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ANALYSIS REPORT

ON

THE APPLICATION OF ONP TO VOICE TELEPHONY

THE APPLICATION OF OPEN NETWORK PROVISION TO VOICE TELEPHONY

PREFACE

1. Purpose of the Report

Council Directive 90/387/EEC of 28 June 1990¹ provides a framework for drawing up proposals for Open Network Provision (ONP), applied to specific areas.

This *Analysis Report* has been drawn up by the Commission in accordance with Article 4(4) of the above-mentioned Directive, and concerns the application of ONP to voice telephony, as envisaged in Annex III of that Directive.

Following consultation with the ONP Committee and a period of public consultation on this *Analysis Report*, the Commission will draft a Directive for the application of ONP to voice telephony, for adoption by Council.

The *Analysis Report* sets out the main proposals in a concise form in order to facilitate the consultation process. In content, the *Analysis Report* draws upon a number of studies undertaken for the Commission, amongst others a recent detailed report on ONP and voice telephony².

2. Background

The improvement in telecommunications in the Community is an essential condition for the harmonious development of economic activities and a competitive market in the Community, from the point of view of both service providers and users.

The Commission has therefore adopted a programme, set out in the Green Paper³, for progressively introducing competition into the telecommunications market. The

¹ "Establishment of the internal market for telecommunications services through the implementation of open network provision." O.J. L192 vol. 33, 24 July 1990.

² "Study of the application of the ONP concept to voice telephony services", a report prepared under contract for the Commission by National Economic Research Associates, London (to be published).

³ "Towards a Dynamic European Economy : Green Paper on the development of the Common Market for Telecommunications Services and Equipment", reference COM (87) 290, dated 30 June 1987.

Council has expressed broad support for the objectives of this programme and in particular the progressive creation of an open community market for telecommunications services⁴.

The considerable technological advances in telecommunications over the last decades allow an increasing range of services to be provided.

The concept of Open Network Provision (ONP) is designed to harmonise access to and use of telecommunications networks and services throughout Europe, and to encourage the provision of new competitive telecommunications services, by ensuring a 'level playing field' for all market entrants.

The ONP framework Directive (90/387) of 28 June 1990 describes ONP and outlines general principles for the open and efficient access to public telecommunications networks and services. It contains a timetable for the phased implementation of ONP to specific areas, giving priority to leased lines, voice telephony, packet-switched data services (PSDS) and ISDN.

The Commission has already presented draft proposals on ONP for leased lines,⁵ and ONP and PSDS,⁶ and has published for public comment an Analysis Report on ISDN⁷.

3. ONP and Voice Telephony

Voice telephony is the most important service operated by Telecommunications Organisations, and it provides most of the revenue for expansion of the network infrastructure.

Underlying the *Analysis Report* are three basic goals for voice telephony:

- the need to establish the rights of users when dealing with Telecommunications Organisations
- the need to open up access to the telephone network infrastructure for competitive service providers and other telecommunications operators (eg mobile) on an equitable and non-discriminatory basis
- the need to give effect to the demands of the single market, particularly in the provision of European-wide telephony services, and in the planning and coordination of pan-European numbering.

⁴ OJ C257, 4.10.1988, p.1

⁵ COM (91) 30 14.2.91 - Proposal for a Council Directive on the application of open network provision to leased lines.

⁶ COM (91) 208 7.6.91 - Proposal for a Council Recommendation on the harmonised provision of a minimum set of packet-switched data services in accordance with open network provision principles

⁷ ONP Committee document ONPCOM90-23bis 'Analysis report on the application of ONP to ISDN', made available for public comment February - May 1991 (OJ 91/C/38/21, 14.2.91).

In this *Analysis Report*, the regulatory regime envisaged for voice telephony is one where National Regulatory Authorities have primary responsibility for regulation of national markets; where commercial considerations are the prime justification for the implementation of new features and facilities; and where the Commission, working in conjunction with the ONP committee, performs a minimum coordination role at Community level to ensure that users benefit from truly European voice telephony.

OUTLINE OF THE CONTENTS OF THE ANALYSIS REPORT

Chapter 1 defines the Scope, and explains that ONP conditions apply to both the voice telephony service and the underlying telephone network over which that service is provided.

Chapter 2 sets out the basic rights of the user to be connected to the network and to be supplied with telephony service of a defined quality.

Chapters 3 and 4 cover the more advanced requirements of service providers and other operators, including the important issue of interconnection.

Chapter 5 covers tariffs. It calls for cost orientation, but with appropriate consideration given to the specific requirements of large-scale users and low-usage users.

Chapter 6 calls for itemised billing.

Chapter 7 sets out the requirements for directory services.

Chapter 8 deals with telephone call boxes, and harmonisation of pre-payment cards.

Chapter 9 takes account of the specific requirements of handicapped users and other people with special needs.

Chapter 10 calls for common technical specifications for the telephone network interface, including the socket, taking account of the evolution of network technology (PSTN to ISDN).

Chapter 11 deals with numbering, and sets out goals for the coordination of numbering at a Community level.

Chapter 12 deals with usage restrictions and essential requirements.

Chapters 13 and 14 deal with procedures for harmonisation.

Chapter 15 describes reporting requirements, emphasising the role of the national regulatory authority.

Chapters 16,17 and 18 are general provisions.

ADDRESS FOR COMMENTS

Comments on this *Analysis Report* are invited, and should be sent, by 31 October 1991, to:

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1. SCOPE

This *Analysis Report* concerns the harmonisation of conditions for open and efficient access to and use of the fixed public telephone network and service, and the availability throughout the Community of a harmonised voice telephony service.

The requirements given are independent of the technology used in the public network to provide voice telephony service.

Terms are defined in Annex 1.

2. ACCESS TO AND USE OF THE VOICE TELEPHONY NETWORK AND SERVICE

2.1 Provision of service, connection of terminal equipment, and use of the network

Member States shall ensure that users have the right to:

- a) be supplied with a connection to the public telephone network, and to connect approved terminal equipment, including suitable wiring, to the public telephone network
- b) use the public telephone network for voice telephony and other services in accordance with Directive 90/388/EEC

in accordance with the relevant targets for supply and quality of service detailed in section 2.3.

A user may request the network termination point to be located at any reasonable location on the user's premises.

2.2 Publication of and access to Information

1. National regulatory authorities shall ensure that full and up-to-date information on access to and use of the public telephone network and voice telephony services is published according to the list of headings given in Annex 2.

The information shall be made publicly available and readily accessible by users.

2. National regulatory authorities shall notify to the Commission the manner in which the information is made available, and the Commission will publish a corresponding reference in the *Official Journal of the European Communities*.

Changes in the manner of publication shall be notified to the Commission who will publish a corresponding reference.

2.3 Targets for Supply time and Quality of service

1. National regulatory authorities shall ensure that targets are set and published for supply time and the quality of service indicators listed in Annex 3, and shall regularly review the performance of national telecommunications organisation(s) in fulfilling those targets.
2. Definitions, measurement methods, and targets shall be reviewed at least annually by the national regulatory authority, taking into account Community-wide convergence of quality of service criteria.

2.4 Right to compensation

1. National regulatory authorities shall ensure that subscribers have a contract which specifies the service to be provided by a telecommunications organisation and the compensation arrangements if the contracted service quality levels are not met. Specifically, compensation shall be provided for :
 - delay in provision of a service or service feature
 - non-availability of a service or service features to which the user has subscribed.
2. Standard contract conditions and compensation schemes used by telecommunications organisations shall be agreed in advance by the national regulatory authority.
3. Member States shall ensure that users have the right to institute legal proceedings against a telecommunications organisation, for example in the event of alleged breach of contract.

2.5 Implementation, and Community wide convergence

The procedures given in chapter 14 will be applied in relation to this chapter, in order to ensure convergence at a Community level.

3. ACCESS TO AND USE OF ADVANCED FEATURES OF THE VOICE TELEPHONE NETWORK AND SERVICE

3.1 Provision of advanced features

National regulatory authorities shall ensure the provision, subject to technical and economic feasibility, of the facilities listed in Annex 4(1) in accordance with the technical standards identified in chapter 13.

The national regulatory authority shall ensure that target dates for the introduction of these facilities are set and published, taking into account the guideline dates determined in accordance with the provisions of Annex 4(3).

3.2 Provision of advanced features which require Community wide cooperation

National regulatory authorities shall facilitate and encourage provision of the services and features listed in Annex 4(2) in accordance with the technical standards identified in chapter 13, through commercial arrangements between telecommunications organisations in conformity with the procedural and substantive rules of competition of the Treaty, and in response to user demand.

The national regulatory authority shall ensure that target dates for the introduction of these facilities are set and published, taking into account the guideline dates determined in accordance with the provisions of Annex 4(3).

3.3 Implementation and Community wide convergence

The procedures given in chapter 14 will be applied in relation to this chapter, in order to ensure convergence at a Community level.

4. INTERCONNECTION, INTERWORKING AND SPECIAL NETWORK ACCESS

4.1 Interconnection and special network access

1. National regulatory authorities shall ensure that, when requested, telecommunications organisations give access to their networks to competitive service providers and other telecommunications organisations, at network termination points other than the network termination points referenced in Annex 2, subject to commercial and technical agreements between the parties involved.
2. The national regulatory authority shall intervene if requested by either party, in order to set conditions that are non-discriminatory and are fair and reasonable for both parties. Interconnection agreements may include appropriate compensation in situations where different operating conditions for the relevant service, eg price controls or universal service obligations, are imposed upon the parties by the national regulatory authority. Any such access charges must be cost based and fully justified.
3. The national regulatory authority shall also have the right to intervene in the interest of users in order to ensure that such agreements are implemented in an efficient and timely manner, that they include conditions about conformance to relevant standards, and that they ensure that end-to-end quality is maintained.

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4. In accordance with the procedure in Article 4 of Directive 90/387/EEC, the Commission shall, in consultation with the ONP Committee, request standards for new types of network access to be drawn up by ETSI, for subsequent publication in the *Official Journal of the European Communities* under Article 5 of Directive 90/387/EEC.
 5. Details of network interconnection agreements shall be made available to the Commission on request. The national regulatory authority shall notify to the Commission all requests for network access which the national regulatory authority has refused to authorise, and the reasons for refusals.

4.2 Cross-border interworking

- 1 National regulatory authorities shall publish the names of those telecommunications organisations in their territory who are authorised to provide cross-border voice telephony service. The national regulatory authority shall notify the Commission who will publish the names in the *Official Journal of the European Communities*.
2. National regulatory authorities shall ensure that reasonable requests for cross-border interworking from a telecommunications organisation authorised by another Member State to provide cross-border voice telephony service are met. No request shall be refused without prior consultation of the respective national regulatory authorities.
3. All such agreements, and any refusals for cross-border interworking, shall be notified to the Commission, and the reasons for refusals.

4.3 Implementation and Community wide convergence

The procedures given in chapter 14 will be applied in relation to this chapter, in order to ensure convergence at a Community level.

5. TARIFF CONDITIONS AND COST ACCOUNTING PRINCIPLES

5.1 Tariff principles

1. National regulatory authorities shall ensure that tariffs for use of the telephone network follow the basic principles of cost orientation and transparency, and comply with the provisions given below.

a) Tariffs shall be independent of the type of information sent by the user.

b) Tariffs shall normally contain the following elements, each of which should be itemised separately for the user:

- an initial subscription charge, for connection to the telephone network and subscription to the telephone service
- a periodic rental charge, based on the type of service provided
- a periodic charge for optional features and facilities selected by the user
- usage dependent charges, which may vary with the number of calls, the duration of calls and their distance, the time, the day of the week, the facilities invoked.

Where other tariff elements are employed, these must be transparent and based on objective criteria.

5.2 Cost accounting

1. National regulatory authorities shall ensure that their telecommunications organisations formulate and put in practice a cost accounting system suitable for the enforcement of paragraph 5.1.

Without prejudice to paragraph 3) below, such a system shall normally identify the following elements:

- a) the direct costs incurred by the telecommunications organisation for the setting up, operating, maintaining, marketing and billing of the voice telephony service, excluding costs associated with the provision of competitive services or terminal equipment;
- b) common costs, that is costs which can neither be directly assigned to the voice telephony service nor to other activities;
- c) other costs included in the voice telephony tariffs for reasons of policy, eg universal availability of public service, service to handicapped people or people with special needs, emergency services, etc.

The common costs shall be allocated as follows:

- a) Whenever possible, common cost categories shall be allocated based upon direct analysis of the origin of the costs themselves.

- b) When direct analysis is not possible, common cost categories shall be allocated based upon an indirect linkage to another cost category or group of cost categories for which a direct assignment or allocation is possible. The indirect linkage shall be based on comparable underlying cost structures.
- c) When neither direct nor indirect measures of cost allocation can be found, the cost category shall be allocated based upon a general allocator computed by using the ratio of all expenses directly assigned or attributed to competitive services and to services which are provided under special or exclusive rights.
2. Other cost accounting systems may be applied only if they are suitable for the enforcement of paragraph 5.1 and have as such been approved by the national regulatory authority for application by the telecommunications organisation, subject to prior notification to and approval by the Commission.
3. The national regulatory authority shall provide the Commission with a description of the cost accounting system used.
4. The national regulatory authority shall ensure that the financial accounts of telecommunications organisations providing voice telephony services are audited on an annual basis by an independent body, in order to verify compliance of the telecommunications organisations' cost accounting practice with the provisions of this chapter. The audit shall include a report by the auditor on the accounts. The audited accounts shall be published within 6 months of the end of the period under review. On publication, the national regulatory authority shall send a copy of the audited accounts, including the auditor's report, to the Commission.

5.3 Discounts

Discounts may be offered to users against defined objective criteria approved in advance by the national regulatory authority, such as in cases where bulk provision results in reduced unit costs to the telecommunications organisation. The national regulatory authority shall seek justification of the underlying costs. Such discount schemes shall comply with Community competition law, and in particular with the general principle that the conclusion of contracts shall not be subject to acceptance of unrelated supplementary obligations. For example, discount schemes must not link provision of services provided under special or exclusive rights with services provided competitively.

5.4 Low usage schemes and other specific tariff provisions

National regulatory authorities may agree special tariffs for the provision of socially desirable services such as the emergency services, or for low-usage users or specific social groups like handicapped people.

5.5 Specific tariff features including weekend and night-time rates

National regulatory authorities shall ensure that tariff structures allow for reduced-rate night-time and weekend calls within the Community, and other such features which maximise effective and efficient use of the public telephone network, and shall ensure that appropriate implementation targets are set and published.

National regulatory authorities shall also encourage the introduction of new intra-Community tariff structures in response to technological development and user demand.

5.6. Special tariffs for projects of limited duration

National regulatory authorities may agree special tariffs for services provided in connection with specific projects of limited duration, such as pilot trials, special events, etc.

5.7 Implementation and Community wide convergence

The procedures given in chapter 14 will be applied in relation to this chapter, in order to ensure convergence at a Community level.

6. BILLING

National regulatory authorities shall ensure that targets are set and published for the provision of itemised billing in order to allow users to check their bills. Bills should itemise, subject to the level of detail permitted under relevant legislation on the protection of personal data and privacy:

- a) the composition of periodic subscription charges
- b) call charges for use of the public telephone network
- c) charges for services accessed via kiosk billing arrangements
- d) charges for rental and maintenance and of terminal equipment, where applicable
- e) other charges.

Under b) and c) above, a threshold per-call charge may be set, with the agreement of the national regulatory authority; calls costing less than the threshold charge need not be itemised individually.

7. DIRECTORY SERVICES

1. Subject to the requirements of relevant legislation on the protection of personal data and privacy, national regulatory authorities shall ensure that:

- a) directories of telephone subscribers are made available to users in either printed or electronic form, and are updated on a regular basis, at least once per calendar year
- b) telephone subscribers have the right to have or not to have an entry in publicly available directories, at no additional cost
- c) telecommunications organisations make directory information available in an agreed format to providers of competitive services on fair and reasonable terms.

8. TELEPHONE CALL BOXES

8.1 Provision of telephone call boxes for the public

National regulatory authorities shall ensure that telephone call boxes are provided to meet the needs of users, in terms of both numbers and geographical coverage, and

that it is possible to make emergency calls from all such telephones at no cost to the caller.

8.2 Telephone pre-payment cards

1. The Commission shall ensure that standards for a harmonised telephone pre-payment card and associated equipment suitable for use in telephone call boxes in all Member States are drawn up by ETSI and/or CEN/CENELEC. After consultation with the ONP Committee, the standards shall be referenced in the *Official Journal of the European Communities*.
2. National regulatory authorities shall ensure that targets are set and published for the progressive introduction of telephones complying with these standards. The introduction should begin within two years of publication of the standards in the *Official Journal of the European Communities*.

8.3 Performance criteria and usage features for telephones in public callboxes

1. The Commission shall request ETSI and/or CEN/CENELEC to draw up standards for performance criteria and usage features for pay-telephones used in telephone call boxes. A target set of common features and facilities is given in Annex 5. After consultation with the ONP Committee, standards for such a pay-telephone shall be referenced in the *Official Journal of the European Communities*.
2. National regulatory authorities shall ensure that targets are set and published for the progressive introduction of telephones conforming to these standards, in particular in railway stations, airports, and other locations used regularly by travellers. The

introduction should begin within two years of publication of the standards in the *Official Journal of the European Communities*.

9. SPECIFIC FACILITIES FOR HANDICAPPED USERS AND PEOPLE WITH SPECIAL NEEDS

National regulatory authorities may draw up specific conditions to aid handicapped users and people with special needs in their use of the voice telephony service, including for example the free provision of operator-assisted directory services to people with visual impairment, or the provision of telephone instruments with inductive couplers for people with hearing impairment.

10. COMMON SPECIFICATIONS FOR NETWORK ACCESS, INCLUDING THE SOCKET

1. The Commission shall request ETSI and/or CEN/CENELEC to draw up technical specifications for a harmonised single-line analogue network interface suitable for the provision of access to and use of the public telephone network in all Member States. The specification shall include the socket, the electrical conditions and the signalling protocol presented by the network at the interface. After consultation with the ONP Committee, standards for such a harmonised public telephone network interface shall be referenced in the *Official Journal of the European Communities*.
2. National regulatory authorities shall ensure that, within two years of publication of the standards in the *Official Journal of the European Communities*, network termination

points complying with these interface specifications are provided at the user's request for new subscriber lines, wherever technically and economically feasible.

3. Where voice telephony service is supplied to users over the ISDN network, national regulatory authorities shall ensure that, from 1 January 1994, the network termination point at the S/T reference point shall comply with the relevant interface specifications, including those for the socket, referenced in the list of standards published in the *Official Journal of the European Communities* on 29 December 1990 (OJ 90/C 327/12).

11. NUMBERING

11.1 National numbering

1. Member States shall ensure that the control of national telephone numbering plans is the responsibility of the national regulatory authority, and that numbers and numbering ranges are allocated in a fair, equitable and timely manner. A telecommunications organisation must not discriminate in the allocation of numbers between its own services and those services provided by others.
2. National regulatory authorities shall ensure that the national numbering plan, and all subsequent additions or amendments to it, is published, subject to limitations imposed on the grounds of national security.
3. National regulatory authorities shall ensure that, when number changes are implemented by a telecommunications organisation, adequate notice of number changes is given to users, and a recorded announcement is provided on the old

numbers for a specified period after the change has been made, at no charge to any user.

11.2 European Numbering issues

1. The Commission shall, in consultation with the ONP Committee acting as a Regulatory Committee in accordance with Article 10 of Directive 90/387/EEC, draw up plans for a harmonised intra-Community numbering scheme, with the objective of permitting the features listed in Annex 6 to be implemented in all Member States by agreed dates.
2. The numbering scheme to be drawn up and implemented by all Member States under 1) above may include both numbers and number ranges reserved for pan-European services, and numbers and number ranges reserved for the sole use of individual Member states.
3. The Commission shall initiate general preparatory work on portable numbering schemes, to allow telephone numbers to be moved from one network termination point to another. In due course, standards for such portable numbering schemes shall be published in the *Official Journal of the European Communities*.
4. The Commission, in conjunction with the ONP Committee, shall institute a mechanism for the allocation of unique individual numbers with pan-European significance. Such numbers, to include Green/Freephone numbers and numbers for services which use kiosk billing, shall be the same for all callers within the Community and shall remain the same wherever the owner is located within the Community.

12. USAGE CONDITIONS AND ESSENTIAL REQUIREMENTS

1. Member States shall ensure that restrictions on the use of the public telephone network or service are only imposed with the agreement of the national regulatory authority, based on the following:

- a) Infringement of special or exclusive rights

Any usage restrictions placed upon users on the basis of special or exclusive rights shall be imposed through regulatory means, and not through technical restrictions.

The national regulatory authority shall draw up procedures to deal with alleged infringement of special or exclusive rights, which provide for a transparent decision-making process in which due respect is given to the rights of the defendants. The decision shall be taken after having given the opportunity to both parties to state their case. The decision shall be duly justified and notified to the parties within one week; it shall not be enforced before its notification.

- b) Conditions generally applicable to the connection of terminal equipment to the network.

To the extent and as long as terminal equipment is used for the voice telephony service, the relevant usage and approval conditions for the terminal equipment shall include conditions which guarantee the interworking of the terminal equipment and the public telephone network and end-to-end interoperability of terminal equipment, in accordance with Directive 91/263/EEC of 29 April 1991 on *'The approximation of the laws of the Member States concerning telecommunications terminal equipment, including the mutual recognition of their conformity'*.

- c) Reasons based on essential requirements compatible with Community law.

Restrictions imposed on the basis of essential requirements shall be notified to the Commission. In accordance with article 3(5) of Directive 90/387/EEC the Commission will determine, together with the ONP Committee, the rules for uniform application of the essential requirements, where required.

Where access to or use of the telephone network is restricted on the basis of essential requirements, national regulatory authorities shall ensure that reference is made to the provisions of Directive 90/387/EEC.

Usage restrictions derived from essential requirements shall be imposed through regulatory means, and not through technical restrictions.

- d) Non-payment of bills, and other infringements of usage conditions

The national regulatory authority shall authorise *a priori* specified measures to cover common, defined infringements of usage conditions, including non-payment of bills. Such measures shall ensure that due warning is given to a user before service is interrupted.

13. IMPLEMENTATION TO HARMONISED TECHNICAL STANDARDS

1. National regulatory authorities shall ensure that, in the provision of the services, facilities and features called for in this *Analysis Report*, reference is made to:

- standards published in the *Official Journal of the European Communities*, in accordance with Article 5 of Directive 90/387/EEC,

or, in the absence of such standards,

- European standards adopted by ETSI, CEN/CENELEC, or another similar European standards institution

or, in the absence of such standards,

- international standards or recommendations adopted by CCITT, CCIR, ISO or another similar international body

or, in the absence of such standards,

- national standards or specifications.

2. Member States shall ensure that standards or specifications for use by telecommunications organisations are subject to the requirements of Directive 83/189/EEC *'laying down a procedure for the provision of information in the field of technical standards and regulations'*.

14. PROCEDURAL PROVISIONS FOR COMMUNITY-WIDE CONVERGENCE

1. Based on the reports provided by the national regulatory authorities under chapter 15, the Commission shall review progress towards convergence of targets and implementation of common services and facilities within the Community.
2. Where the Commission considers that, in relation to the requirements of chapters 2 to 11 above - and particularly chapters 2,3,4 and 5, the measures planned or taken or the targets agreed by national regulatory authorities are not achieving adequate convergence, the Commission shall initiate procedures, with the ONP Committee acting as a regulatory committee in accordance with Article 10 of Directive

90/387/EEC, in order to ensure amendment of the relevant targets, or amendment of the plans or measures for their attainment. In these procedures, due account will be taken of the state of network development and market demand in Member States.

3. In particular, with regard to those features requiring Europe-wide cooperation described in section 3.2, where commercial agreements between telecommunications organisations cannot be reached, the Commission shall initiate procedures, with the ONP Committee acting as a Regulatory committee in accordance with Article 10 of Directive 90/387/EEC, to determine conditions of interconnection and access in order to achieve the provision of harmonised features and facilities to users. Such procedures shall take account of the state of network development and market demand in the Community.

15. NOTIFICATION AND REPORTING

1. Member States shall notify to the Commission their national regulatory authority. The national regulatory authority shall be responsible for implementing the requirements described in this *Analysis Report*, including agreeing, publishing and reviewing targets, and monitoring performance against those targets.
2. National regulatory authorities shall notify to the Commission the telecommunications organisations permitted to provide voice telephony services in their territory.

3. The national regulatory authority shall make available to the Commission once each calendar year a report covering:

- the progress made by telecommunications organisations in achieving the targets agreed by the national regulatory authority under chapters 2 to 11 above
- details of refusals by the national regulatory authority to grant network access requests, (section 4.1)
- agreements and refusals for cross-border interworking (section 4.2)
- instances of infringements of special or exclusive rights (chapter 12).

The annual report shall be sent to the Commission within 3 months of the end of the annual reporting period.

4. As required by sections 5.2 and 5.3, the national regulatory authority shall notify to the Commission the cost accounting system used, and provide a description of the system.

16. CONCILIATION PROCEDURE

1. In the event of an unresolved dispute with a telecommunications organisation, in particular in respect of any of the provisions of the planned Directive, users, competitive service providers or other telecommunications organisations shall have a right of appeal to the national regulatory authority. National regulatory authorities shall implement procedures to deal with such disputes in a fair, timely and transparent manner.

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2. Where agreement cannot be reached at a national level, the procedure provided for in this chapter may be invoked by the aggrieved party by way of a written notification to the national regulatory authority and to the Commission.
 3. Where the national regulatory authority or the Commission finds that there is a case for further examination, following a notification based on paragraph 2, it can refer it to the Chairman of the ONP Committee.
 4. In such cases, the Chairman of the ONP Committee shall initiate the conciliation procedure if satisfied that all reasonable steps have been taken at a national level. The Chairman shall convene as soon as possible a working group including at least two members of the ONP Committee, the representatives of the national regulatory authorities concerned, and the Chairman or another official of the Commission appointed by him. The working group shall normally meet within ten days. The chairman may decide upon proposal of any of the members of the working group to invite a maximum of two other persons as experts to advise it.
 5. The working group shall give the party invoking this procedure, the Member States, the regulatory authorities of the Member States, and the telecommunications organisations involved the opportunity to present their opinions in oral or written form.
 6. The working group shall endeavour to reach agreement between the parties involved. The Chairman shall inform the ONP committee of the results of the procedure.
 7. The party invoking the procedure shall bear its own costs of participating in this procedure.

8. Action taken pursuant to this chapter shall be without prejudice to
 - a) any action that the Commission or any Member State might take pursuant to the Treaty, and in particular Articles 169 or 170 thereof ;
 - b) the rights of the party invoking the above procedure, of the telecommunications organisations concerned or of any other person under applicable national law except in so far as they enter into an agreement for the resolution of issues between them.

17. DEFERMENT

1. When a Member State is not able to or can foresee that it will not be able to fulfil certain requirements, it shall notify the Commission of the reasons.
2. Deferment of the obligations can only be accepted in cases where the Member State concerned can prove that the actual state of development of its public telephone network or the conditions of demand are such that the obligations would impose an excessive burden.
3. The Member State shall inform the Commission of the date by which the requirements can be met and of the measures envisaged in order to meet this deadline.
4. When the Commission judges that the proposed deferment is justified because of the particular situation of the Member State concerned, it shall confirm the date and measures proposed under paragraph 3 above.

18. TECHNICAL ADJUSTMENT

Modifications necessary to adapt the above provisions to new technical developments or to changes in market demand or to the needs of other services operated over public telephone networks shall be determined by the Commission, in conjunction with the ONP Committee acting as a regulatory committee in accordance with Article 10 of Directive 90/387/EEC.

ANNEX 1 DEFINITIONS

1. The following definitions taken from Directive 90/387/EEC apply.

- 'telecommunications organisations' means public or private bodies, to which a Member State grants special or exclusive rights for the provision of a public telecommunications network and, where applicable, public telecommunications services.
- 'special or exclusive rights' means the rights granted by a Member State or a public authority to one or more public or private bodies through any legal, regulatory or administrative instrument reserving them the right to provide a service or undertake an activity;
- 'public telecommunications network' means the public telecommunications infrastructure which permits the conveyance of signals between defined network termination points by wire, by microwave, by optical means or by other electromagnetic means;
- 'telecommunications services' means services whose provision consists wholly or partly in the transmission and routing of signals on a telecommunications network by means of telecommunications processes, with the exception of radio broadcasting and television;
- 'public telecommunications services' means telecommunications services whose supply Member States have specially entrusted *inter alia* to one or more telecommunications organisations;
- 'network termination point' means all physical connections and their technical access specifications which form part of the public telecommunications network and are necessary for access to and efficient communication through that public network;
- 'essential requirements' means the non-economic reasons in the general interest which may cause a Member State to restrict access to the public telecommunications network or public telecommunications services. These reasons are security of network operations, maintenance of network integrity and, in justified cases, interoperability of services and data protection.

Data protection may include protection of personal data, the confidentiality of information transmitted or stored as well as the protection of privacy;

- 'voice telephony' means the commercial provision for the public of direct transport of real-time speech via the public switched network or networks such that any user can use equipment connected to a network termination point to communicate with another user of equipment connected to another termination point;

2. In addition, for the purposes of this Report,

- 'public telephone network' means the public switched telecommunications infrastructure which is used for the provision of the voice telephony;
- 'competitive services' means services for which no special or exclusive rights may be granted in accordance with Community law;
- 'users' means end-users and service providers;
- 'subscriber' means users, comprising individuals or entities, who enter into a contract with a telecommunications organisation for a connection to the public telephone network. The subscriber is responsible for the payment of all charges and rentals;
- 'national regulatory authority' means the body or bodies in each Member State, statutorily distinct and functionally independent of the telecommunications organisations, entrusted by that Member State *inter alia* with the regulatory functions addressed in this Report;
- 'ONP Committee' means the committee referred to in Articles 9 and 10 of the Directive 90/387/EEC;
- 'kiosk billing' means a facility whereby charges for the use of a service accessed through a telecommunications service are combined with the charges for the usage of the telecommunications service which is used for the access; the service is also known as a 'premium rate service'.

The provider of the telecommunications service which is used for accessing the competitive service invoices its users, collects the charges for both services, and transfers the revenue for the provision of the competitive service to the provider of the competitive service. The provider of the competitive service pays a fee to the provider of the telecommunications service which is used for access;

- 'DTMF telephone' means a push button telephone that transmits 'dual tone multi frequency' signals representing the digits 'dialled' by the user.

ANNEX 2 HEADINGS FOR INFORMATION TO BE PUBLISHED**1. TELECOMMUNICATIONS SERVICES OFFERED****1.1 Types of connection to the public telephone network**

Technical characteristics of interfaces at commonly provided network termination points are required, including reference to national and/or international standards:

- for analogue networks;

- a) single line 2 wire interface
- b) multi line interface
- c) direct dialling in (DDI) interface
- d) other interfaces commonly provided

- for ISDN;

- e) specification of basic and primary rate interfaces at the S/T reference point, including the signalling protocol
- f) details of bearer services offered
- g) other interfaces commonly provided

- and any other interfaces commonly provided.

Telecommunications organisations should also publish any known network characteristics which could affect the correct operation of approved terminal equipment.

1.2. Telephone services offered

Description of basic telephony service offered, including subscriber services (eg operator services, directories).

Description of optional facilities and services which are tarified separately from the basic offering, including reference to the relevant technical standards or specifications to which they conform.

1.3 Tariffs

- covering access, usage, maintenance, and including details of discount schemes

1.4 Compensation/refund policy

1.4 Level(s) of maintenance service offered

1.5 Ordering procedure

including designated contact points within the telecommunications organisation

1.6 Standard contracts

including any minimum contractual period, if relevant

2. INFORMATION ON REQUIREMENTS FOR USERS

- a complete overview of all factors which have an impact on the usage conditions set out for voice telephony.

This shall include a clear description of any licensing conditions which have to be met by the user or by his customers, where applicable:

- information on the character of the licensing conditions, in particular whether registration and/or authorisation is required on an individual basis by the user, or whether the licence is of a general nature which does not require individual registration and/or authorisation;
- the duration of the licence;
- a list referring to all documents containing relevant licensing conditions which the Member State imposes.

3. CONDITIONS FOR ATTACHMENT

- of voice and non-voice terminal equipment as approved by the national regulatory authority, subject to the provisions of Council Directive 91/263/EEC of 29 April 1991 on *'The approximation of the laws of the Member States concerning telecommunications terminal equipment, including the mutual recognition of their conformity'*.

4. USAGE RESTRICTIONS

- in accordance with the requirements of chapter 12

5. PERFORMANCE AND QUALITY OF SERVICE PARAMETERS

Definitions, measurements methods, targets and achieved performance figures (see chapter 2).

6. TARGETS FOR THE INTRODUCTION OF NEW SERVICES, FEATURES, FACILITIES AND TARIFFS

- in accordance with the requirements of chapters 3 to 10

7. THE NATIONAL NUMBERING PLAN

- in accordance with the requirements of chapter 11

ANNEX 3 SUPPLY TIME AND QUALITY OF SERVICE INDICATORS

The following quality of service indicators are to be employed under section 2.3:

- supply time for initial network connection
- fault rate per connection
- fault repair time
- call failure rates for national, intra-Community and international, extra-Community calls
- response times for operator services
- serviceability of coin and card-operated telephones in public telephones boxes
- billing accuracy,
- dial tone delay
- call set up delay
- transmission quality (eg signal-to-noise ratio, signal propagation delays, frequency characteristics)

ANNEX 4 MINIMUM SET OF ADVANCED FACILITIES AND FEATURES TO BE PROVIDED

1. The following facilities and features are to implemented in Member States under Section 3.1.

Call transfer

(ie transfer of an established call to a third party)

Call forwarding

(ie incoming calls sent to another destination,
on no reply, on busy, or unconditionally)

DTMF operation

Direct dialling in

(or facilities offering equivalent functionality)

-
2. The following services, facilities and features requiring European wide cooperation are to be implemented under section 3.2

European wide kiosk billing

- (including flexibility for the private service operator to choose the charge for a call, up to a maximum set by the national regulatory authority)

European wide access to green/freephone services

Reverse charging service feature

- for calls which are terminated and originated within the Community.

Calling line identity

Cross-border access to operator services

Cross border access to directory enquiry services

and, subject to further study,

network management facilities

virtual private networks

universal personal telecommunications

3. Guideline dates for the implementation of the facilities listed in paragraphs 1) and 2) above shall be established by the Commission in consultation with the ONP Committee, taking into account the state of national network development and market demand.

ANNEX 5 TARGET SET OF COMMON FEATURES FOR PAY TELEPHONES FOR TELEPHONE CALL BOXES

The following represents a target set of features for a pay telephone for use in telephone callboxes, for which standards will be drawn up under section 8.2:

- acceptance of the standard pre-payment card referred to in section 8.1
- harmonised operation when using credit/debit cards
- harmonised usage procedures (in terms of the sequence of operations, visual indications given to the user etc), and instructions in a range of Community languages where possible
- a standard socket, or equivalent means of connection (eg an infra-red link) to which portable computers, modems etc can be connected (but which does not bypass the charging mechanism)
- facilities for handicapped users and people with special needs, including access and use by wheelchair users
- facilities for inductive loop coupling for deaf aid users, to a standard specification

and, for further study

- harmonised call progress tones (for those public telephones connected to digital networks)
- facilities for end-to-end user signalling.

ANNEX 6 COMPONENTS OF A HARMONISED INTRA-COMMUNITY NUMBERING SCHEME

The following are priorities to be considered under section 11.2:

- standard prefix 00 for international calls*
- a standard number for directory enquiries
- a standard number for access to the local telephone operator
- a standard number for credit card calls
- standard number ranges for mobile services
- standard prefixes for green/freephone (called party pays all) and shared cost calls (called party pays only local call charges)
- standard prefixes for access to value-added services which use kiosk billing, related to costs
- a single country code for Europe, to allow a unique access code for pan-European services.

Further study is required for:

- other elements of a harmonised Community numbering scheme
- a general analysis of global number portability.

* The Commission has submitted a proposal for a Council Decision on the harmonisation of the international access code. COM (91)165 (23 May 1991).

Brussels, 12 July, 1991
XIII/D/2

Directorate-General
Telecommunications, Information Industries and Innovation
Telecommunications Policy
Regulatory Aspects, Analyses and Sector Studies

NOTE TO MESSRS

CARPENTIER, WELTEVREDEN, HUBER, HARDY

LALOR, TOLEDANO, GARRIC, PEETERS

BERBEN, TOSCANO, SPOHR, SIMMONS, HOWARD, SCOTT, DEFRAIGNE,
DE COCKBORNE, GEBHARDT, MADURAUD, CORDARO, HOLT, CAWLEY,
WHITE, BORTHWICK, BLANC, JOHNSON, LUIS

VALENTIN, SALVARANI, BALLABIO, RICHTER, KONIG, HOWELL, TAHIR

WILKINSON, LIBERTALIS, BIRKETT

GOURVES, KONIDARIS, BIGI, SIOTIS, ROSENBAUM, TRENCH

CC: COSTELLO (CABINET PANDOLFI)

SUBJECT: ANALYSIS REPORT
THE APPLICATION OF ONP TO VOICE TELEPHONY

Attached is a copy of the above *Analysis Report*, which is being sent out for public comment via an announcement in the Official Journal.

This Report represents a major milestone in development of the European regulatory framework, addressing the key issues of inter-operability and access to networks.

I would like to thank Mr Berben and his team, and in particular Mr Scott, for their fine efforts in producing this Report.



H UNGERER