



Internet Telephony Services Providers' Association

15th July 2005

Review of the Scope of Universal Service

Introduction

ITSPA has read the Commission's Communication COM(2005)203 on the Review of the Scope of Universal Service with interest; in particular the section on longer-term issues where the growth of IP based services is a key consideration. We are pleased to have the opportunity to submit our comments on the longer-term issues relating to Universal Service.

At this point, ITSPA would like to reiterate its belief that, in future, IP will become a utility. So long as consumers are able to access IP-based networks, they will be able to "plug-in" to IP-services with the same ease and facility as they are currently able to tap into the water supply.

Longer-Term Issues

The over-riding aim of Universal Service is to ensure the delivery of key services to all citizens at economical cost. Universal service mandatory obligations will be redundant if such basic services are available to all consumers.

ITSPA agrees with the Commission's assessment that mobile services need not be included under the scope of universal service, as competition has already enabled the affordability and availability of mobile networks and key services to all sections of society. We believe that, with the growth of nomadic VoIP services, this situation will continue, with citizens increasingly having access to a range of affordable mobile services.

ITSPA believes a similar situation will emerge for broadband services. Although, as the Commission notes, broadband is not yet pervasive across EU households (and therefore should not be included under the Universal Service umbrella at present), current trends show that uptake will continue to accelerate. Competition is already driving down prices and increasing availability. Furthermore, ITSPA believes that VoIP and other IP applications will be a key driver of broadband take-up in the coming years.

Thus, although the situation, should, of course be monitored, ITSPA believes that it is likely that market forces will ensure that basic broadband offerings – delivered across a range of platforms – will be available and affordable to all sections of society. Should the Commission decide to include broadband under the scope of Universal Service, on the other hand, it would require a fundamental rethink of how Universal Service is supplied to ensure a competitive mechanism emerges.



Internet Telephony Services Providers' Association

Universal Service should only address access to fixed infrastructure in the future

ITSPA believes that the key to ensuring a basic level of service is available to all sections of society depends on there being access to infrastructure. So long as consumers are able to “plug-in” to the infrastructure, a plethora of services will be delivered down the IP pipes. These services will have to compete in terms of quality, price, flexibility and function; and this competition will ensure their affordability and availability. VoIP (Voice over Internet Protocol) is an example of such a service driving a competitive market. It should also be noted that, in the IP world, the vertically integrated communications model whereby the access provider is also the service provider, need no longer be the norm.

As already outlined, access to mobile infrastructure is already available and affordable; mobile services are already offered competitively with packages having emerged that give low-income customers a basic connection to the network. However, it seems unlikely that citizens in remote and rural areas will have basic *fixed* telephony (PATS) infrastructure access in future without Universal Service obligations in place. ITSPA therefore believes that universal service should continue to address access at a fixed location *only* in the future.

Disabled users

ITSPA believes that IP services, which are far more flexible, adaptable and feature-rich, will offer a range of new services and functionalities to disabled users in future. The basic level of service available to all citizens via IP networks will thus be notably higher than that currently provisioned.

Directories and directory enquiry services

ITSPA believes that the Commission's question relating to the need for directories and directory enquiries to remain under the scope of universal service in the long term should be considered under three headings:

- Inclusion in a directory
- Access to directory enquiries
- Provision of a printed directory

The right to be included in a directory should continue to be protected under the Universal Service Directive as a basic right. However, ITSPA believes that directory enquiry services are increasingly being competitively provided and the provision of a printed directory is becoming increasingly anachronistic (with information being available online and increased consumer



Internet Telephony Services Providers' Association

mobility, the innate value of a local printed directory is decreasing). These latter two services, therefore, may no longer need to be kept under the scope of Universal Service.

Conclusion

ITSPA believes that, in future, the scope of Universal Service should not include the service element of communications provisioning, but rather should focus on the access to infrastructure element, where competition is far less likely to take hold. The delivery of services is increasingly platform independent, which also supports the notion that so long as access can be guaranteed to all, affordable services will be available. Access to mobile infrastructure is already available to all consumers. ITSPA believes that, with access to infrastructure provided, services such as VoIP will ensure the provisioning of a higher level of basic communications services to all sections of society.

About ITSPA

The Internet Telephony Services Providers' Association was established in 2004 in the UK to represent the VoIP sector. ITSPA aims not only to encourage the innovation and development of the VoIP industry through the promotion of self-regulation and competition, but also to promote the benefits of the technology to consumers. ITSPA has the objective of ensuring consumers receive a first-class service and to reassure them that any product or service bought from a company displaying the ITSPA logo comes with a high standard of consumer protection, which is properly policed and includes a dispute resolution procedure. Further information on ITSPA and its members, can be found on our website here: <http://www.itspa.org.uk>.