Body of European Regulators for Electronic Communications

BEREC

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BEREC update survey on the implementation and application of the universal service provisions – a synthesis of the results

24 February 2017

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1. Executive Summary

In this document BEREC presents a synthesis of the main results of a survey on the implementation and application of Universal Service (US) provisions with BEREC members. It provides an update to the 2014 internal report on the same issue.[1]

The report incorporates the responses from a total of 31 NRAs, including all EU member states except Belgium, as well four non-EU members (Iceland, Montenegro, Norway and Switzerland). It has been possible to derive a general picture of the situation in Europe for some of the aspects covered, while in some particular areas it has proven complex to extract a pattern out of the responses.

First of all, concerning implementation issues, at least one US provider has been designated in each one of the respondent countries, with the exception of Germany, Estonia, Luxembourg, Poland, Romania and Sweden. As the Universal Service Directive requires Member States to ensure that the relevant services are made available, non-designation of a US provider does not necessarily imply that the requirements are not met if such services are available through normal commercial provision.

Eight countries (Croatia, Cyprus, Czech Republic, France, Greece, Hungary, Netherlands, and Portugal) used competitive designation mechanisms to designate the US provider either for all or for part of the services encompassed within the scope of the Universal Service Obligations (USO). The designation period of US providers in European countries exhibits a visible variance which might result from inherited historical backgrounds.

Apart from some countries where there is no compensation fund in place, the most commonly found way to fund the USO net costs is via sectoral funding. Of the 19 cases in which operators contribute to the compensation fund, in only two countries (EE and IS) all operators are obliged to contribute, whilst in the remaining countries only some operators are required to contribute, through a minimum income/revenue/turnover threshold. Among the countries where operators are part of a funding mechanism, in two cases (Poland and Portugal) a ceiling was established for the operators' contributions which is related to operators' annual revenues/turnover.

Looking at the criteria used to assess the possibility of any unfair burden, the most frequently used is a combination of "revenues, market power and profitability", followed by "economic and financial obligations".

In a significant number of countries, the USO net costs were calculated at least once; in most cases either using a fully distributed cost (FDC) methodology or a net avoidable cost (NAC) methodology. Among the cases where USO costs were calculated, intangible benefits were taken into consideration in 15 countries.

Secondly, concerning the US scope, fixed access is the service most frequently found within the scope, but subscriber directories, directory enquiry services, public payphones and

[1] The 2014 report synthesised the responses to a questionnaire launched at the request of the European Commission – BoR (14) 95 EC questionnaire on the implementation and application of the universal service provisions, 2 July 2014.

measures for disabled end-users are also prevalent elements. Only in a limited number of cases (ten) have countries added services which are outside the basic scope explicitly foreseen in the US Directive. In most of the cases, the USO is provided at a national geographic level.

For the countries that responded to the two questionnaires (31 countries), in comparison with the data provided in the 2014 report, there are no significant variations in access to fixed telephony. Only Latvia removed this service from the scope of universal service obligations since the time of the previous report. With regard to directory enquiry and telephone directory services, out of the 10 and 12 countries, respectively, that were running these services through the universal service mechanism in 2014, 4 countries have removed it from the USO scope (LV, MT, NL, NO) and 3 have estimated that these services could efficiently be provided through markets mechanisms (DE, FR, AT). Public payphones are still included in 14 countries, whereas 4 countries (CY, NO, SK, FR) have removed it since the previous questionnaire. There has also been a slight increase in the countries that have established measures targeting users with disabilities from 22 in 2014 to 25 in 2017.

Thirdly, with regard to the broadband section of the questionnaire, relatively few countries included a broadband connection within the scope of USO. However, a significant number of countries are taking measures, at national level, which are outside the scope of USO but aim at providing end-users with a functional or high quality broadband connection.

The analysis related to the tariff structure for fixed broadband or mobile broadband should be handled with caution, due to the lack of a common reference value (in general neither an average speed nor a precise tariff plan was indicated). Tariff differences between regions, in the case either of fixed broadband or mobile broadband, were found infrequently.

Given the above mentioned data limitations and the fact that a broadband connection is frequently offered in a bundle (e.g. with fixed telephony and or pay television), it was complex to determine a tariff for the mobile or fixed broadband connection itself.

Finally, with regard to competitive impacts, the majority view is that the USO does not significantly affect market competition. Furthermore, complaints concerning alleged distortive competitive effects and pending national court proceedings in the context of US were reported in eight countries.

2. Introduction

According to Article 15 of the Universal Service Directive (USD) the European Commission has a legal obligation to periodically review the scope of universal service in light of social, economic and technological developments.

The European Commission started working on potential revisions to the Universal Service provisions in 2014. At this time BEREC launched a questionnaire on behalf of the European Commission and, based on the results, adopted an internal report on the implementation and application of the universal service provisions among NRAs.

In September 2016, the European Commission's proposals included a review of the universal service provisions.

Following these developments, this report provides an update to the 2014 internal report, reviewing the current state of implementation of Universal Service provisions among members of BEREC. It covers issues such as the designation of Universal Service Providers, assessment of net costs, compensation mechanisms, assessment of unfair burden, assessment of the impact of the Universal Service provisions upon competitive outcomes, and measures NRAs have implemented on the affordability aspect of universal service obligations, such as retail price caps.

The report synthesises the responses from a total of 31 NRAs. It has been possible to derive a general picture of the situation in Europe for some of the aspects covered, while in some particular areas it has proven complex to extract a pattern out of the responses.

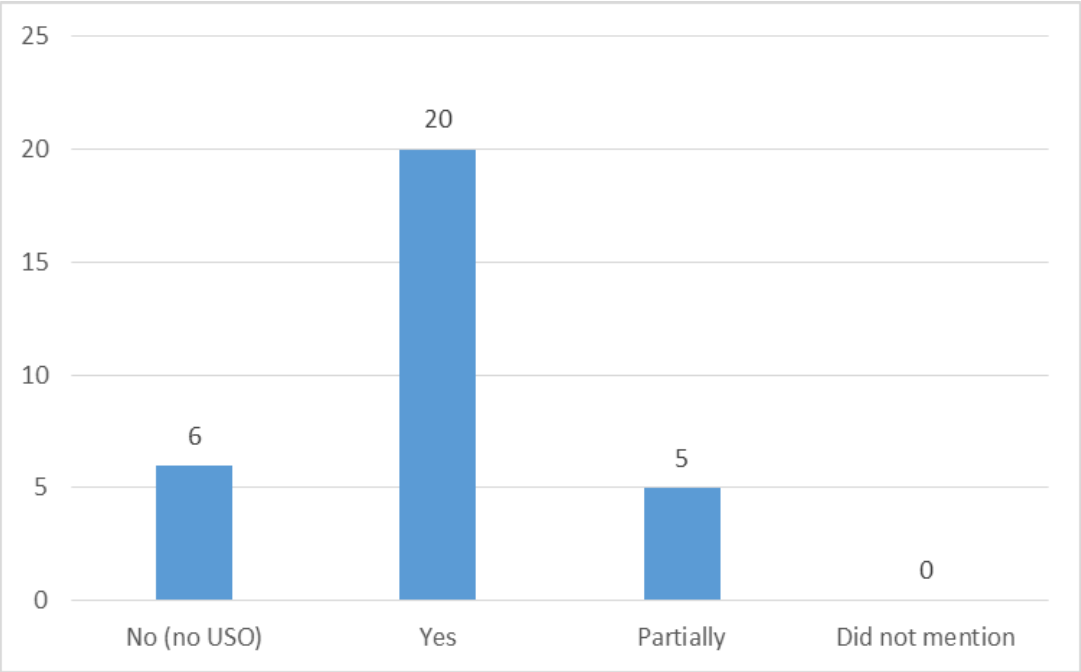
The structure of the current document is aligned with the structure of the 2014 report. Section three deals with implementation issues. Aspects related to the scope of the Universal Service are dealt with in section four, whilst section five focuses on broadband matters. Section six covers other issues (divers), specifically: impacts on the competitive environment and pending national court proceedings.

3. Implementation

3.1 Implementation in general

With the exception of Germany (DE), Estonia (EE), Luxembourg (LU), Poland (PL), Romania (RO) and Sweden (SE), at least one US provider was designated in each of the respondent countries for some or all services included in the Universal Service Directive. As the Universal Service Directive requires Member States to ensure that the relevant services are made available, non-designation of a US provider does not necessarily imply that the requirements are not met if such services are available through normal commercial provision. Of those countries that did have some form of universal service obligation (USO) in place, 15 reported that a competitive designation process was not used to select the provider for any part of the service, either because it was not deemed appropriate to do so or because there were not enough interested parties to conduct a competitive tender. Eight countries (CY, CZ, EL, FR, HR, HU, NL, and PT) used a competitive design mechanism for some or all of the services included in the USO scope in which more than one operator participated.

Figure 1 – Is there a US regime in operation?



3.2 US Providers

A. Which (and how many) operator(s) have been designated as US provider(s) and for how long?

Amongst groups of countries which had used a USO designation, 14 had designated one provider, while 12 designated two or three.

Figure 2 - How many operators are currently designated as USPs?

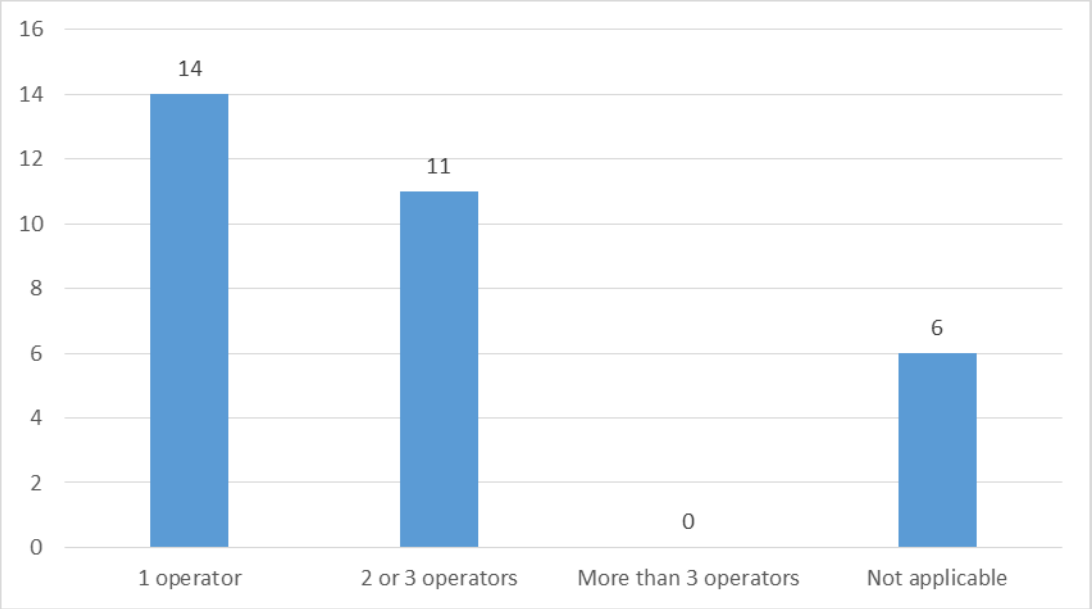


Table 1 provides an overview on which operators have been designated in each country, for what services and universal service obligations and for how long. With regard to the last issue, there are some visible differences between European countries, possibly derived from inherited historical backgrounds. There is no evidence, however, that these differences are not compatible with the EU regulatory framework or are resulting in some type of market distortion.

Table 1 Overview of designated US providers

2.A	2.A.1 How many operators are currently designated as USPs?	2.A.2 Which operators have been designated as USPs?	2.A.3 For what services?	2.A.4 For how long? (years)
EU MS				
CY	1	Cyta	Connection and access to a fixed public telephone service, electronic telephone directory, directory enquiry services, services and/ or facilities for disabled users, and special retail packages for people with low income and/ or special needs, free calls to certain services and free emergency telephone numbers.	3 years (Until 31, December 2017)

2.A	2.A.1 How many operators are currently designated as USPs?	2.A.2 Which operators have been designated as USPs?	2.A.3 For what services?	2.A.4 For how long? (years)
BG	1	BTC	All USO	NA/Indeterminate
CZ	1	O2 Czech Republic Telefónica	Public payphones, special measures for disabled end-users, specially provided terminal equipment.	3
DK	1	TDC	Access, public telephone service (pts), subscriber directory, directory enquiry services, text relay services,	NA/Indeterminate
DE	NA	NA	NA	NA/Indeterminate
EE	0	NA	NA	NA/Indeterminate
EL	2	Forthnet	Access, pts, internet	3
		OTE	Directory services, subscriber directory, public payphones	5
IE	1	Eircom	access, pts, directory services, public payphones, AFL (functional internet access; Reasonable access request; GAP; control of expenditure) Public payphones Directories	5 years (2016-2021) 4 years (2014-2018) 4 years (2014-2018)
IT	1	Telecom Italia	Access, public payphones, measures for disabled users, quality performance targets	N/A
ES	2	Telefónica de España, S.A.U.	Access, functional internet access, pts and directory services.	3, except for directory services which is for 1 year

2.A	2.A.1 How many operators are currently designated as USPs?	2.A.2 Which operators have been designated as USPs?	2.A.3 For what services?	2.A.4 For how long? (years)
		Telefónica Telecomunicaciones Públicas	Public payphones.	1
FR	2	France Telecom / Orange	Access and pts.	3
FI	3	DNA Oy	Pts, Functional internet access, measures for disabled end users	3
		Elisa Oyj		
		TeliaSonera Finland		
HR	2	HT d.d.	Access, public payphones, measures for disabled end-users, special tariff systems adjusted to end-users with special social needs.	4
		Imenik d.o.o.	Subscriber directory, directory enquiry services (including for disabled end-users).	4
LV	1	Lattelecom	All USO	NA/Indeterminate
LT	1	Telia Lietuva, AB (previously TEO LT AB)	Access, public payphones, directory enquiry services, measures for disabled end users	NA/Indeterminate
LU	NA	NA	NA	NA/Indeterminate
HU	3	Magyar Telekom Nyrt (in its SMP geographic area)	Access, pts and subscriber directory.	3
		UPC Kft (in its SMP geographic area)	Access, pts and subscriber directory.	3
		Invitel Zrt (in its SMP geographic area)	Access, pts and subscriber directory.	3
		Invitel Zrt	Directory enquiry services.	3
MT	1	Go plc	All USO	NA/Indeterminate
NL	1	KPN	All USO (except relay service for hearing impaired)	NA/Indeterminate
		KPN	Relay service for hearing impaired.	5

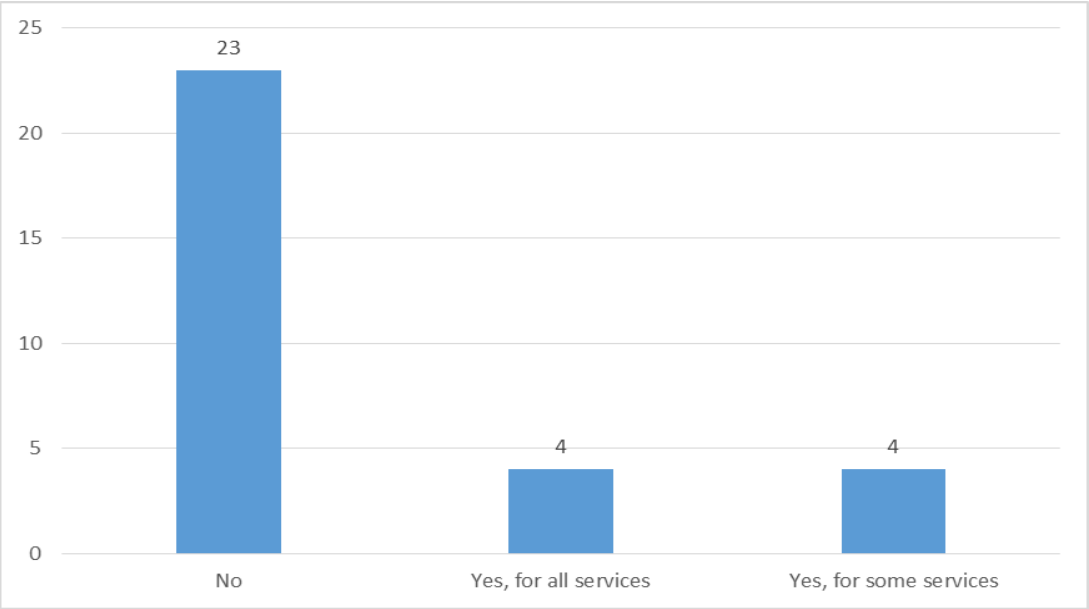
2.A	2.A.1 How many operators are currently designated as USPs?	2.A.2 Which operators have been designated as USPs?	2.A.3 For what services?	2.A.4 For how long? (years)
AT	1	Telekom Austria	Public payphones.	NA/Indeterminate
PL	0	N/A	NA	NA/Indeterminate
PT	2	NOS Comunicações S.A	Access, pts, measures for disabled end-users, special tariff systems adjusted to retirees and pensioners.	5
		MEO – Serviços de Comunicações e Multimédia, S.A.	Public payphones.	5
		MEO – Serviços de Comunicações e Multimédia, S.A.	Subscriber directory and directory enquiry services.	3
RO	NA	NA	NA	NA/Indeterminate
SI	3	Telekom Slovenije d.d.	Access, pts, internet access	3
		TS Media d.o.o.	Public directory service and directory inquiry service	5
		Telekom Slovenije d.d.	Public payphones	5
SK	1	Slovak Telekom	All USO	DNM
SE	NA	NA	NA	NA/Indeterminate
UK	2	BTC	Access, pts, call box services, directory information database and directories tariffs for universal services and schemes for consumers with special social needs, itemized billing and quality of service.	NA/Indeterminate
		KCOM	Same as for BT, except DQ obligations.	NA/Indeterminate
Non EU MS				
IS	2	Mila ehf.	Access, pts,	NA
		Neyðarlínan ohf.	Emergency services	

2.A	2.A.1 How many operators are currently designated as USPs?	2.A.2 Which operators have been designated as USPs?	2.A.3 For what services?	2.A.4 For how long? (years)
ME	2	Crnogorski Telekom A.D.	Access.	NA
		Mtel d.o.o	Subscriber directory and directory enquiry services.	NA
NO	1	Telenor ASA	Access, measures for disabled end-users.	NA/Indeterminate
CH	1	DNM	All USO	10

B. In case of a competitive designation mechanism was there more than one operator interested in providing the USO, and if so for all obligations and for the entire territory?

In the eight instances where a competitive designation mechanism was in place (i.e. where more than one operator participated in a tendering process), only four countries (CY, EL, HR, PT) ran such a process for all services across the countries. Otherwise, competitive tenders were focused only on specific services and/or specific geographic areas (as in CZ, FR, HU, NL).

Figure 3 - Was there more than one operator interested in providing USO?



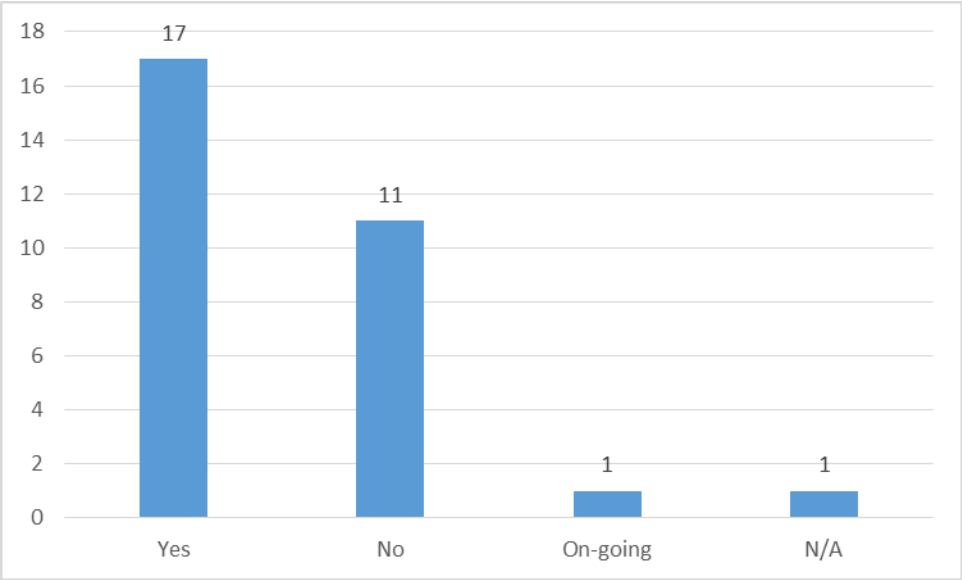
3.3 US Net Cost

According to the universal service Directive[2], the Universal Service Provider ("USP") may submit a request for funding for a claimed net cost of meeting the Universal Service Obligation and that the National regulation authority (NRA) is obliged to assess such a request.

Where national regulatory authorities consider that provision of universal service […] may represent an unfair burden on undertakings designated to provide universal service, they shall calculate the net costs of its provision[3].

A. The calculation of net costs of providing the Universal Service Obligations[4]

Figure 4 - Have the net costs of providing the universal service obligations ever been calculated?



17 of the respondents reported that the respective countries have calculated at least once the net cost of providing the USO (BG, CY, CZ, DK, ES, FR, HU, IE[5], IT, LT, LV, ME, MT, PL, PT, SI, UK). Slovenia, Cyprus and Lithuania specified that the calculation was made by the US provider[6]. Greece[7] is in the process of evaluating for the first time the USO net cost.

Some of the respondents reported that their respective countries have never calculated the net cost of providing the USO. In Switzerland, the US incumbent never asked for financial

[2] Directive 2002/22/EC, Article 13.
[3] Directive 2002/22/EC, Article 12.
[4] No data were available for this question for Germany.
[5] Calculated for 2009-2010.
[6] 2014 was the last year when this calculation took place for Slovania, and 2012 was the last year when this calculation took place for Cyprus. In Cyprus, based on the national legal framework, the burden of proof lies with the USP. In Lithuania, for each compensation application of the Universal Service Provider, the NRA verifies its US net cost calculations.
[7] OTE (the Universal Service Provider until the end of 2016) has already applied for compensation concerning the net cost of the Universal Service Obligation for the years 2010-2015. EETT is in the procedure of running audits concerning OTE's requests but has not published yet any final decision.

compensation so far. Croatia and the United Kingdom developed a cost model but have never made an entire cost calculation.

In Cyprus a relevant claim was submitted by Cyta for the year 2012, however it was not justified and therefore was rejected by OCECPR.

In IE, SK and the UK the provision of universal service is not considered as an unfair burden.

B. The methodology used for calculating the US net cost.

The appropriate costing methodology for calculating the net cost is not prescribed by the European law and the decision on which to use is, to a great extent, left to the discretion of a national regulatory authority ("NRA"). The calculations of the net cost of the USO performed by the 17 NRAs or USPs during the last decade are mainly based on three groups of methodologies[8]: the Deficit Approach with Fully Allocated Cost; the Net Avoidable Cost approach; and the Profitability Cost approach.

Deficit Approach with Fully distributed cost (FDC) corresponds to the sum of losses of loss making USO products netted off by the profits of profitable USO products, as reported in the USP accounts.

FDC method is a top-down costing approach that assumes that there exist some accounts that can be specifically allocated to a single service, while other accounts are classified as common or overhead cost to two or more services. To allocate common costs, input coefficients are usually developed as parameters to be estimated when dividing common costs among groups of shared inputs.

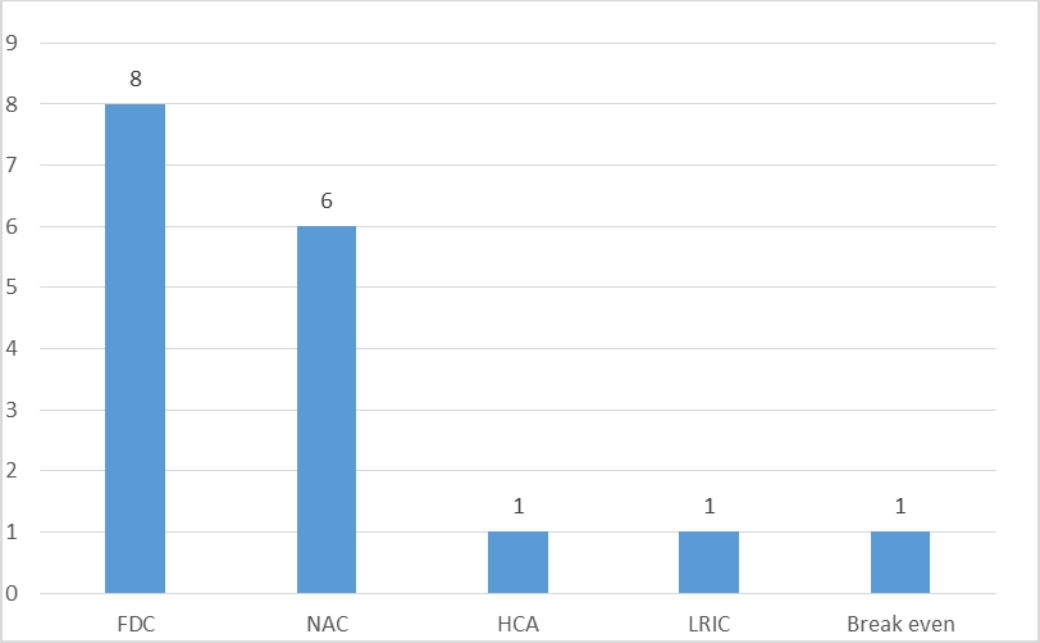
Net Avoidable Cost (NAC) corresponds to the sum of the loss-making USO products, where a product in this context is broken down in elements of products along a number of dimensions. (e.g. format, delivery zone, type of sender, class). This approach put emphasis on the fact that the net cost arises from the joint obligation of charging a product at a geographically uniform price.

With **the Profitability Cost approach**, the net cost of the USO is measured as the difference between a USP's profit level with and without USO in a liberalized market. The Profitability Cost can also be expressed as the net avoidable costs – given by the sum of the change in incremental costs and the change in revenues.

The NAC and the PC approaches measure the change in a USP's profitability associated with moving between operating with and without the USO – termed the base case and counterfactual in this report. These approaches seek to estimate the cost of the USO by estimating how much the USP's profits would increase if the USP did not have to provide the USO.

[8] Definitions are based on the "Study on the principles used to calculate the net costs of the postal USO" January 2013, Frontier Economics.

Figure 5 - Methodology used to evaluate the net cost of USO



Among the 18 countries which have already calculated the net cost of the USO (BG, CY, CZ, DK, EL[9], ES, FR, HU, IE, IT, LT, LV, ME, MT, PL, PT, SI, UK), eight (CZ, DK, EL, IT, LV, ME, MT, PL) have based their calculation using an FDC methodology and six (ES, FR, HU, LT, PT, UK) followed a NAC methodology. Bulgaria calculated the net cost on the basis of the Rules for net costs calculation for the provision of universal service, adopted by CRC. In Cyprus, based on the legal framework in effect in 2012, a LRIC cost methodology was used by the USP in the calculation of the net cost of the USO.

In Slovenia, the US provider has used the break-even point, while in Ireland the USO net cost was calculated using an HCA approach.

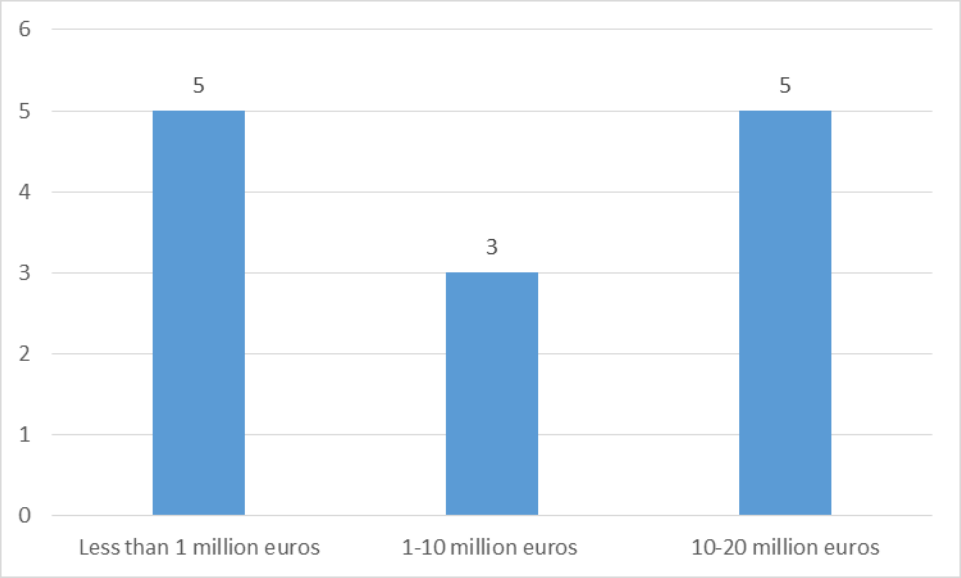
ComReg considered that the Historic Cost Accounting ("HCA") costing methodology, as opposed to either the Long Run Incremental Average Cost ("LRAIC") or the Current Cost Accounting ("CCA") methodologies, would more likely reflect the actual net cost of serving end-users, or groups of end-users, (i.e. uneconomic customers or uneconomic areas) where it is unlikely that an operator would invest in the short to medium term absent the USO.

However, the data gathered does not provide any solid evidence as to whether these methodological differences might be materially relevant or not.

The final amount of the calculated USO net cost varies significantly from country to country, depending mainly on the country size and on the USO scope.

[9] Greece is in the process of evaluating for the first time the USO net cost.

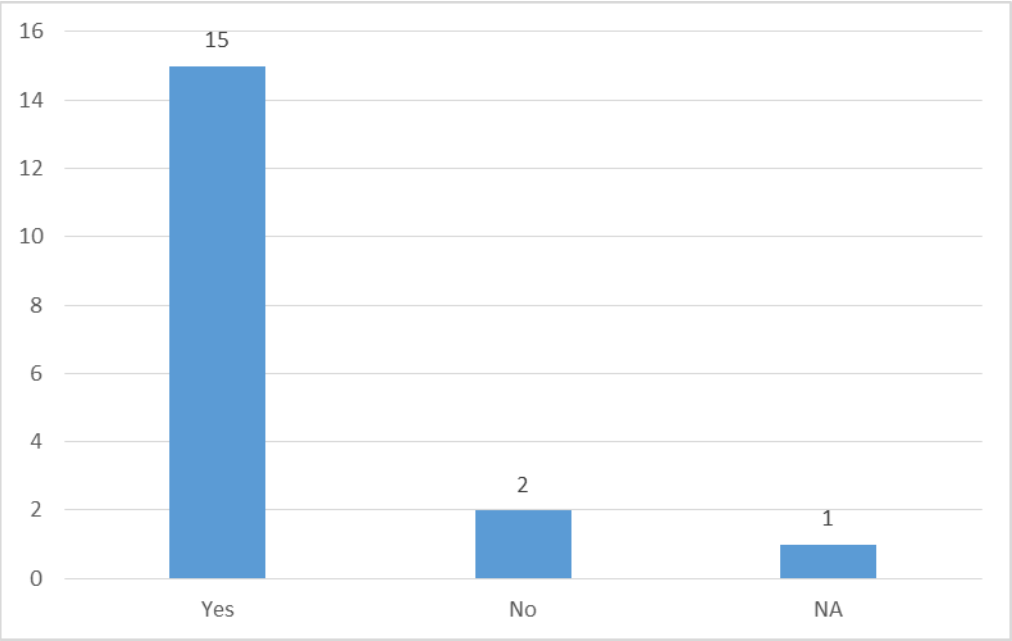
Figure 6 - The final amount of net costs



In five countries (HU, LT, LV, ME, MT), the USO net cost is less than 1 million euros[10]. In three countries (CZ, DK, PT), the USO net cost is between 1 and 10 million euros. In five countries (BG, ES, FR, IE, PL) the USO the net cost is between 10 and 20 million euros.

C. The inclusion of market and intangible benefits into the US net costs calculation

Figure 7 - Have market and intangible benefits been taken into consideration?



Among those countries that have evaluated the USO net cost, 15 countries (BG, CY, CZ, EL, ES, FR, HU, IE, IT, LT, LV, MT, PL, PT and UK) considered intangible benefits in their evaluation, such as brand image, life cycle, ubiquity and subscribers' data base access.

[10] In Italy, the most recently calculated net cost, in 2006, was 0.

In the Czech Republic, in 2015, no intangible benefits for that mentioned case were calculated.

Denmark reported that intangible benefits were not found. Montenegro did not mention specific information with regarding to this issue.

3.4 Compensation Mechanism

According to Article 13 of the Directive, "Member States shall, upon request from a designated undertaking, decide:

a) to introduce a mechanism to compensate that undertaking for the determined net costs under transparent conditions from public funds [public funding]; and/or

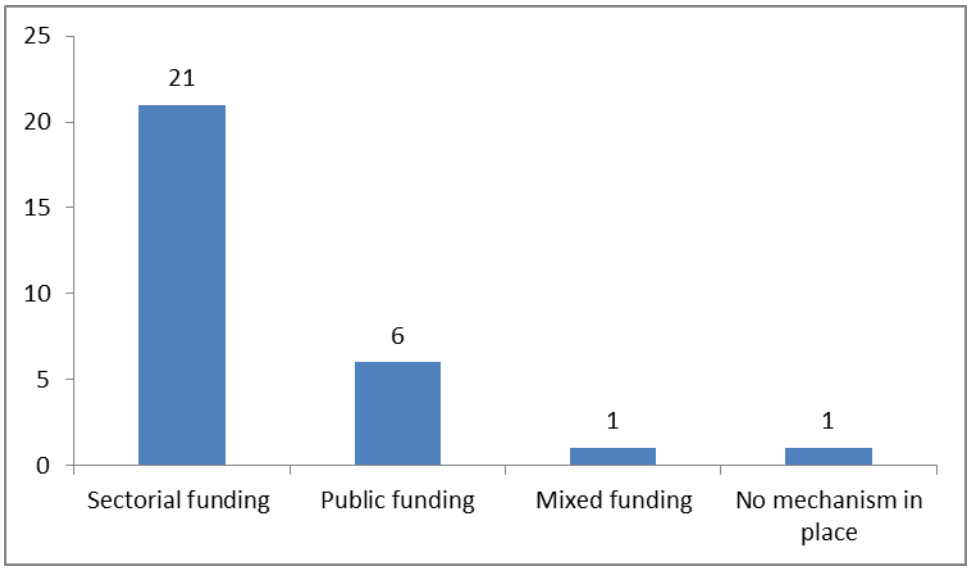
b) to share the net cost of universal service obligations between providers of electronic communications network and services [sectoral funding].

A. Existence of a public/sectoral/mixed funding compensation mechanism

Most European countries, 21 (AT, BG, CH, CY, DE, EE, EL, ES, FR, HR, IE, IS, IT, LT, ME, NL, PL, PT, RO, SI, SK,), have planned a sectoral funding approach to compensate for the cost of the Universal Service Obligation. Since Germany did not designate a US provider, this legal possibility to have sectoral funding has no current practical relevance.

In 6 countries (CZ, MT, HU, SE, LV, FI) a public funding mechanism is in place, whereas only Denmark has a mixed funding mechanism.

Figure 8 - Which compensation mechanism is in place?

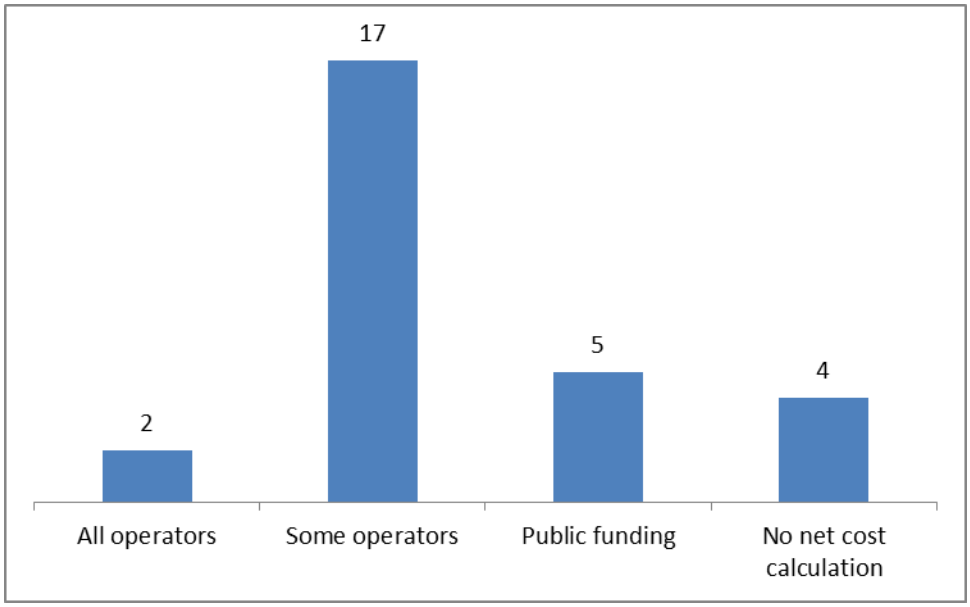


Even if a compensation mechanism has been established, compensation is not necessarily provided. For example, in Ireland, the funding mechanism permitted by national legislation provides for sectoral funding; however, no such fund has been established because US costs have never been considered as an unfair burden by ComReg.

B. Contributors of the compensation fund

According to Article 13 of the Directive, "Member States may choose not to require contributions [for the sharing mechanism] from undertakings whose national turnover is less than a set limit". In most of the countries, this possibility has been implemented. Among the 19[11] countries in which operators contribute to the compensation fund, only in Estonia and Iceland are all operators are obliged to contribute. In the other 17 countries (AT, BG, CH, CY, EL, ES, FR, HR, IT, LT, ME, NL, PL, PT, RO, SI, SK) only some operators have to contribute to the compensation fund.

Figure 9 - Who actually contributes to compensation fund?



C. In case of a sectoral funding mechanism, are there any (maximum/minimum) thresholds for financial contributions in place?

For most of the countries there is no maximum or minimum threshold for financial contributions. The only threshold in force is, as prior mentioned, a minimum turnover for the contribution to the net cost.

Out of the 21 countries in which operators are involved in a funding mechanism (i.e. sectoral and mixed funding), Poland and Portugal have set a maximum contribution related to operators' annual revenues/turnovers. In Poland, the proportion of the contribution of a given telecommunications undertaking in financing the subsidy, to be not higher than 1% of its revenue, is determined proportionally to the amount of this undertaking's revenue from telecommunications activities in a given calendar year. In Portugal, it is applied a maximum threshold "corresponding to 3% of each company's annual eligible turnover"[12].

[11] As mentioned above, in IE and DE, a sectoral funding approach may be in place, but there is no such funding in practice (this explains the disparity between the totals for sectoral funding in questions A and B).

[12] This threshold is just appllied for the compensation of NCUS in the period preceding the designation by tender.

The other countries have no thresholds with regard to the amount of money that has to be paid to a compensation fund.

3.5 Unfair Burden

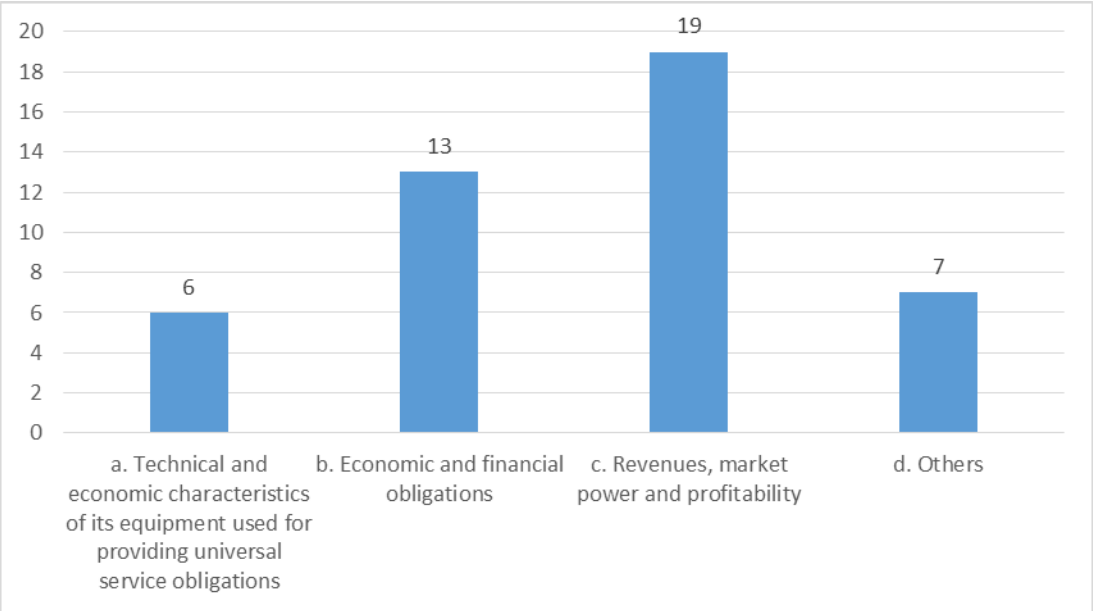
A. Which criteria were assessed to determine unfair burden for the designated Universal Service Provider?

To what extent and how have the following aspects been taken into consideration:

a) Technical and economic characteristics of its equipment used for providing universal service obligations;
b) Economic and financial situation;
c) Revenues, market power and profitability;
d) Others.

When it comes to assessing an eventual unfair burden for the designated US providers, the most common criteria used is a combination of "*revenues, market power and profitability"* which is used in 19 countries (AT, BG, CY, CZ, EE, IE, ES, FR, HU, IT LV, LT, MT, NL, PL, PT, SI, SK and ME), followed by "*economic and financial situation"* used in 13 countries (BG, CY, CZ, DE, IE, ES, HU, IT, ME, PL, PT, SK and UK). "*Technical and economic characteristics of its equipment used for providing universal service obligations"*, used by only 6 countries (BG, CY, CZ, MT, PL and ME). Other criteria, mainly "*Intangible benefits"*, also used in 7 countries (CY, CZ, DE, FR, MT, SI and UK), as shown in Figure 10.

Figure 10 Criteria used to assess unfair burden



Furthermore, no criteria have been used so far by 6 countries (FI, HR, LU, NO, RO, and SE). Regarding Iceland (IS), the concept of unfair burden is evaluated on a case by case basis. In Greece, (EL), the criteria to be used in order to determine the unfair burden are under examination. Moreover, the concept of unfair burden does not exist in the Swiss Telecommunications Act.

A comprehensive list of criteria used to assess unfair burden for the designated US provider is included in Table 2.[13]

Table 2 Criteria used to determine unfair burden

Criteria used to determine unfair burden				
Country	**a.** Technical and economic characteristics of its equipment used for providing Universal Service Obligations	**b.** Economic and financial obligations	**c.** Revenues, market power and profitability	**d.** Others
EU MS				
AT	NO	NO	YES	NO
BG	YES	YES	YES	NO
CY	YES	YES	YES	YES
CZ	YES	YES	YES	YES
DK	NO	NO	NO	NO
DE	NO	NO	NO	YES
EE	NO	NO	YES	NO
EL[14]	n/a	n/a	n/a	n/a
ES	NO	YES	YES	NO
FI	n/a	n/a	n/a	n/a
FR	NO	NO	YES	YES
HR	n/a	n/a	n/a	n/a
HU	NO	YES	YES	NO
IE	NO	YES	YES	NO
IT	NO	YES	YES	NO
LV	NO	NO	YES	NO
LT	NO	NO	YES	NO
LU	n/a	n/a	n/a	n/a
MT	YES	NO	YES	YES
NL	NO	NO	YES	NO
PL	YES	YES	YES	NO
PT	NO	YES	YES	NO
RO	n/a	n/a	n/a	n/a
SI[15]	NO	NO	YES	YES
SK	NO	YES	YES	NO
SE	n/a	n/a	n/a	n/a
UK	NO	YES	NO	YES
Non-EU MS				
ME	YES	YES	YES	NO
NO	n/a	n/a	n/a	n/a

[13] In the case of PT, this information is reporting solely to the period preceding the designation of the current US providers via a public tender procedure. For the US providers choosen by tender procedure it is established that the values of NCUS resulting from tenders are deemed to be an unfair burden.
[14] The criteria to be used in order to determine the unfair burden are under examination
[15] Only when the provider of Universal Service is designated by regulatory decision.

Criteria used to determine unfair burden				
Country	**a.** Technical and economic characteristics of its equipment used for providing Universal Service Obligations	**b.** Economic and financial obligations	**c.** Revenues, market power and profitability	**d.** Others
CH[16]	n/a	n/a	n/a	n/a
IS[17]	n/a	n/a	n/a	n/a

[16] The concept of unfair burden does not exist in the Swiss Telecommunications Act.
[17] Unfair burden is evaluated on a case by case basis.

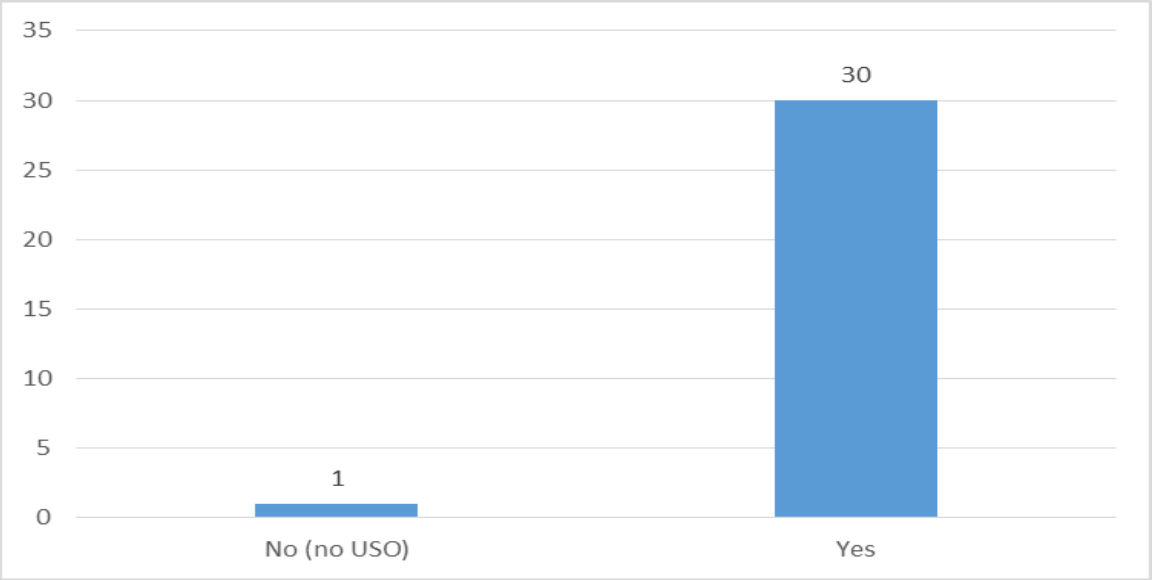
4. Scope

4.1 Scope in general

A. Please describe the actual scope of universal service obligations. And please indicate whether the universal service obligations are provided at national or regional level.

The main types of obligations which fall within the scope of USO were already mentioned in Table 1. The inclusion (or not) of a specific service within the scope of the USO is shown in Figure 111, Figure 12, Figure 13, Figure 14, Figure 15 and Figure 16. All the responses, including those from the NRAs of the countries that did not designate a US provider, are reflected in these figures. One country (SK) only has within the scope of USO the offer to disabled users.

Figure 11 - Is Fixed Access in the scope of USO?



LV is the only country that justifies the exclusion of fixed access from the scope of USO the increased usage of mobile telephony.

Figure 12 - Is a Telephone Directory in the scope of USO?

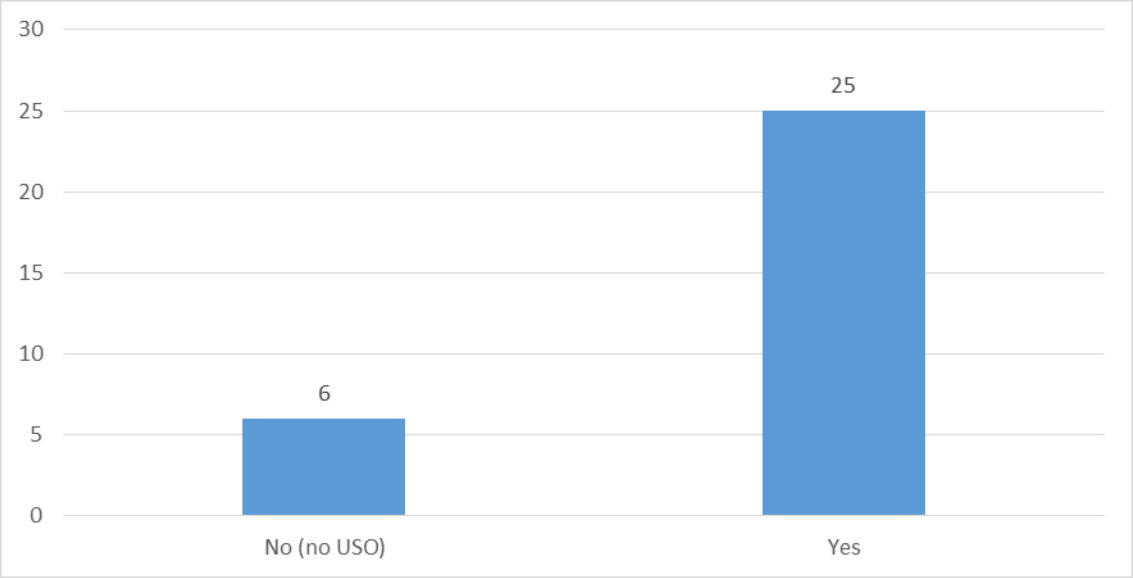


Figure 13 - Is Directory Enquiry in the scope of USO?

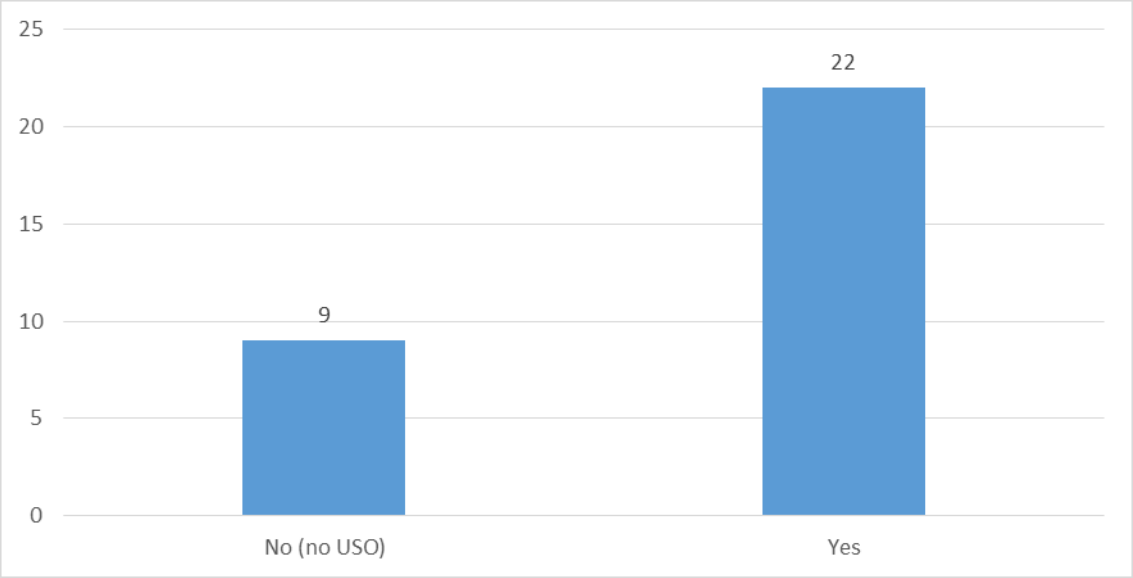


Figure 14 - Are Public Payphones in the scope of USO?

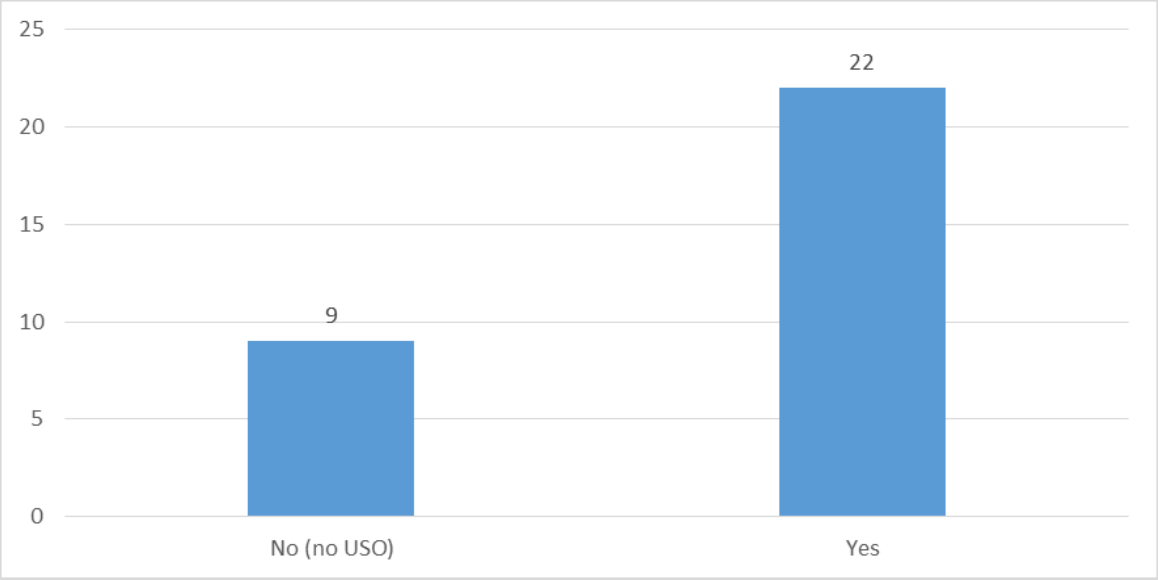


Figure 15 - Are Measures for Disabled end-users in the scope of USO?

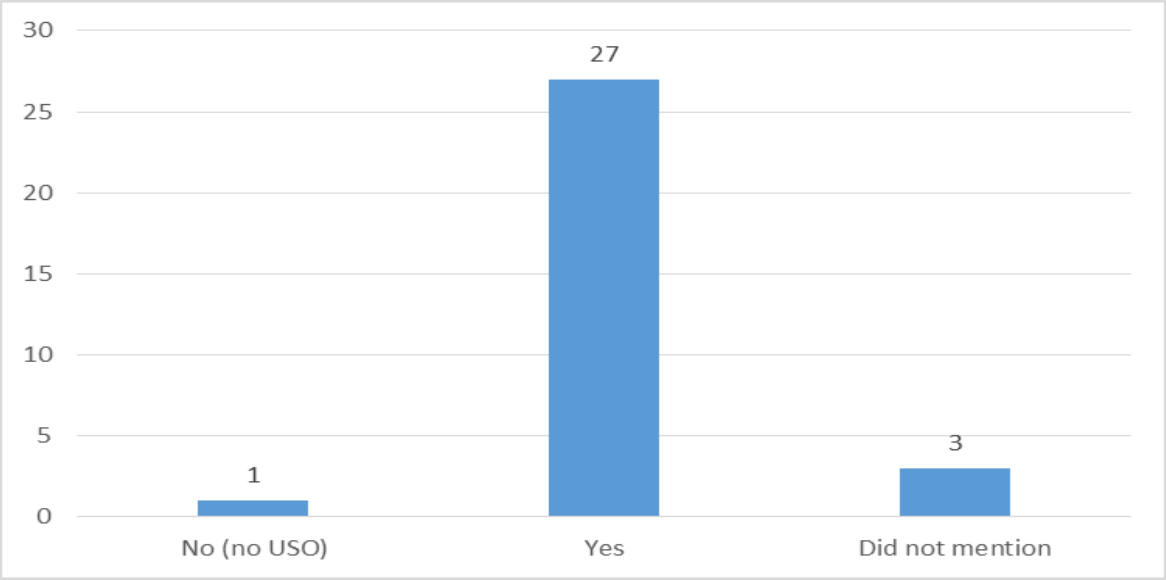
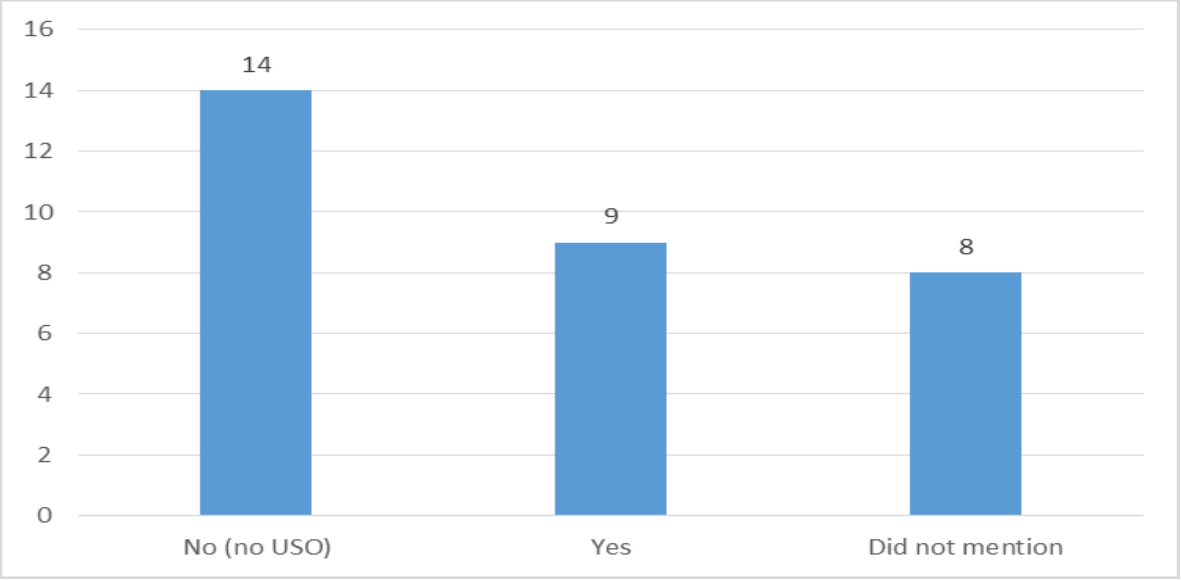


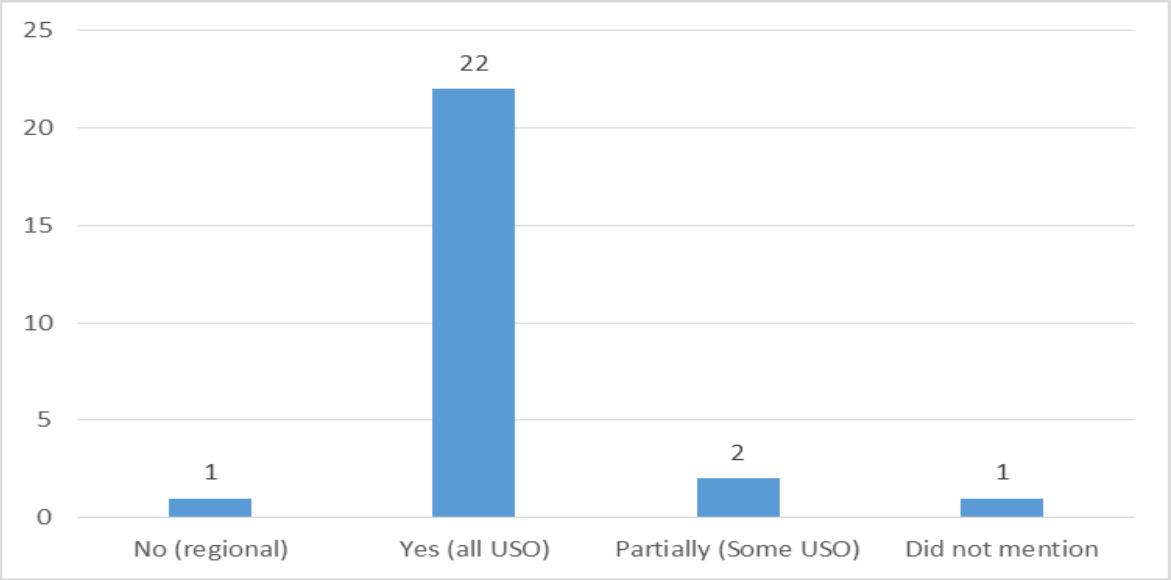
Figure 16 - Are Social Tariffs in the scope of USO?



Regarding the provision of USOs at national or regional level, only FI establishes all USOs at the regional level. Two countries (HU and NO) provide some USOs at the regional level and some at the national level. All other countries stated that USOs are all provided at the national level.

The statistics about geographic characterization of the USO are given in Figure 17[18].

Figure 17 - Are USOs provided at the national level?

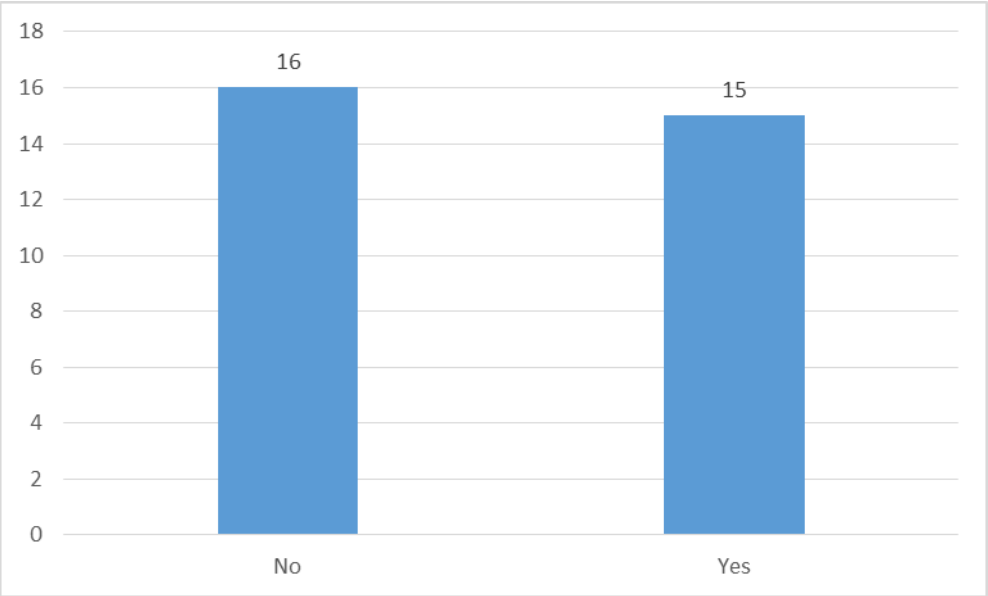


[18] DE, EE, LU and PL are not included in these statistics.

B. Has the scope of universal service obligations at national level been reduced in comparison to the scope at EU level (e.g. are comprehensive telephone directories and/or directory enquiry services still part of the universal service obligations at national level)?

A total of 16 NRAs declared not having reduced the national USO scope *vis-à-vis* the US Directive basic US scope (BG, CZ, DE, EE, EL, HR, LT, LU, HU, AT, PL, PT, RO, SI, SE and CH). (see Figure 18).

Figure 18 - Has the scope of the USO reduced in comparison to the EU level?



Error! Reference source not found.3 summarises, with regard to each country, the components of the USO that were removed and when the USO reduction has been accomplished (only in the cases where this information was given).

Table 3 - Components of the USO removed in each country

Country	Fixed access	Public payphones	Telephone directory	Directory enquiry	Social tariffs	Measures for disabled
CY		X (2014)	X only in printed format (2014)			
DK		X				
IE				X		X
IT			X	X		
ES				X		
FI		X (from beginning)	X	X	X (from beginning)	
FR		X (2014)				

Country	Fixed access	Public payphones	Telephone directory	Directory enquiry	Social tariffs	Measures for disabled
LV	X (January 2017)	X (January 2014)	X (January 2017)	X (January 2017)	X (January 2017)	
MT			X only in printed format (2015)	X (2015)		
NL		X (December 2008)	X (February 2015)	X (February 2015)		
SK	X USO only covers disabled population (2012)	X	X	X USO only covers disabled population (2012)		
UK						X (only provision of relay services)
IS		X	X	X		
NO		X (January 2016)	X (January 2016)	X (January 2016)		

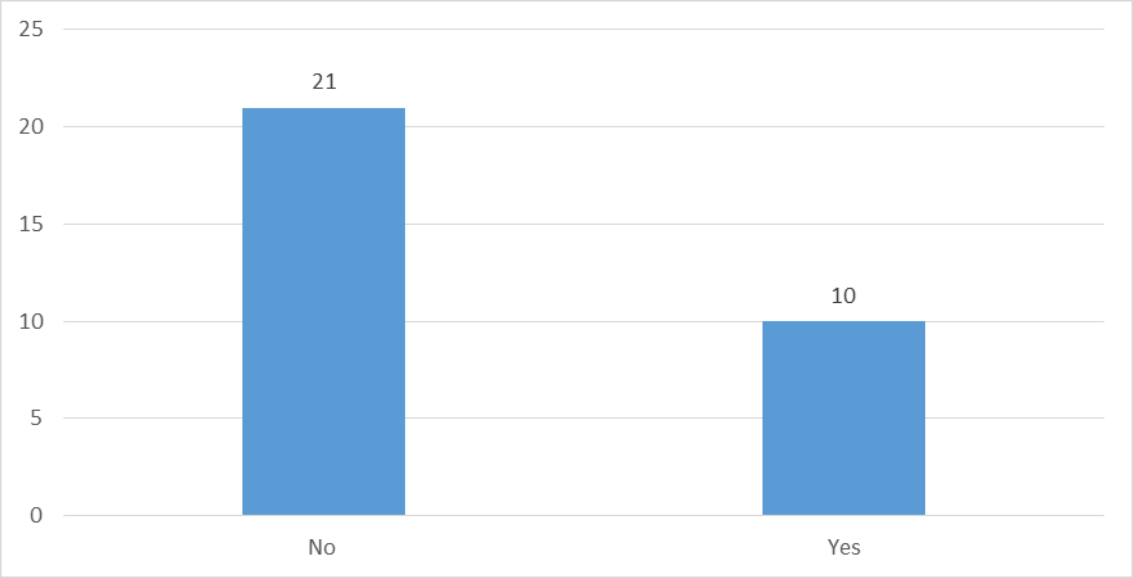
Whilst ME has also reduced the scope of the USO, it is not listed in Table 3, since its NRA did not specifically mention the USO components that were removed.

The main justification for the reduction of USO scope relates with the level of competition that, in relation to some components, is enough to guarantee the availability of the services at an affordable price. Another justification that is presented is related to the strong decline in the usage of the services in question. Concerning specifically the measures for disabled users, two countries (IE and UK) removed them from the scope of USO as they are implemented outside the USO (under article 23a of US directive) or in General Conditions.

C. Which additional universal service obligations have been mandated at national level (beyond the scope at EU level)? In particular, do you have additional universal service obligations to be provided in specific public buildings such as schools, hospitals, libraries, etc.?

10 countries have declared additional USOs beyond the scope specified at the EU level (FR, HR, LV, MT, AT, PL, FI, IS, IT and PT). In the other 21 countries no additional USOs have been mandated (see **Error! Reference source not found.**).

Figure 19 - Have additional universal service obligations been mandated at national level?



With reference to the 10 countries that have mandated additional USOs, beyond the scope specified at the EU level, the following details have been provided for each country:

a) FR – Digital leased lines (2 048 kbits), advanced services related to voice telephony and itemised billing and selective calls;

b) HR - Broadband connection (1 Mbits);

c) LV - Provision of broadband for disabled users;

d) MT - Electronic telephone directory must be provided also on a mobile application;

e) AT - The access to a publicly available communications network and to a publicly available telephone service is not limited to a fixed location;

f) PL - The USP provides network connection to some entities (e.g. schools, public libraries) in order to ensure broadband Internet access;

g) PT - Public payphones in sites of social interest (hospitals, prisons, schools, airports, railway and bus terminals, courts, citizen bureaux);

h) IS - Operation of emergency call centre (access to emergency service 112);

i) IT - Quality levels to be achieved from the USO provider on yearly basis regarding customer assistance (call centre) service; public payphones in places of social importance and inside some types of public buildings;

j) FI – Broadband services (2 Mbps) for 61 postal code areas, telephone services (mobile or fixed connection).

4.2 Demand

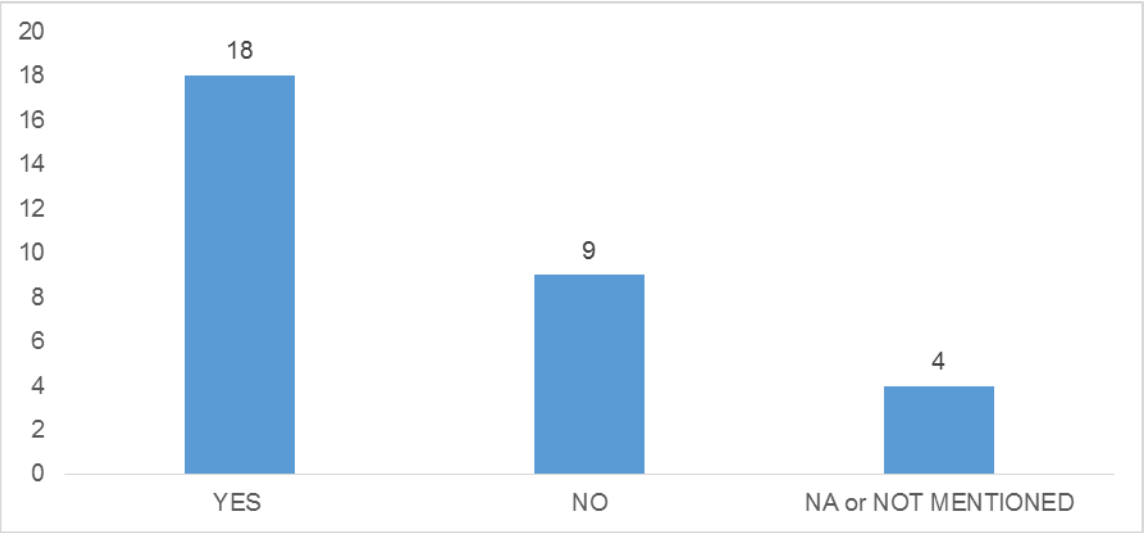
A. Do you have any evidence for the demand for the universal service elements for the last 2 years? If applicable, how many requests to provide each of the different universal service elements (e.g. publicly available telephone service 'PATS') did you or the universal service provider(s) receive over that period?

Please, break down between the following categories:

a) Connection to the public telephone network at a fixed location;
b) Social tariffs;
c) Directories;
d) Directory enquiry services;
e) Public pay telephones;
f) Special measures for disabled users;
g) Other measures not included in the USD

From the total of 18 countries that have some information about demand, 12 countries gather some usage data on services a) to f), which in most cases is a proxy for demand, at least in the cases where the service is provided and there is not unsatisfied demand for the service. Six NRAs (CZ, DE, HU, NO, PL and SK) use inquiries or complaints to assess demand. One NRA (NO) receives information directly from end-users that request a connection to the public telephone network at a fixed location or complaint about it. Another NRA (CY) collects data regarding the demand of social tariffs directly from the USP. Another NRA (DE) collects data using inquiries mostly concerning the connection to the public telephone network at a fixed location and another NRA (PL) assesses unsatisfied demand on the basis of consumer surveys and nationwide demand maps.

Figure 20 - Do you have any evidence for the demand for the universal service elements for the last 2 years?



B. Do you have any evidence in which areas these universal service elements have been requested?

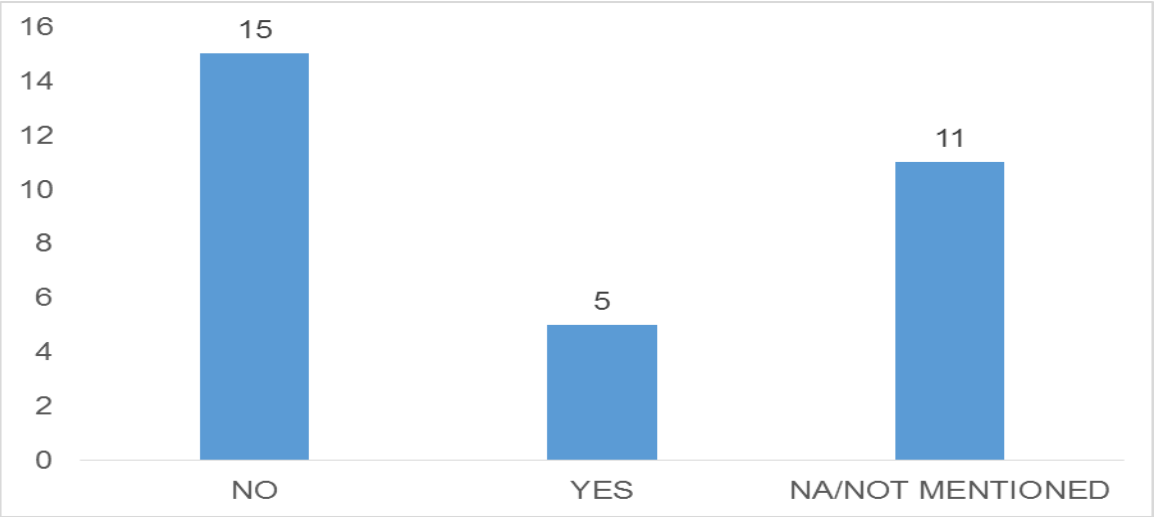
Some regulators have information concerning the areas in which the universal service elements have been requested, in some cases this information regards data on take-up of services.

In DE most of the requests for a connection to the public telephone network comes from new housing areas. In FI demand is originated in the most rural areas in the north and east of the country. In HR the requests for a connection to the public telephone network at a fixed location are mostly from rural and mountain areas and islands, while requests for payphones comes from specific public entities such as jails and hospitals. PL has information concerning the number of unsatisfied demand for broadband Internet access and the number of unsatisfied demand for fixed telephony service, per province. CH has information on broadband internet connection.

C. If not per request, do you have other indicators measuring whether and where there is demand or which groups show demand for which universal service elements?

NRAs from five countries (CZ, ES, IE, SE and UK) responded that they have other indicators measuring whether there is a demand for US elements, as depicted in **Error! Reference source not found.**. These countries commonly use surveys to evaluate the demand or to evaluate the complaints they receive. For instance, in the UK evidence on public pay telephones is available through a consumer survey. In LT a public survey about the availability of Universal Services is carried out annually.

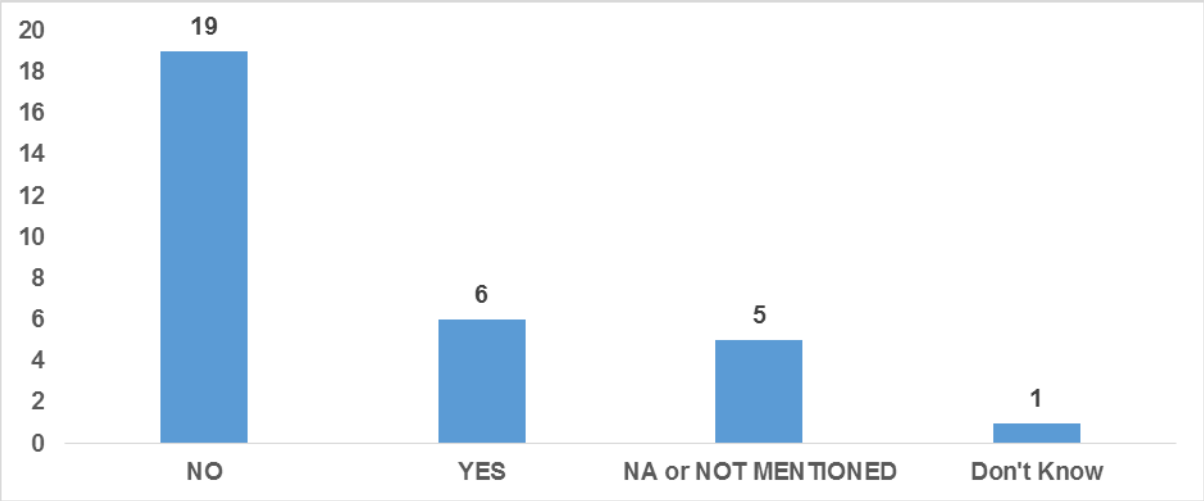
Figure 21 - If not per request, do you have other indicators measuring whether and where there is demand or which groups show demand for which universal service elements?



D. Is there an unsatisfied demand of PATS in some geographical areas or for people with low incomes? Please explain your response.

Few countries, 6 in total, report unsatisfied demand (BG, CZ, EL, IT, PL and RO), as shown in **Error! Not a valid bookmark self-reference.**. Compared with the previous report, LT no longer reports having unsatisfied demand.

Figure 22 - Is there an unsatisfied demand of PATS in some geographical areas or for people with low incomes?



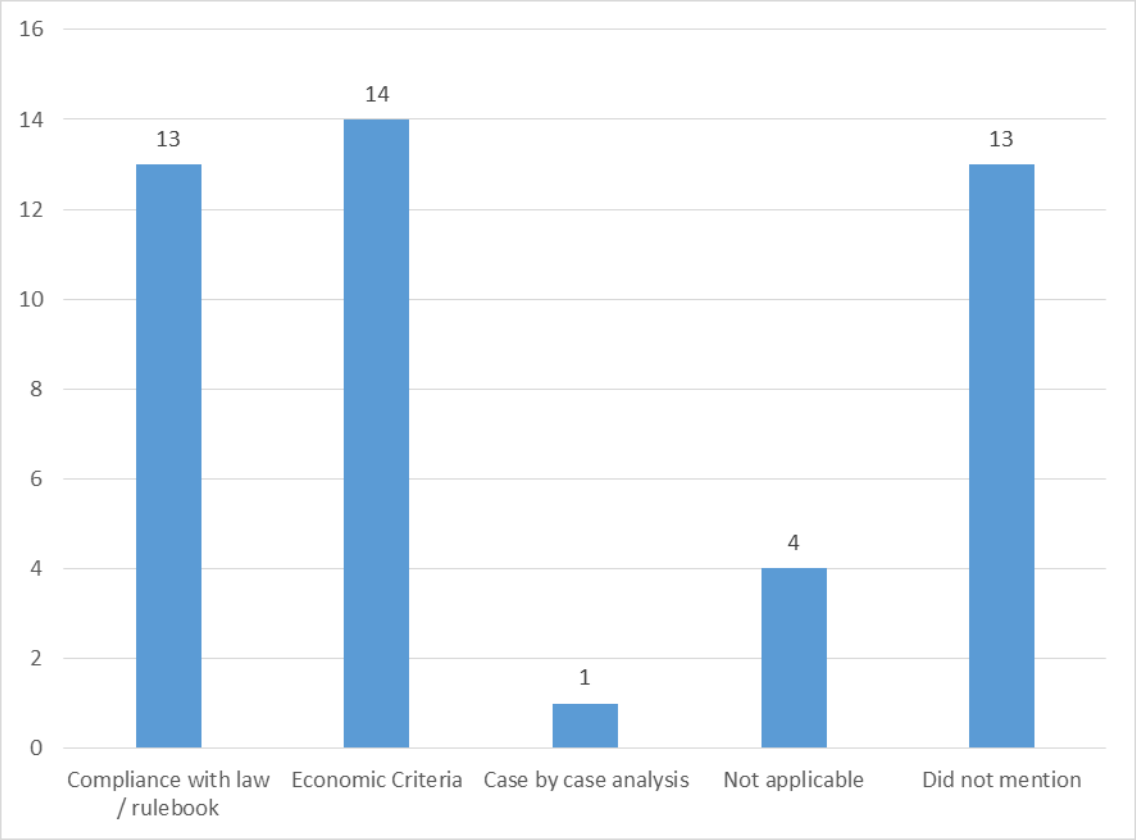
4.3 Affordability

A. How do you measure and control the affordability criteria?

In the large majority of the countries, the measurement and control of affordability criteria follows a combination of abidance of general rules fixed in the law and conformity to some sort of concrete economic test. For instance, in ES and CY the affordability criteria are measured with an income indicator (IPREM); in HR the NRA can set up special pricing systems, having in mind affordability to socially disadvantaged groups of end users; and in the UK, the NRA has the power to impose price controls if necessary[19]. Notwithstanding this, in twelve cases (RO, SE, EE, HU, EL, LU, SK, NO, IS, FI, DK and CH) NRAs did not mention how the affordability criteria were measured and controlled (the case being that in RO, SE and EE there is no designated US provider). In MT, the affordability criteria are addressed on a case by case basis (see **Error! Reference source not found.**3).

[19] On this particular subject, the responses of the NRAs were complemented with publicly available information. For instance, while some NRAs explicitly mentioned following the rule of law, whilst others did not, it was assumed that the NRAs which assessed affordability with resort to an economic test did so under the rule of law, even if that was not fully explicit in the responses.

Figure 23 - How do you measure and control the affordability criteria?

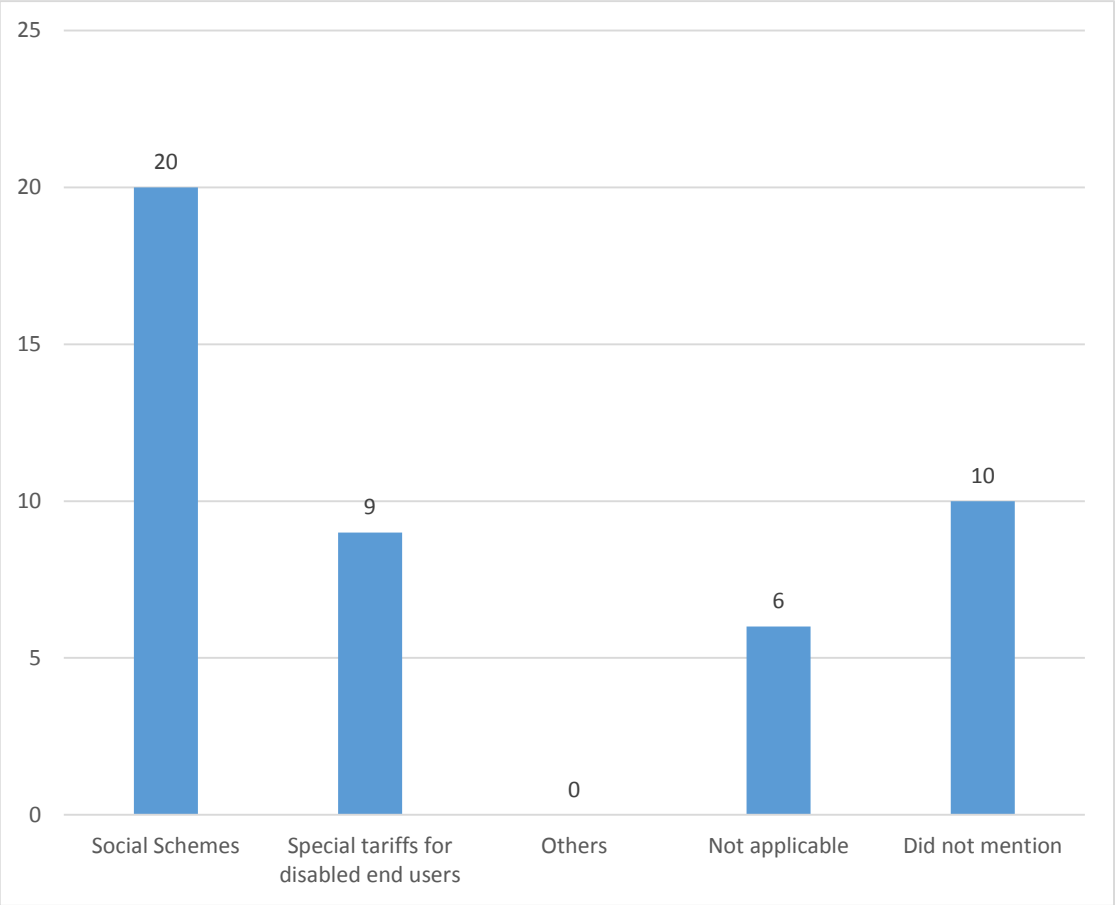


B. What social tariff options or package are being offered to consumers?

A mention to social schemes was found in 20 responses (BG, CY, CZ, DE, ES, FR, LV, IT, MT, NL, AT, PL, PT, RO, UK, SI, ME, EL, HR and IE) and references to special tariffs for disabled end-users were included in nine responses (BG, CY, FR, RO, SI, ME, HR, EL, PT).[20] In ten of the responses (EE, LU, HU, CH, FI, IS, SE, NO, DK and SK) social tariff options or packages were not mentioned and in six countries (CH, FI, LU, LT, NO and SE) this particular type of solution is not considered to be applicable (see **Error! Reference source not found.**4).

[20] Although it might not be always explicit in the national legislation of the respondent countries, considering the strong correlation between income and disability, it could be reasonable to presume that a large proportion of disabled end-users could benefit from social schemes targeted at low-income populations, even when national legislation does not make explicit references to special tariffs applicable to disabled citizens.

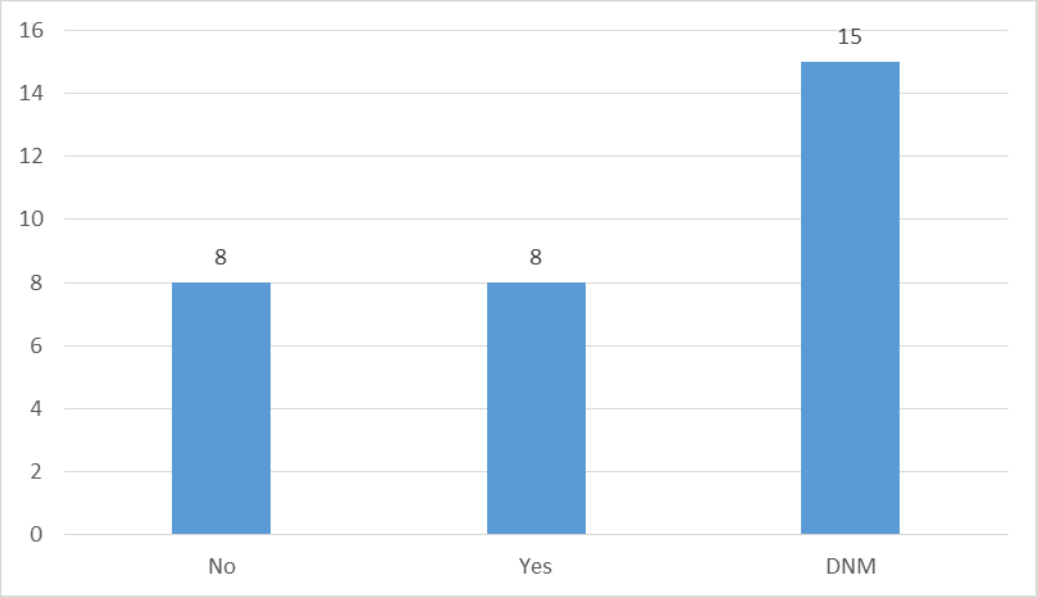
Figure 24 - What social tariff options or package are being offered to consumers?



C. Are these tariffs subject to retail price cap?

In eight countries the social tariffs are subject to a retail price cap (LT, CY, EL, ME, IE, PT, NL and ES). In another eight countries NRAs answered that there is no price cap for their social tariffs (DK, HR, FR, LT, LV, MT, PL and UK). But the majority of them did not mention anything about this question (SK, HU, NO, LU, IS, IT, CH, SE, FI, EE, SI, RO, AT, DE and CZ) (see **Error! Reference source not found.**5).

Figure 25 - Are these tariffs subject to retail price cap?



4.4 Disabled End Users

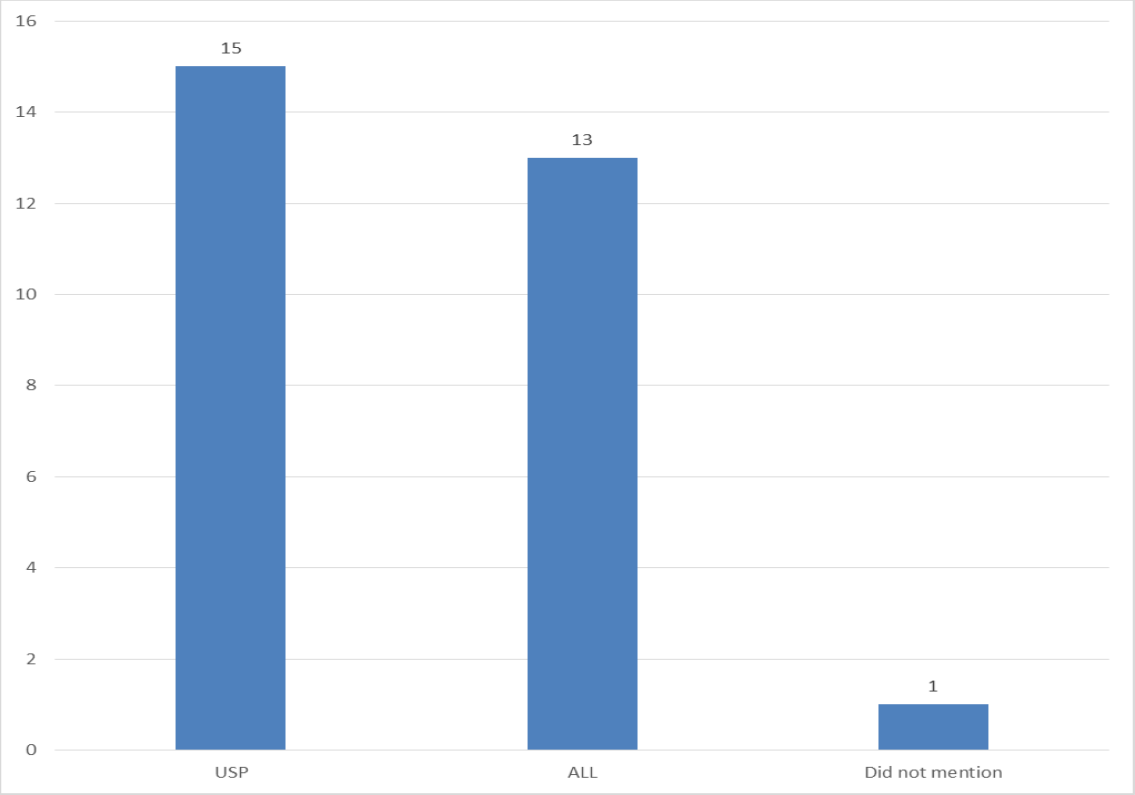
A. Do you have specific requirements to respond to the needs of disabled users? If yes, please describe them and how they are implemented in practice.

Of the 31 respondents, 28 stated that they have specific requirements to respond to the needs of disabled end-users.

Of the 28 respondents that mentioned such specific requirements were in place to respond to the needs of disabled users, in 15 cases (BG, CY, CZ, EL, ES, HU, IT, LT, MT, PT, SI, SK, CH, ME and NO) the requirements are implemented through the USO. It is worth noting that in 13 Member States (AT, DE, FI, FR, HR, IE, IT, NL, PL, RO, SE, UK and IS), all undertakings are obliged to provide special requirements to disabled end-users.

In Italy measures are implemented both under the universal service obligation (fixed line service) and outside the scope, targeting broadband and mobile telephony and internet. Denmark did not mention how the specific requirements are met.

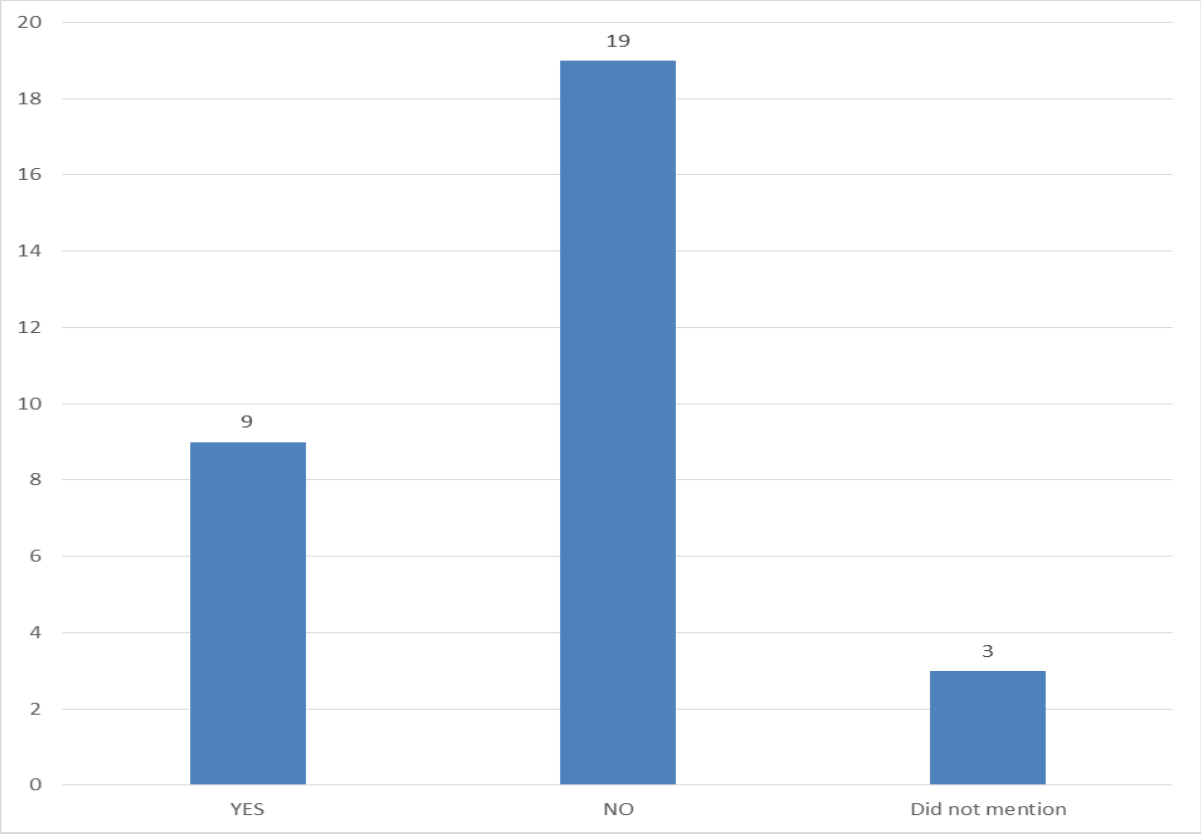
Figure 26 - How are the specific requirements implemented?



B. Are you aware of any complaints from disabled users (or from organisations promoting the rights of disabled people)?

Almost two-thirds of the respondents stated that they were not aware of complaints from disabled end-users, as perceived in **Error! Reference source not found.**. However, it should be noted that many NRAs, including those that currently have special requirements in place and those who are considering imposing requirements in the future, are frequently holding forum meetings to gather the views of disabled end-users and their representations. NRAs from countries who stated that they have received complaints from disabled end-users include BG, CZ, EL, IE, IT, PL, PT, ME and NO.

Figure 27 - Are you aware of any complaints from disabled users or their representatives?



C. How do you ensure equivalence of access for disabled users?

The Member States are using a variety of measures in order to ensure equivalence of access for the disabled end-users.

As set out in **Error! Reference source not found.**, measures targeting:

- the accessibility of public payphones;
- specific enhanced terminal equipment;
- free or partially free access to enhanced directory enquiry services; or
- relay services

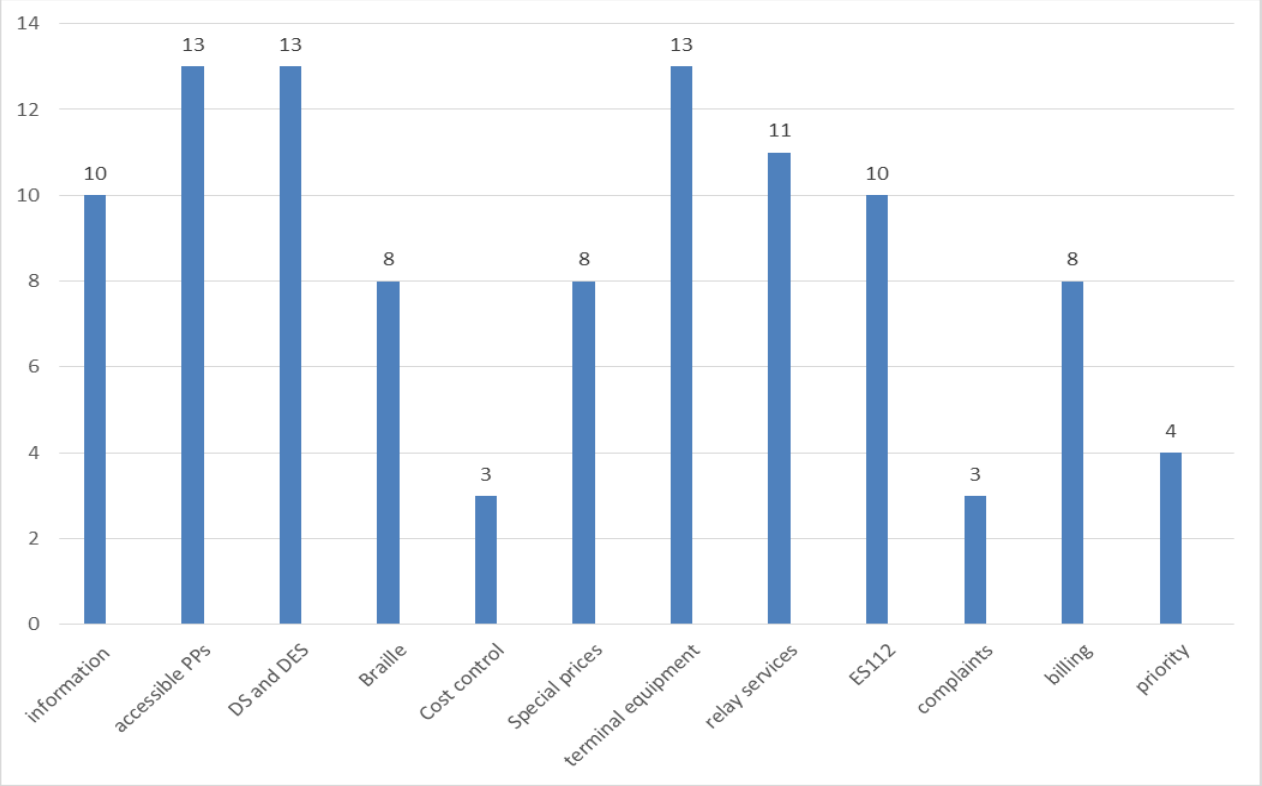
are among most used tools to ensure equivalence of access.

Other instruments refer to:

a) the provision of comprehensive special information by undertakings/NRAs/other entities for disabled end-users;
b) increased access to emergency services, especially via different technologies for deaf/hearing impaired end-users;
c) the provision of contract and billing documentation in braille format, hard copy, other means, such as electronic reading or in some cases a specialised assistance when signing a contract;
d) the provision of special prices and retail contracts;

e) priority to disabled users in respect of demand, complaints and repair requirements;
f) increased control of expenditure measures.

Figure 28 - Do you ensure equivalence of access for disabled users?

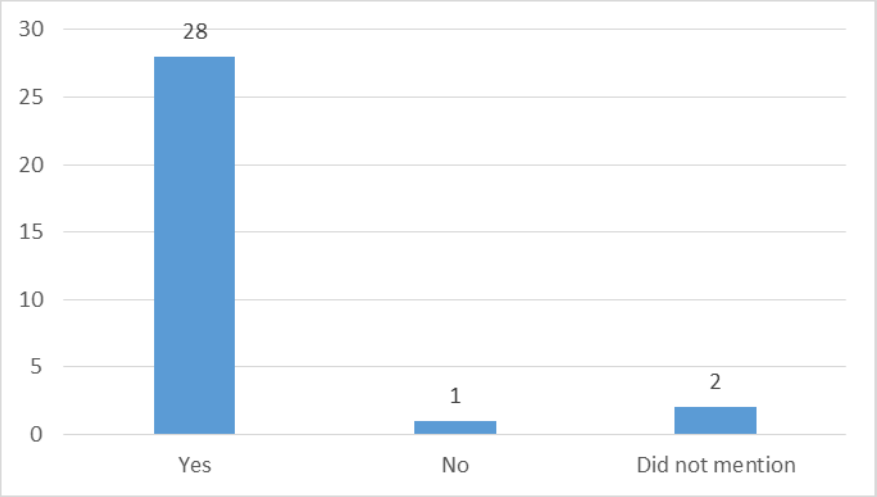


4.5 Directory and Telephone Directory Enquiry Service

A. Is at least one directory available on the market in your Member State? If yes, please indicate who provides the service and how the service is offered (by what means: printed or electronic (or both), frequencies of updates, specific means for disabled users, etc.)

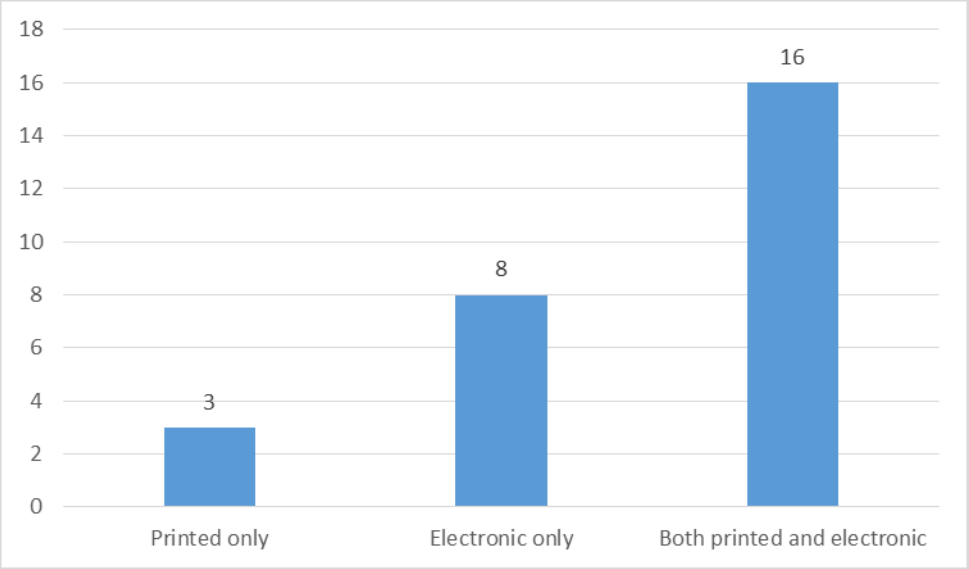
With the exception of LV, which stated only that "the directory is excluded from the scope of USO from January 1st, 2017", the other 28 countries which have explicitly answered this question (AT, BG, CY, CZ, DE, DK, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, MT, NL, PL, PT, RO, SE, SI, UK, IS, ME and NO) stated that there is at least one directory available on the market in the respective country (see **Error! Reference source not found.**). The responses from SK and CH were not specific in this regard.

Figure 29 - Is there at least one directory available on the market in your Member State?



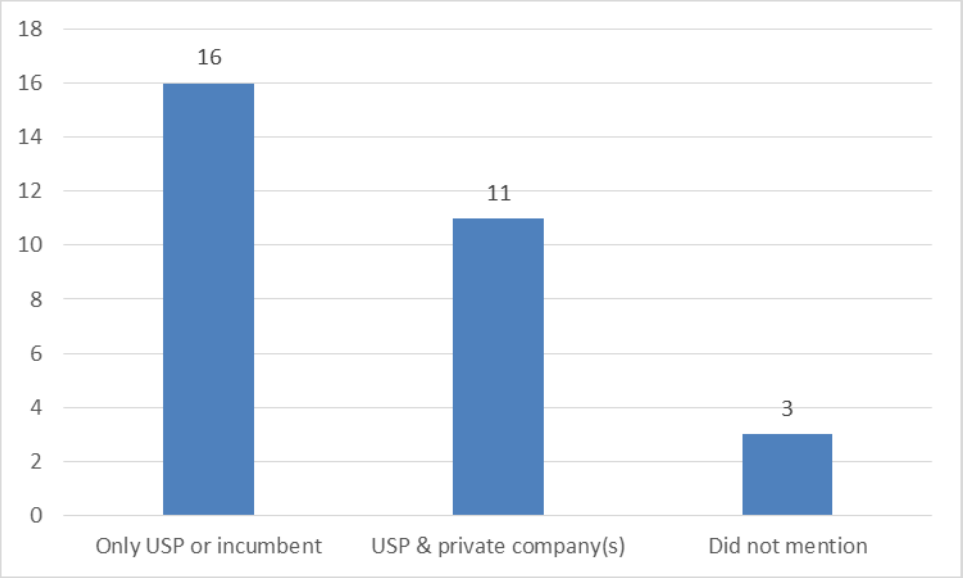
In 16 countries (AT, BG, DE, DK, ES, FR, HR, HU, IE, IT, LU, NL, PT, SE, SI and UK) there are both printed and electronic directories available. Of the 28 respondents that reported that their respective country has a directory available in the market, 3 remarked that their countries (EL, IS and ME) provided only printed directories (at least one) and 8 NRAs (CY, CZ, EE, LT, MT, PL, RO and NO) reported that their respective countries provided electronic directories only (see **Error! Reference source not found.**0). Finland did not mention whether the directories provided under commercial terms are printed or electronic.

Figure 30 - Is the service offered printed or electronic?



As depicted in **Error! Reference source not found.**1 below, the US provider or the incumbent are predominantly the providers of the directory. However, there are many private undertakings in the market, primarily in the electronic and telephone directory services. With regard to the provision of printed directories, this is largely undertaken by the US provider (or a subsidiary of the US provider or a third party on behalf of the US provider).

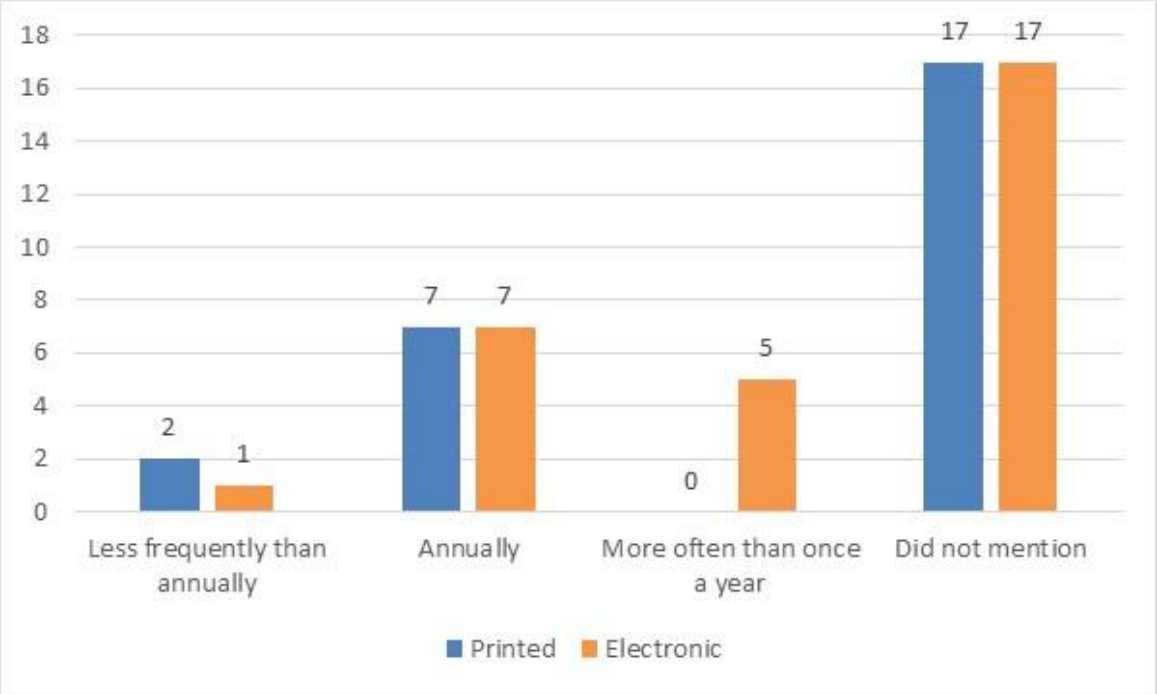
Figure 31 - Who provides this service(s)?



The majority of respondents did not mention the frequency of updates for their directories, but out of the ones who did provide answers, 2 (BG and HR[21]) stated that printed directories are updated less frequently than annually and 7 (AT, DE, ES, HU, IT, PT and SI) on an annual basis, while 5 (AT, CZ, HR, LT and SI) stated that the electronic directories are updated more often than once a year and 7 (BG, CY, DE, ES, HU, IT and PT) on an annual basis (see **Error! Reference source not found.**). PL stated that their electronic directories are updated every 2 years. Some countries, e.g. FI, DE, NL and EE, stated that directory enquiry services are provided only by private companies.

[21] Frequency of updates is set at minimum of once every two years.

Figure 32 - Frequency of directory updates



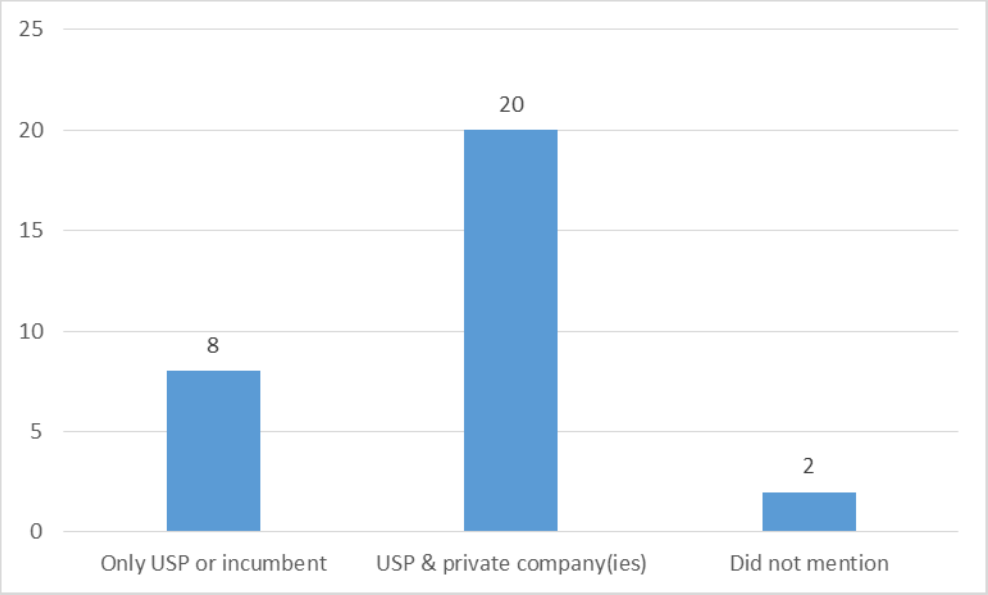
Out of all responses received only 4 countries (BG, DK, EL and ES) explicitly stated specific means for disabled users with regards to directory updates, most common being alternative formats of directories.

Further details about other forms of specific provisions are provided in the section of this report on Disabled End-Users.

B. Are telephone directory enquiry services available on the market in your Member State? If yes, please indicate who provides the service and how the service is offered (e.g. over the phone, specific means for disabled users, etc.)

All respondents, except LV (and SK which did not respond to this particular question), have a telephone directory enquiry service in place. In only about a third of the countries that responded (BG, DK, HU, PL, PT, SE, SI and ME), it is only the US provider (or the incumbent) that delivers that service. In 20 of the respondent countries (AT, CY, CZ, DE, EE, EL, ES, FI, FR, HR, IE, IT, LT, MT, NL, RO, UK, CH, IS and NO), it is private companies (including the US provider if designated) which provide the service (see Figure 33). In some countries, such as AT, DE and FR it is assumed that the market is sufficiently developed and that there is no need for the provision of a telephone directory to be part of the USO.

Figure 33 - Who provides this service(s)?



The vast majority of respondents (AT, BG, CY, CZ, DE, DK, EE, EL, FR, HU, IE, LT, MT, NL, PL, PT, RO, SE, UK, IS and ME) stated that these services were provided over the phone only. NRAs from 6 countries (ES, HR, IT, SI, CH and NO) mentioned that services were provided over the phone and through the use of SMS or MMS services.

NRAs from 11 countries (AT, BG, EL, ES, HR, IE, MT, PT, UK, IS and NO) stated that there were specific means to attend to the needs of disabled end-users with regard to telephone directory enquiry services, while the remaining respondents did not mention anything with regard to this issue.

5. Broadband

5.1 Functional Internet Access

A. Broadband subscribers

NRAs were asked to provide figures for the total number of broadband subscribers and to split up these figures according to different broadband speed brackets.

The overall totals are displayed below. Three respondents (ES, NL, PL) indicated only the percentage of subscribers/lines for each broadband speed bracket, without the total number of subscribers/lines. Therefore, these cases could not be accounted for in the assessment of the overall volume of subscribers.

Table 4 broadband subscribers

Country	Broadband Subscribers	Date
EU MS		
AT	2,487,700	Jun-2016
BG	1,614,479	2015
CY	266,955	H1 2016
CZ	2,966,880	Q4 2015
DE	29,484,000	Not provided
DK	2,459,153	2016
EE	400,873	Not provided
EL	3,470,593	Jul-2016
FI	1,708,000	H1 2016
HU	2,687,000	Q4 2016
IE	1,341,292	Q3 2016
IT	15,445,000	Sep 2016
HR	1,024,228	Q3 2016
LT	855,500	Q3 2016
LV	506,207	Not provided
MT	169,901	Q3 2016
PT	3,259,264	Jun-2016
RO	4.349.347	30 Jun 2016
SE	3,540,598	30 Jun 2016
SI	589,422	29 Feb 2016
SK	1,405,072	Not provided
UK	24,700,000	Q4 2016
Non EU MS		
IS	124,955	H1 2016
ME	110,086	Not provided
NO	1,939,694	30 Jun 2016
CH	3,210,631	2012
Total	**109,557,580**	

Different broadband speed ranges have been used by the respondents to provide the requested data. Hence, in order to include as many countries as possible in the comparison, the broadband speed intervals specified in Table 5have been selected.

Table 5 Broadband speed ranges

< 2Mbps	≥ 2Mbps and < 10Mbps	≥ 10Mbps and < 30Mbps	≥ 30Mbps and < 100Mbps	≥ 100Mbps

This allows for the inclusion of most of the respondents (AT, CY, CZ, DE, DK, EE, EL, FI, HR, IE, IS, IT, LV, PT, RO, SE, SI, SK, UK). In other cases, either the number of subscribers/lines has not been provided or the data was not convertible to the selected ranges. Hence, the following figures show statistics related to these 19 countries and 98.97 million subscribers.

Figure 34 - Number of broadband subscribers according to connection speed

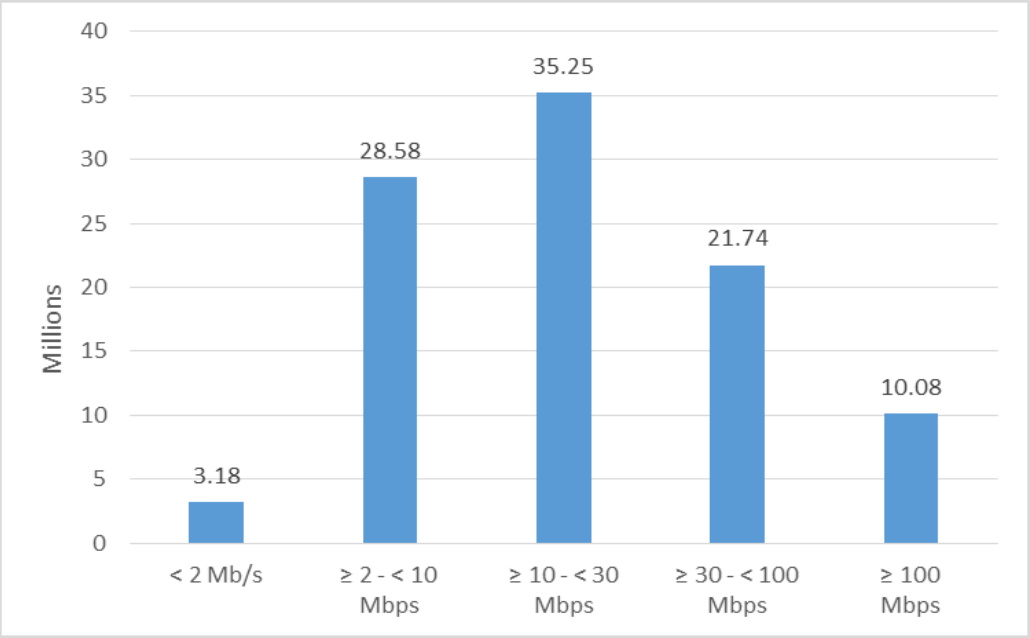
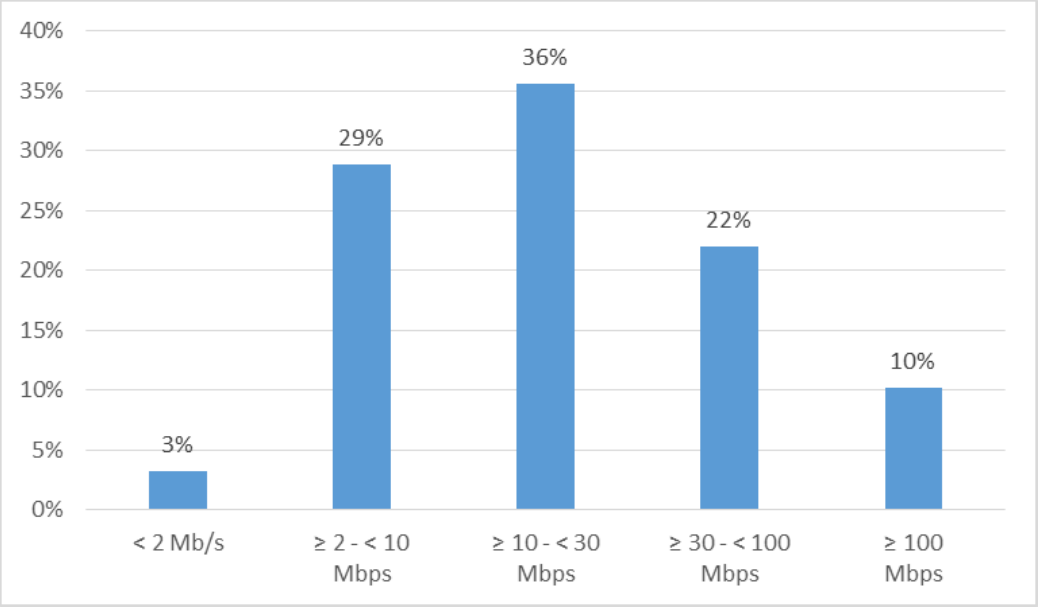


Figure 35 - Percentage of broadband subscribers according to connection speed



With regard to those countries where only subscriber proportions were provided under the selected broadband speeds, the corresponding figures are presented in the table below.

Table 6 - Subscribers according to broadband speed

	< 2Mbps	≥ 2Mbps and < 10Mbps	≥ 10Mbps and < 30Mbps	≥ 30Mbps and < 100Mbps	≥ 100Mbps
HU	2%	8%	34%	25%	31%
NL	0.4%	15%	21%	45%	18%
PL	3%	36%	24%	26%	11%
ES			52%	40%	

Compared to the 2014 report, it appears that the proportion of subscribers with broadband services below 10 Mbps is smaller in the 2016 data, whereas the proportion of subscribers with relatively higher speed connections, above 10 Mbps, is larger in the 2016 data. However, it should be noted that the samples of countries in the two sets of data are different, so the results may not be directly comparable.

B. Parameters of broadband connections within the definition of the Universal Service

Only 7 of the respondents include a broadband connection within the scope of the USO (ES, FI, HR, LV, MT, SE and CH).

In LV, the provision of a broadband connection as part of the USO is limited to disabled end-users.

In HR, from 1 January 2015, the Universal Service Provider has had an obligation to provide data communications at a minimum speed of 1 Mbit/s. There are approximately 12,000 subscribers to this particular service.

A minimum download speed of 1 Mbps is required in ES and SE. In ES the Government has stated that it will update this speed according to social, economic and technological

evolutions and taking into account the main services used by end-users. Any end-user may reasonably request the provision of a broadband connection either over a new or pre-existing fixed location. For the service there is a registration fee of €46.10, while the monthly fee is €24.08. The service includes the transmission/reception of data at 1 Mbps/ 256Kbps with a download limit of 5 GB (if the limit is exceeded, the speed is reduced to 128 Kbps / 64 Kbps).

In CH, there is a minimum connection speed, with downlink of 2 Mbps and uplink of 200 kbps.

In FI there is also a minimum connection speed of 2 Mbps and 3 operators (DNA, Elisa and TeliaSonera) have been designated as providers for this service, which covers 61 postal code areas.

In MT, the minimum download speed within the Universal Service is 4 Mbps.

Also, in AT the first component of the universal service is access to a publicly available communications network and to a publicly available telephone service via which facsimile equipment can also be operated, including the transmission of data at data rates that are sufficient for functional Internet access. However, functional internet access is not defined any further and there are no parameters, such as minimum download speed, defined for this component of the universal service, but it is considered that the services listed in the ECC draft need to be supported.

In the UK, the government is currently considering introducing a broadband USO but has not decided on the technical specification yet.

C. Measures outside the scope of universal service which provide users with a broadband connection.

An overview of the broadband promotion activities of respondent countries is presented in Table 7.

Table 7 - Overview of broadband promotion measure outside the scope of the Universal Service

EU MS	
AT	Austrian Broadband Strategy 2020, with government funding.
CZ	National Plans, consistent with the Digital Agenda for Europe, to promote broadband access.
DE	National broadband measures outside the scope of US in order to promote the investment and deployment of broadband (i.e. State funding programme).
DK	The Danish “Broadband Fund” is funded by the Government. End-Users with poor access to a broadband connection may apply for a better connection under this measure.
EL	State aid projects to finance the broadband penetration, territory coverage and usage.
ES	National broadband measures outside the scope of US in order to promote the investment and deployment of broadband, financed through the General State budgets and the ERDF.
FI	"Broadband for all" project, financed as state aid, but with one third of financing coming from the telecom network operator.
HR	National Broadband Strategy 2020 (consistent with the Digital Agenda for Europe), with private, public and EU funding.
HU	National Info-communications Strategy 2014-2020, Digital Welfare Programme 2015.
IE	Government initiatives, including a Rural Broadband Plan and a National Broadband Plan, with commercial and public funding.
IT	State aid projects for fast deployment of broadband networks, especially in target areas affected by lack of availability. Measures on transparency and quality of broadband service.
LV	National Broadband Plan, promoted by the Ministry of Transport, to achieve the targets of the Digital Agenda for Europe. There is also a state aid programme “Next generation network for rural areas” (the NGN project), supported by the European Regional Development Fund (ERDF).
NL	Possibility to use state aid to finance broadband connections in areas that lack coverage.
PL	National Broadband Plan (consistent with Digital Agenda for Europe), with private, public and EU funding.
PT	Co-financing initiatives in five regions aiming to develop NGA networks in order to assure 40 Mbps for 50% of the population in the targeted areas
RO	National Broadband Strategy and two national projects supporting the deployment of broadband infrastructure in underserved areas: one major state aid project, Ro-NET, with financing from the national budget and the ERDF and other smaller scale projects with funds from the Ministry of Agriculture and Rural Development and European Agricultural Fund for Rural Development.
SE	Several measures in order to promote deployment of broadband throughout the country, with government funding.
SI	Construction of open networks, with state aid and EU funds.
UK	BDUK, a Government-funded roll-out programme, is a contractual relationship through which the UK Government provides gap-funding to allow BT plc to roll-out FTTC to at least 95% of the UK by the end of 2017 through the general budget.

Non EU MS	
NO	Planned scheme to promote access to good quality broadband services (download speeds of 4 Mbps). The scheme has been notified the proposals to the state aid scheme of the EFTA Surveillance Authority (ESA) and is awaiting approval.

Several NRAs mentioned that plans are consistent with the Digital Agenda for Europe. Several also mentioned coverage obligations for mobile broadband attached to spectrum licences.

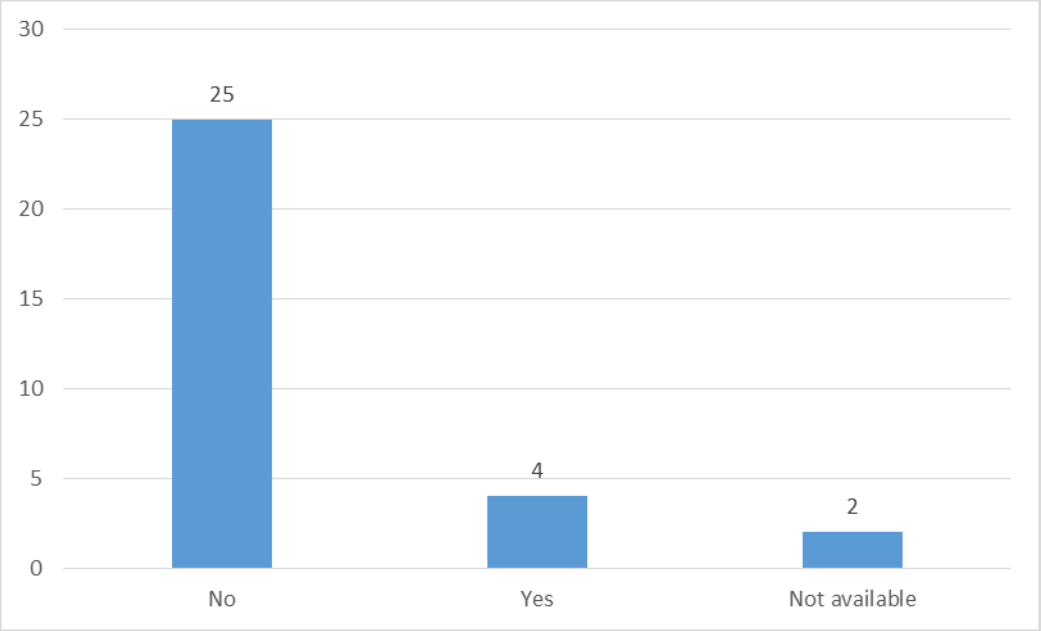
5.2 Fixed Broadband Affordability

A. Are there significant differences for fixed broadband tariffs between regions?

In most countries, differences regarding fixed broadband tariffs between regions could not be noticed (see Figure 36). However, in some countries, locally available discounts or tariffs apply (e.g. in PL, HU and SE). In particular, the following reasons have been put forward to explain differences for tariffs between regions:

a) Fixed broadband tariffs may vary between overseas territories and mainland France, but they are uniform in mainland France. However, the fixed broadband offer is not the same in every part of the territory. In areas where alternative operators buy LLU at the wholesale level, they offer triple-play products at a tariff lower than that proposed for double-play offers in areas where they buy bitstream (FR).
b) With regard to fixed broadband, there are sometimes significant differences in tariffs between individual operators. Price differences between regions occur in particular in the case of cable TV operators, who differentiate tariffs even by city districts or housing complexes where they provide the service (PL).
c) For the former incumbent operator's ADSL offers without television in PT, there are differences in tariffs among regions: in non-competitive areas (NC areas – defined according to last broadband market analysis) besides the monthly fee for broadband services, customers must pay a monthly fee for the telephone line (€12.49 for 12 months, including VAT. After that period, the monthly fee is €17.49 including VAT).

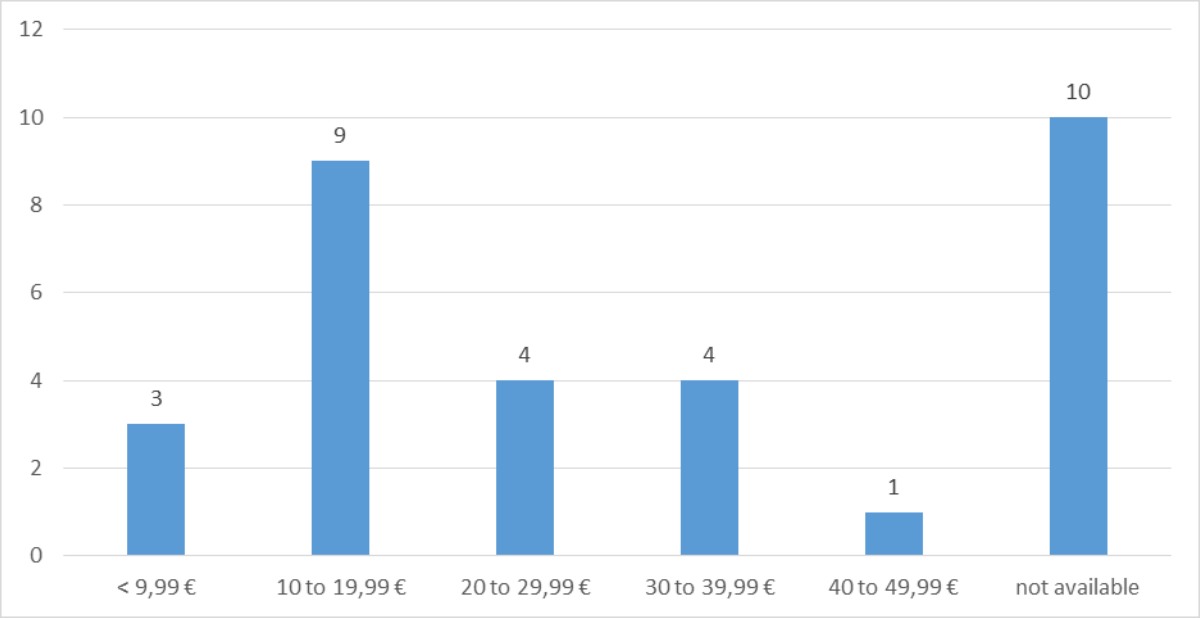
Figure 36 - Are there significant differences for fixed broadband tariffs between regions?



B. What is the average tariff for fixed broadband at average speed?

An average tariff for fixed broadband at an average speed cannot be determined throughout Europe due to the diversity and complexity of the tariff structures. However, the tariff range comprises tariffs between €6 and €42 including VAT as depicted in Figure 37. In the data provided by the NRAs, speed ranges between 4 Mbps and 100 Mbps are listed as (average) advertised speeds. Because of these variations in the provided data, a common reference value for the tariffs for fixed broadband could not be determined in the analysis. In some cases, an average tariff was created, for the purposes of our analysis, on the basis of available tariff ranges and tariff plans. Furthermore, in some countries (e.g. FR and AT) the tariffs provided refer to a tariff for fixed broadband in a bundle [double-play (broadband and pay-television) or triple-play]. As a result, it is not possible to draw a firm conclusion on the basis of the available data.

Figure 37 - What is the average tariff for fixed broadband at average speed?

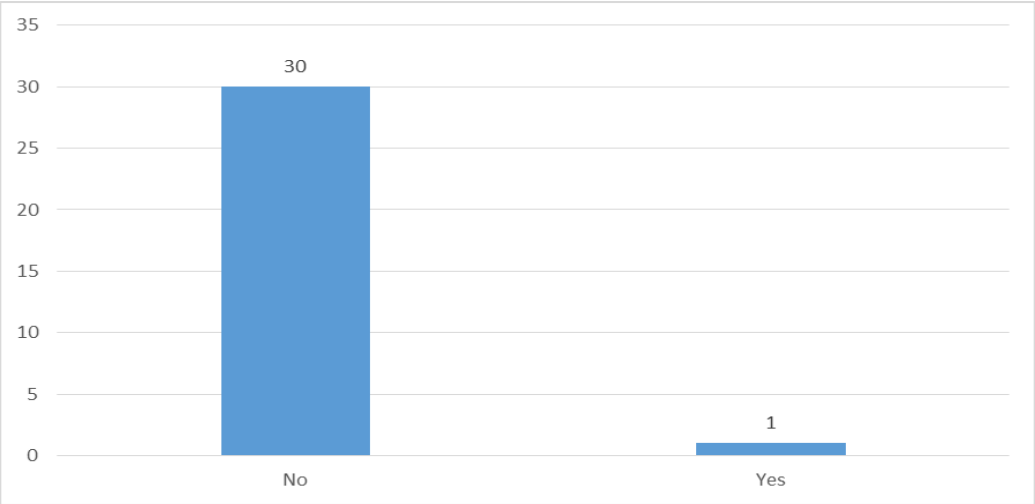


5.3 Mobile Broadband Affordability

A. Are there significant differences for mobile broadband tariffs between regions?

In the vast majority of the countries, no significant difference for mobile broadband tariffs between regions could be noticed (see Figure 38). Only in France are there differences for mobile broadband tariffs between mainland France and French overseas territories, where tariffs are often higher.

Figure 38 - Are there significant differences for mobile broadband tariffs between regions?

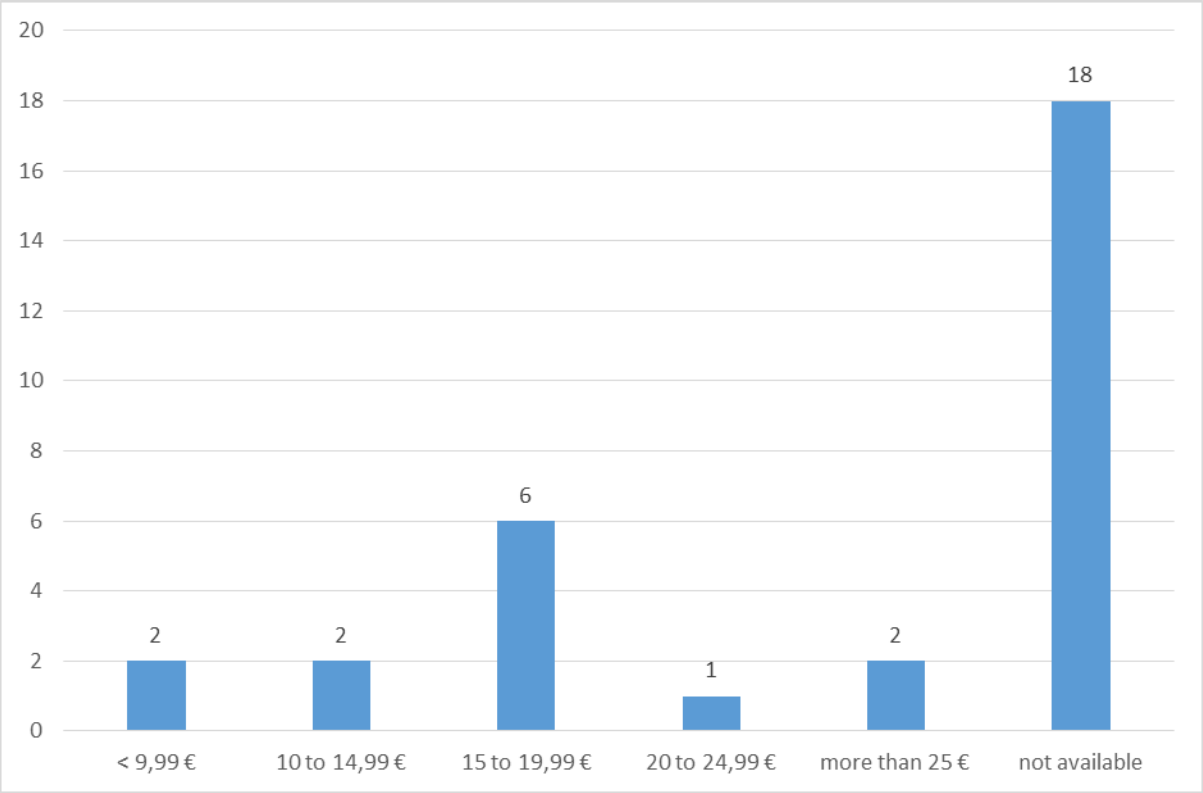


B. What is the average tariff for mobile broadband at average speed?

The tariff range comprises tariffs between €8 and €51/month including VAT. A precise average tariff for mobile broadband at an average speed could not be determined. Most of the proposed tariffs are based on volume and include a certain amount of data traffic (e.g.

including download volumes between 500MB and 5GB at a maximum download speed of up to 20Mbps). Upon reaching the maximum contractual download volume, a download speed limitation is put into effect, reducing speeds to e.g. 64 Kbps or 128 Kbps (data provided by BG). Furthermore, tariffs may vary due to tariff options. Mobile broadband tariffs are frequently offered in a bundle with voice and SMS services (e.g. FR and SI). In some cases, for the purposes of the analysis, an average tariff was created on the basis of available tariff ranges and tariff plans. Hence, it is not possible to draw firm conclusions based on the data provided by the NRAs, but it facilitates an oversight of the existing tariff structure (see Figure 39).

Figure 39 - What is the average tariff for mobile broadband at average speed?



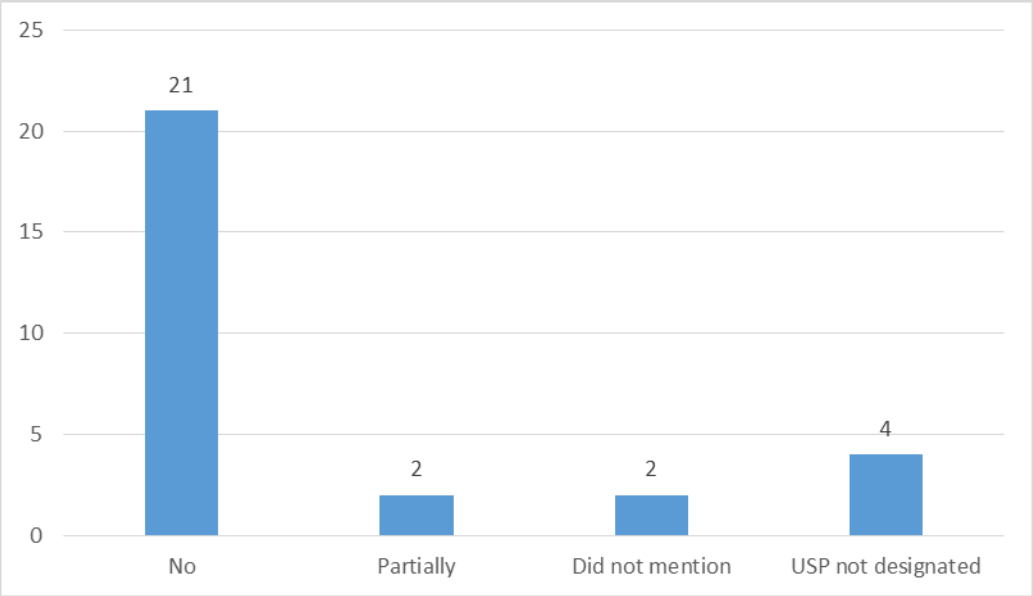
6. Divers

6.1 Competitive Environment

A. How does providing the US obligation affect competition in the market?

In 18 of EU the Member States (AT, BG, CY, CZ, EE, IE, EL, FR, HR, IT, LV, LT, HU, MT, PL, PT, SI and the UK) and in three non-EU Member States (ME, NO and CH) the NRAs considered that the provision of the USO does not affect market competition. Two countries considered the universal service obligation slightly or regionally affect competition (SK, IS). In another four countries (DE, LU, RO and SE) there is no designated USP (see **Error! Reference source not found.**).

Figure 40 - Does providing US affect competition?



B. Have there been complaints about distortive competitive effects? What has been the outcome of these complaints?

Complaints were registered in NL regarding social tariffs, in ES (with respect to the determination of the US net cost, the nature and concept of unfair burden and the mechanism used for the designation of the operators) and IT (about no fixed-mobile substitution in providing USO and the inexistence of unfair burden on Telecom Italia). [22]

[22] In PT there has not been specific complaints about distortive competitive effects, but in any case operators share the perspective that the sectorial funding of the US has an impact in market dynamics and affects competition, specifically in the period prior to the designation of the US provider through a tender procedure.

6.2 Pending National Court Proceedings

National court proceedings were identified in CZ (concerning the payers on the US fund), IE (challenging NRA USP designation decision), ES (about the determination of the USO net cost and designation of the operators obliged to contribute to the fund), EL (related to measures for disabled end-users), IT (in relation to the determination of the USO net cost and the definition of the universal service quality targets), PL (with respect to the US subsidies), PT (concerning the methodology used in order to determine the USO net cost and the USO net cost values), SK (regarding the compensation of loss from provision of US) and ME (related to the determination of the net cost).