Opinion of the Economic and Social Committee on the 'Proposal for a Directive amending Directive 97/33/EC with regard to operator number portability and carrier pre-selection'

(98/C 73/26)

On 30 October 1997, the Council decided to consult the Economic and Social Committee, under Article 100A of the Treaty establishing the European Community, on the above-mentioned proposal.

The Section for Transport and Telecommunications was instructed to prepare the Committee's work on the subject; it set up a study group and appointed Mr Mobbs as rapporteur.

At its 350th plenary session (meeting of 11 December 1997), the Economic and Social Committee appointed Mr Mobbs as rapporteur-general and adopted unanimously the following opinion.

1. Introduction

1.1. The Commission issued a Green Paper on a Numbering Policy for Telecommunications Services in Europe [1] on 20 November 1996. This resulted in wide ranging consultation with all interested parties within the EU on a variety of options for a common approach towards certain numbering issues in order to reach the agreed goals of a competitive and liberalized telecommunications market. The Committee issued its Opinion on 28 May 1997 [2].

1.2. On 21 May 1997, the Commission issued a Communication regarding the consultation on the Green Paper on a Numbering Policy for Telecommunications Services in Europe [3]. The Committee issued an Opinion on 29 October 1997 [4].

1.3. Whilst the 21 May Commission Communication was issued before the Committee had produced its 28 May Opinion, the Committees' views were generally not materially different from those contained in the Commission Communication on the Green Paper.

1.3.1. However only those aspects affecting Number Portability and Carrier Pre-selection [5] are addressed by the Commission in its current proposal to amend the Interconnection Directive [6].

2. The Commission proposal

2.1. The proposal which follows from the public consultation referred to in paragraph 1.1 above cites the Council Resolution of 22 September 1997 [7], but the Commission deals with only two actions.

2.2. By 1 January 2000: Operator Number Portability should be offered by all fixed local access providers

[1] COM(96) 590 final.
[2] OJ C 287, 22.9.1997, p. 15.
[3] COM(97) 203 final.
[4] OJ C 19, 21.1.1998.

[5] Number portability: the possibility to transfer a telephone number from one operator to the other. Number portability thus allows customers to retain their telephone number when they decide to change operator and removes an important barrier to competition.
Carrier pre-selection: local operator/service provider will automatically route long-distance and international calls of a customer to the long-distance carrier of the customer's choice. The customer does not then have to dial or arrange pre-programming of special carrier selection codes with every call ('equal access').
Call-by-call carrier selection: a simple mechanism allowing the customer to choose a carrier by use of code or pre-programmed equipment for each call in the absence of which a long-distance carrier is automatically chosen by the local access provider (local operator) with the possibility of the user overriding that choice on a call-by-call basis ('easy access').

[6] Directive 97/33/EC of the European Parliament and of the Council of 30 June 1997 on interconnection in Telecommunications with regard to ensuring universal service and interoperability through application of the principles of Open Network Provision (ONP) (OJ L 199, 26.7.1997, p. 32). ESC Opinion: OJ C 153, 28.5.1996, p. 21.

[7] Council Resolution of 22 September 1997 on the further development of a numbering policy for telecommunications services in the European Community (OJ C 303, 4.10.1997, p. 1).

and all operators should offer number portability for non-geographic special service numbers.

2.2.1. The need for this facility to be provided by mobile operators requires more consideration and the Commission proposes re-evaluating the position by the end of 1998.

2.3. By 1 January 2000: Carrier pre-selection (with the default carrier to be determined by the subscriber and with call-by-call override to be available to the user) should be offered by all fixed local access providers with significant market power in all Member States, where full liberalization is required by 1 January 1998 and in Member States where additional transition periods have been agreed, by the end of that period.

2.3.1. Call-by-call carrier selection [1] is required to be offered by 1 January 1998. (The Commission does not offer any new legislative proposal since it is considered that the existing Interconnection Directive is sufficient.)

2.3.2. The proposal refers to the arguments put forward by the minority of opponents to carrier pre-selection and then lists the main reasons why it does not find the minority case against carrier pre-selection to be convincing.

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3. **General Comments**

3.1. The Committee is pleased to see that the Commission continues to take positive action towards the full liberalization of voice telephony. The two actions proposed (Operator Number Portability and Carrier Pre-Selection) follow the proposal contained in the Commission Consultation Paper [2].

3.2. The Committee supported this approach in its latest Opinion [3]. However, as far as carrier pre-selection is concerned, the Committee added the comment that 'this must include a comprehensive cost-benefit analysis'.

3.3. In the course of its consultations starting with the Green Paper [4], the Commission has referred to a number of independent studies of cost-benefit analysis. However, the Commission has not published its own cost-benefit analysis. Accordingly, the Committee calls on the Commission to make available an EU specific cost-benefit assessment. In addition, the Commission should comment upon the competitiveness of EU carrier pre-selection in the global market place, especially in the light of recent experiences in other countries, for example, the USA.

3.4. The consumer interest must be a priority in assessing carrier pre-selection. In particular, consumers should be fully informed of all carrier pre-selection costs. The Committee recommends that these costs may not include a charge on an existing subscriber for using a second operator or service as is already law in some Member States.

3.5. In principle, carrier pre-selection is considered to provide a level playing field and fair competition. Yet, this should not be looked at in isolation but in the broadest sense of full competition and the cost effect to all consumers.

(2) COM(97) 203 final.
(3) OJ C 19, 21.1.1998.
(4) COM(96) 590 final.

Brussels, 11 December 1997.

The President
of the Economic and Social Committee
Tom JENKINS