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Telecommunication Universal Service & Consumer Rights Protection in China

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Director General of Telecommunications Administration Bureau of MII, P.R. China
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Content Outline
- Harmonious Development & Active Promotion of Rural Communications and Universal Service
- Human-Oriented & Total Guarantee of Consumer’s Legal Rights

1.1 Digital Divide of Telecommunication Service in China

Quantity Gap
- Fixed Telephone Users: accounting for 67.5% of the total fixed telephone users
- Internet Users: the broadening of 100 million throughout the country, of whom broadband users exceed 30 million, nearly in the cities

Quality Gap
- Penetration of Fixed Telephones: about 14.6 per 100 inhabitants; by May 2005, nearly 60 thousand administrative villages haven’t used telephone
- Internet Penetration: less than 2%

Urban Rural Fixed Telephone Users
- accounting for 67.5% of the total fixed telephone users

1.2 Telecommunication Universal Service——Key to Bridging the Digital Divide between Urban and Rural in our Country

Telecommunication Universal Service
- All citizens can use telephone or other basic telecommunication service at affordable price wherever they live.

Stage I: Wide geographical reach
- Ensuring the opportunity of accessing ICT and using networks, any specific objectives of bridging digital divide

Stage II: Mass-market take-up
- Ensuring gaining and using information and knowledge are main methods of bridging digital divide

Stage III: Network completion
- Open up the all kinds of traditional and advanced services, and basic communications services can be satisfied, and telecommunications services enable every person enjoy complete and convenient communications freedom

Stage IV: Network competition
- Service for individuals

Stage V: Service for individuals

Overall, telecommunication Universal Service in China exist in Phase III and Phase IV.
1.4 Development Objective of Telecommunication Universal Service in China

**Overall Objective**
- Establishing universal service regime, and ensuring basic communications service level in all the different stages.
- Increasing the penetration level of all types of telecommunication services, and ensuring and improving consumer benefits and interests.

**Middle-term Objective**
- By 2010, "every village access telephone, every town access Internet"; by 2020, "telephone reaching every household, and Internet reaching every village".
- By 2010, nearly 100% administrative villages will access telecommunication service.
- By 2010, nearly 100% administrative villages will access Internet.
- By 2010, nearly 100% administrative villages will access internet access service.
- Guarantees the ability to access the Internet, and ensures providing voice service, communications accessible over 95% of administrative villages.
- By 2020, nearly 100% administrative villages will access telecommunication service.
- By 2020, nearly 100% administrative villages will access Internet.
- By 2020, nearly 100% administrative villages will access internet access service.
- Guarantees the ability to access the Internet, and ensures providing voice service, communications accessible over 95% of administrative villages.

**Future Objective**
- By 2015, “telephone reaching every household, and Internet reaching every village” will be basically realized.
- By 2020, “telephone reaching every household, and Internet reaching every village” will be basically realized.
- By 2030, “telephone reaching every household, and Internet reaching every village” will be basically realized.

1.5 Building management Framework of Universal Service in China

1.6 Management Measures of Promotion Telecoms Universal Service

1.7 Focal Points of Current Telecoms Universal Service

(1) Rural Access Projects — Overall Concept

<table>
<thead>
<tr>
<th>Step I</th>
<th>Step II</th>
<th>Step III</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I</strong></td>
<td><strong>II</strong></td>
<td><strong>III</strong></td>
</tr>
</tbody>
</table>

(2) Rural Access Projects — Policy Concept

<table>
<thead>
<tr>
<th>Main Measures</th>
</tr>
</thead>
</table>

(3) Rural Access Projects — Main Measures

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<th>Main Measures</th>
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</table>
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(4) Rural Access Project—Progress

- System construction should be considered in both short and long term, possessing scalability in capacity and operation;
- Strengthening the network maintenance, and guaranteeing stable operation and the quality of services;
- Taking measures suited to local conditions, and providing local services and promoting rural informatization.

2.1 Protection Mechanism of Consumer Rights

- Well-improved legislation, strict execution of the law, establishing user-oriented efficient society supervising network, monitoring, urging and guiding operators consciously improve service, forming regulatory framework of governmental regulation connected with industry self-discipline and society surveillance.

2.2 Enterprise Self-discipline

- Enterprises are the main providers of telecoms service, spontaneous service-improvement of enterprises is the core driving force. Governmental bodies will push enterprises always improve the quality of service, and ensure consumer rights.

(1) Governmental Regulation

- Industry regulatory bodies establish and improve fair market competitive mechanism through using legal, economic and necessary administrative methods, and setting up good platform to guarantee consumer rights and enhancing the surveillance of the society.

- Law of the People’s Republic of China on Protecting Consumers’ Rights and Interests,
- Telecommunication Regulation of P.R. China,
- Telecommunication Service Rule

- Market entry and exit, Handset testing, Network Security, Interconnection and Pricing Adjustment etc.

(2) Society Surveillance

- Establishing effective society surveillance network, including media agency, Consumers’ Association, experts etc.

- “12300” complaint hot-line, and “12315” consumer hot-line and user service hot-line of operators

- Newspaper, TV and Internet etc.

Industrial and Commercial Departments, Consumer Association, Telecoms User Committee, Communications Enterprise Association
2.2 Consumer Rights and Operators’ Obligations

Using Communications
- Every citizen has the right of gaining information through using communications methods
  - Telecoms Universal Service, Providing mass people the most basic service
  - Emergency Service, 110, 119
  - Special Service, 123xx, 9596
  - Other Customized Services, meet special demands of disabled and vulnerable groups

Guaranteeing Security
- Consumers have the right to require operators provide telecoms services with guaranteeing property and individuals security as requested
  - Network Security Guarantee: telecoms equipments conformity testing, and operation & maintenance system about network security
  - Special Communications Guarantee: rapid restoration of the communications infrastructure and facilities after disruption by a threat or attack (e.g. disasters, terror, war)
  - Information Security Guarantee, preventing the spread of illegal information related with obscenity and eroticism, and protecting the children
  - Privacy: secrecy of user’s personal information and communications contents

Awareness
- Consumers have the right to be aware of the facts of the products or services
  - Telecoms service information: service propagandizing, tariff announcement, consultation, and the quality report of telecommunication services;
  - Service provider information: Annual Examination Bulletin of Operators and Satisfaction Testing & Assessing
  - User Consumption Information: providing telecoms consumption bills and telephone records inquiry

Right to choose
- Consumers have the right to choose the operators providing products or services.
  - Choice services provided by carriers
  - Choice terminal equipments
  - Choice service types
  - ……

Fair Trade Right
- When buying products or services, consumers have the right to gain fair trade conditions, such as quality guarantee, reasonable price and correct measuring, and have the right to refuse the forced trade activities of operators
  - Marketing: prohibiting non-real propagandizing
  - Buy & Sale and Negotiation: selling at expressly marked price, non-discriminatory trade
  - Contracts: specify service agreements
(6) Emphasis on Protecting Consumer Rights

- Gain Compensation
  - If consumers have individuals and property damages because of buying and using products or services, they have the legal right of gaining compensation
  - Establishing Healthy System Guarantee: Specifying the scope and standard of compensation
  - Strictly regulating market exit mechanism: telecoms service operators must guarantee users' benefits not be damaged before they exiting the market

(7) Emphasis on Protecting Consumer Rights

- Surveillance Right
  - Consumers have the right to impeach and accuse the activities damaging consumer's rights and interests
  - Telecommunication Operators, must establish the consumer complaints handling procedures, and answer users within 15 working days after receiving consumer complaints
  - Telecommunication Regulatory Bodies: Establishing the center of consumer complaints handling, handling consumer complaints and hearing the relevant suggestions

Protecting Consumers is just Protecting Ourselves!

Thanks!