially desirable purposes, such as low tariff schemes for low income groups and the handicapped should be possible.
- f) that in the implementation of these basic elements market participants must make a fair contribution to the burden of providing universal service and that due account must be taken of the principles of transparency, non-discrimination, and proportionality, as well as ensuring compliance with the competition rules.
- g) that in order to promote a Community-wide telecommunications systems, there is need for adequate interconnection of public networks .

NOTES

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- a) that adequate financial provision is a key factor in the maintenance and further development of universal service principles.
- b) that Member States must take steps to ensure the establishment and maintenance of an adequate financial base for operators by allowing them pricing flexibility and encouraging tariff adjustment.
- c) that where the provision of certain elements of universal service at an affordable price can only be delivered at a loss, operators may, in certain circumstances, finance those services through internal transfers from revenue derived from other telecommunications services.
- d) that market participants should make an appropriate contribution to the provision of the basic elements of universal service and share in the financial transfers, where required and in cases where deficit is unavoidable, subject to the principles of transparency, non-discrimination and proportionality; that such contributions may take the form of access charges, where justified and subject to Community law, in particular the competition rules.
- e) that in pursuing these objectives account is taken of the specific circumstances of the peripheral regions with less developed networks and of very small networks, and the role which the Community support framework may play in this process.
- f) that the concept of universal service must evolve to keep pace with advances in technology and changes in user demand, in particular, in the light of the development of Integrated Services Digital Networks and broad band technologies.

WELCOMES THE INTENTION OF COMMISSION TO

take full account of the requirement for universal service in preparing the future adjustment of the regulatory framework for the telecommunications sector, in particular in applying and adapting the Open Network Provision principles.

CALLS UPON THE MEMBER STATES

to establish and maintain an appropriate regulatory framework and set appropriate targets, according to the objectives and principles set out in this Resolution and in conformity with Community law, in particular with the competition rules, in order to ensure universal service throughout their territory

INVITES THE COMMISSION

- a) to study and consult on the issues raised by universal service and its means of financing and, in particular, the appropriate balance to be achieved between direct revenue and internal transfers from other profitable telecommunications services. Specific account should be taken of the need for adjustment in peripheral regions with less developed networks ;
- b) to work closely with Member States in assisting the preparation and monitoring of national adjustment programmes, particularly with regard to tariffs, accounting principles, transfers, and to elaborate common access charge principles, in close consultation with the High Level Committee of National Regulatory Authorities ;
- c) to report to the Council and the European Parliament on this issue by 1 January 1996.

**PUBLIC SERVICE TARGETS
("CAHIER DES CHARGES")
FOR UNIVERSAL SERVICE OFFERINGS IN THE FIELD OF
TELECOMMUNICATIONS**

1. GENERAL OBJECTIVES

Universal service means making available a defined minimum service of specified quality to all users at an affordable price.

The fundamental objectives of a public service policy are:

- universality i.e. access for all at an affordable price
- equality i.e. access independent of geographical location
- continuity i.e. continuous provision, at a defined quality.

2. SERVICE ELEMENTS

According to

- Council Directive of 28 June 1990 on the establishment of the internal market for telecommunications services through the implementation of open network provision¹².
- Council Directive of 5 June 1992 on the application of open network provision to leased lines¹³.
- Council Directive of [...] on the application of open network provision to voice telephony¹⁴

¹² Directive 90/387/EEC ; OJ L 192/1

¹³ Directive 92/44/EEC ; OJ L 165/10

¹⁴ OJ L.....

- Council Recommendation of 5 June 1992 on the harmonised provision of a minimum set of packet-switched data services (PSDS) in accordance with open network provision (ONP) principles¹⁵ ;
- Council Recommendation of 5 June 1992 on the provision of harmonised integrated services digital network (ISDN) access arrangements and a minimum set of ISDN offerings in accordance with open network provision (ONP) principles¹⁶.

the following provisions apply:

2.1 Basic elements

The setting of appropriate targets and their implementation are to be ensured through the National Regulatory Authorities for the following :

■ **Provision of the basic public telecommunications network and voice telephony service**

i.e. the provision throughout the territory of the specified service(s). Target delivery periods (waiting time for initial provision) and achieved delivery periods should be published.

Users should have a right of access to and use of the service. Users should have a contract specifying the service to be provided.

Withdrawal of a service offering should only be made with the agreement of the national regulatory authority and after public consultation.

■ **Quality of service**

the publication of quality targets for users and the monitoring and publication of quality levels achieved by service providers/network operators.

¹⁵ 92/382/EEC, OJ L 200/1

¹⁶ 92/383/EEC, OJ L 200/10

- **Pricing Policy**

Alongside the principle of cost-orientation, there should be reasonable and affordable prices throughout the territory for initial connection, subscription, periodic rental, access and use of the service.

There should also be tariff flexibility i.e. the possibility of special and targeted provision for socially desirable purposes (in particular, for low income groups and handicapped users).

Tariffs should be sufficiently unbundled to ensure that users are not required to pay for facilities which are not required for the service demanded.

- **Publication of information about the service**

Adequate information should be made readily available to users concerning: supply and usage conditions, tariffs, technical characteristics, licensing, terminal attachment.

- **Dispute resolution procedures for users**

Provision of accessible and in principle inexpensive procedures to resolve disputes between users and telecommunications organisations, through an independent body.

- **Subscriber directories**

Provision of up-to-date directories of subscribers to be made available to subscribers and other users. Subscribers should have the right to have or not to have an entry in public directories. Public directory information should be available on published terms.

■ **Operator assistance and directory enquiry services**

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Operator assistance and directory enquiry services provided as part of the voice telephony service. Access for users in other Member States to be encouraged.

■ **Public pay-telephones**

Sufficient public pay-telephones to be provided to meet the reasonable needs of users, including card-phones.

■ **Access to emergency services**

Access to emergency services using, inter alia, the single European emergency call number <112> to be provided free of charge.

■ **Specific conditions for disabled users and people with special needs**

Special conditions where appropriate to aid disabled users or other people who have special needs in relation to their use of the telephone network and/or service.

2.2 Additional elements

The setting of appropriate targets and their implementation are to be ensured through the National Regulatory Authorities for the following :

■ **Advanced features**

For the public telecommunications network and voice telephony service the following advanced features should be provided :

itemised billing ;

DTMF tone dialling ("touch tone") ;

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direct-dialling-in ;

call forwarding ;

calling line identification ;

standard connector ('socket') for ISDN network access.

Additionally, the provision of the following features is encouraged as part of a Community-wide voice telephony service :

"Green number" ("freephone") services;

kiosk billing ;

call transfer ;

reverse charging ;

access to directory services in other Member States ;

access to operator services in other Member States.

2.3 Leased lines

The following mandatory minimum set of leased lines must be offered:

voice quality analogue lines

Special quality analogue lines

64 kbit/s digital lines

2 Mbit/s digital lines, both structured and unstructured

2.4 Recommended Offerings

The provision of the following offerings within ISDN and packet switched data services (PSDS) is recommended :

- **ISDN (Integrated Services Digital Network)**

basic rate and primary rate access

minimum set of bearer services, teleservices, supplementary services

"Green number" (freephone) services, kiosk billing,

user contracts, common ordering and billing procedures, itemised billing.

■ **PSDS (Packet Switched Data Services)**

minimum set of X.25 core offerings and user options

"Green number" ("freephone") services, kiosk billing,

common ordering and billing procedures

3. ADJUSTMENT TO TECHNOLOGICAL DEVELOPMENT

Provision for modifications necessary to adapt the provisions of ONP directives and recommendations to new technological developments or changes in market demand.

The Directives and Recommendations also make provision for European and/or international standards to be used where available.

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