

Universal Service Obligations - Definitions and the Norwegian Policy

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ITU/BDT Universal Service Seminar, Bratislava, Slovak Rep., 5-
7 March 2002



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In this presentation I will review:

- Short about the NPT and what we do
- Legislation and general policy in Norway
- USO definitions and regulatory framework within EU
- USO policy in Norway



Norwegian telecommunications policy on USO

- Report to the Parliament No. 24 (1998-99):
- Main telecommunications policy objectives:
 - high quality
 - low priced basic telecom services to households and companies all over the country
 - highest possible added value on and effective use of the resources by ensuring access of public telecom networks and services through effective competition
 - voice telephony, leased lines and access to digital networks are considered under universal service obligations



USO definitions within the EU/EEA

- Norway implements “The 1999 Communications Review Package” during Spring 2003
- **The Framework Directive**
- **The Access Directive**
- **The Authorisation Directive**
- **The Universal Service Directive**



- In establishing a framework for full telecommunications liberalisation from 1998 onwards, the EU has established measures to:

- Safeguard universal service
- Improve consumer rights

Provides for:

- Action by NRAs if service quality is insufficient
- the sharing of uneconomic costs of USO (subject to competition rules) between designated and other public operators and service operators
- spreading the benefits of market developments to all users independent of their location or socio-economic status
- **USO is an essential element contributing to solidarity and equal treatment**



- Universal service is defined in Community legislation as:
- "a defined minimum set of services of specified quality which is available to all users independent of their geographical location and, in the light of specific national conditions, at an affordable price."
- "guaranteeing citizens access at an affordable price to a voice telephony service over a line allowing them to use a fax or to hook up a computer."
 - Current definition allows users to participate in the information society by providing connection which allows access to on-line services
 - Users must be offered operator assistance emergency and directory enquiry services
 - Public payphones must be widely available



Communication on Services of General Interest

- Universal service is recognised to be a dynamic and evolving concept:
- "universal service is a flexible concept, which evolves gradually in line with specific structural and technical features and sector-specific requirements."
- A need for the NRAs to monitor
- Assess the need for changes in its scope for the future



Outside the scope

- Not about pushing technologies or determining in advance what services are to be guaranteed across the board
- Commercial trends in the telecom sector
- Thus: A minimum standard
 - USO is about finding ways of meeting the needs of those remaining few whom the unregulated market might choose not to serve



The Universal Service Directive

- Concerns all electronic services
- Two parts:
 - Universal services - secure the delivery of universal services, fundamental telecommunications services
 - Fundamental consumer rights - direct obligations on the operators



Chapter 1: Scope, Aims, Definitions

- Art. 1 (1)
- "The aim is to ensure the availability throughout the Community of good quality publicly available services through effective competition and choice and to deal with circumstances in which the needs of end-users are not satisfactorily met by the market."
- Art. 1 (2)
 - Establishes the rights of end-users and the corresponding obligations on undertakings
 - Defines **the minimum set** of services of specified quality to which all end-users have access, at an affordable price in the light of specific national conditions, without distorting competition.
 - Mandatory services



Quality of service standards, Art. 11

- MS should take suitable measures in order to guarantee access/affordability for disabled users/users with special social needs
- Accessible public telephones, public text telephones, measures for deaf or speech impaired people, directory enquiry services, measures free of charge for blind or partially sighted people
- QoS standards have been developed for a range of parameters to assess the quality of services for subscribers
- Do not yet exist in respect of disabled users
- QoS Should be developed in these cases, foreseen in Art. 11



Current situation

- The number of households without telephone service and the gap in telephone penetration between MS has declined
- Demand for second telephone lines and traffic on existing lines has grown as the Internet phenomenon has accelerated
- A significant growth in purchases of PCs for residential use
- More steps are being taken to ensure the needs of lower income and disadvantaged customers
 - Customers can obtain service
 - Choose tariff packages
 - Control their expenditures
 - Pay bill in ways more tailored to their particular needs



- Some MS are not taking sufficient measures to identify the "un-telephoned" and the reasons for not subscribing to services
- In some MS wireless connections are being used as an alternative way of providing a fixed telephone line
- Others:
 - Services delivered by the cable television operator
 - Services delivered by a satellite connection



USO policy in Norway

- Access to a telephone is important for full social and economic inclusion in society, unfortunate to be excluded because you live in a remote rural area, are poor, old or have a disability
- In Norway a basic level of service is provided to everybody at the same price no matter where they live
- **Report to the Parliament (White Paper) No. 70 (1995-96) Art 3.3.1:**
- Universal service obligations means a minimum set of services and users' rights relating to electronic communications networks and services, of specified quality which is available to all users regardless of their geographical location and, in the light of specific national conditions, at an affordable price



The Telecommunications Act of 23 June 1995 No. 39. Amended on 26 June 1998, in force as of 1 July 1998

Section 1-3 Purpose

- a) fulfilment of national needs , efficient utilisation of resources, effective competition
- b) provision of basic telecommunications services on equal terms
- c) technical quality, security
- d) access to open telecommunications networks and telecommunications services
- f) services adapted to needs

Section 1-4 Essential requirements

- a) Security of life and health



Section 3-4

The NRA may by regulations, as a condition attached to a licence or by order impose requirements as inter alia:

- a) service quality
- c) emergency call services
- e) information systems for directory enquiries
- j) financing schemes attached to USO
- m) disabled persons' need for access, adapted telecommunications equipment



Report to the Parliament (White Paper) No. 70 (1995-96) Art 3.3.1

- 3.1.1 Universal services obligations
- The main goal is to secure all households and businesses nationwide fundamental telecom services at a high quality level to affordable prices.
- Until now:
 - Basic voice telephony (must be supplied everywhere, to all-year round housing and settlements and business activities)
 - Leased lines / transmission capacity (minimum set to be supplied everywhere)
 - Disabled persons needs , text phones for speech and hearing disabled/deaf, pay-back solutions for blind and weak sighted
 - Public call boxes , coin/card, affordable minimum prices
 - Special schemes designed to make telephony more affordable for those with low income



Who provides USO in Norway?

- Only the incumbent Telenor has provided USO until now
- Due to large market share and countrywide extensive networks
- Imposed on services: USO, SSO, emergency numbers
- Well established system in Norway
- Good coverage



The Service Licence for Telenor, in force 24 February 1999

- The main instrument of USO policy
- Required to provide a basic level of service to anybody reasonably requesting it
- At least one operator will ensure access to a basic telephony service offered at the same price throughout the country
- Licence obligation to provide a network of public pay phones
 - Despite the growing prevalence of mobile phones, public pay phones are still needed in their own right in order to provide access to telephony away from home
 - Useful function as substitutes for residential telephony



What are the USO products?

- Basic voice telephony (must be supplied everywhere, to all-year round housing and settlements and business activities)
- Certain extra services are included:
 - tone-dialling
 - blocking of a number
 - through connection
- Services to disabled persons
- Phone directory (white pages)
- Directory services (operator assisted)
- Public pay phones
- Leased lines / transmission capacity (minimum set to be supplied everywhere)



Future level of service and final goals

- Maintain and further develop security and safety
- Define requirements, propose investments
- Ensure implementation
- Information, awareness, advice
- Improve the existing regime
 - Connections to the fixed network able to support voice telephony and low speed data and fax transmission
 - The option of a more restricted service package at low cost
 - All consumers should be given the option of an outgoing calls barred service, together with a repayment plan, as an alternative to disconnection for non-payment

