



Consumer Protection in the Era of Online Services: EU

ITU-TRAI TRAINING ON CONSUMER PROTECTION

New Delhi, 21 March 2016

Delegation of the European Union to India
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Part 1: EU & lawmaking



The EU - 28 Member States, 500 million inhabitants



Responsibilities



EU alone responsible:

- Customs union
- Competition policy
- Common trade policy
- Conservation of marine biological resources
- International agreements (under areas of EU legislation)
- Monetary policy (for 19 Euro countries)

Shared responsibilities EU + MS, e.g.:

- Agriculture/Fisheries
- Research and Development, Space
- Development cooperation
- Consumer protection, ...

Member States (EU may coordinate/support), e.g.:

- Taxation
- Education, Culture, Tourism, ...





3 key players



The European Parliament

- voice of the people

Martin Schulz, President of the European Parliament



The European Council and the Council

- voice of the Member States

Donald Tusk, President of the European Council



The European Commission

- promoting the common interest

Jean-Claude Juncker, President of the European Commission



EU lawmaking

• Citizens, interest groups, experts: discuss, consult



• Commission: makes formal proposal



• Parliament and Council of Ministers: decide jointly



• National or local authorities: implement



• Commission and Court of Justice: monitor implementation



Legal instruments

- Regulations (directly binding)
- Directives (binding, need transposition)
- Decisions (binding for addressee)
- Recommendations, Opinions (non-binding)

European Parliament: voice of the people



Decides EU laws and budget together with the Council of Ministers
Democratic supervision of all the EU's work

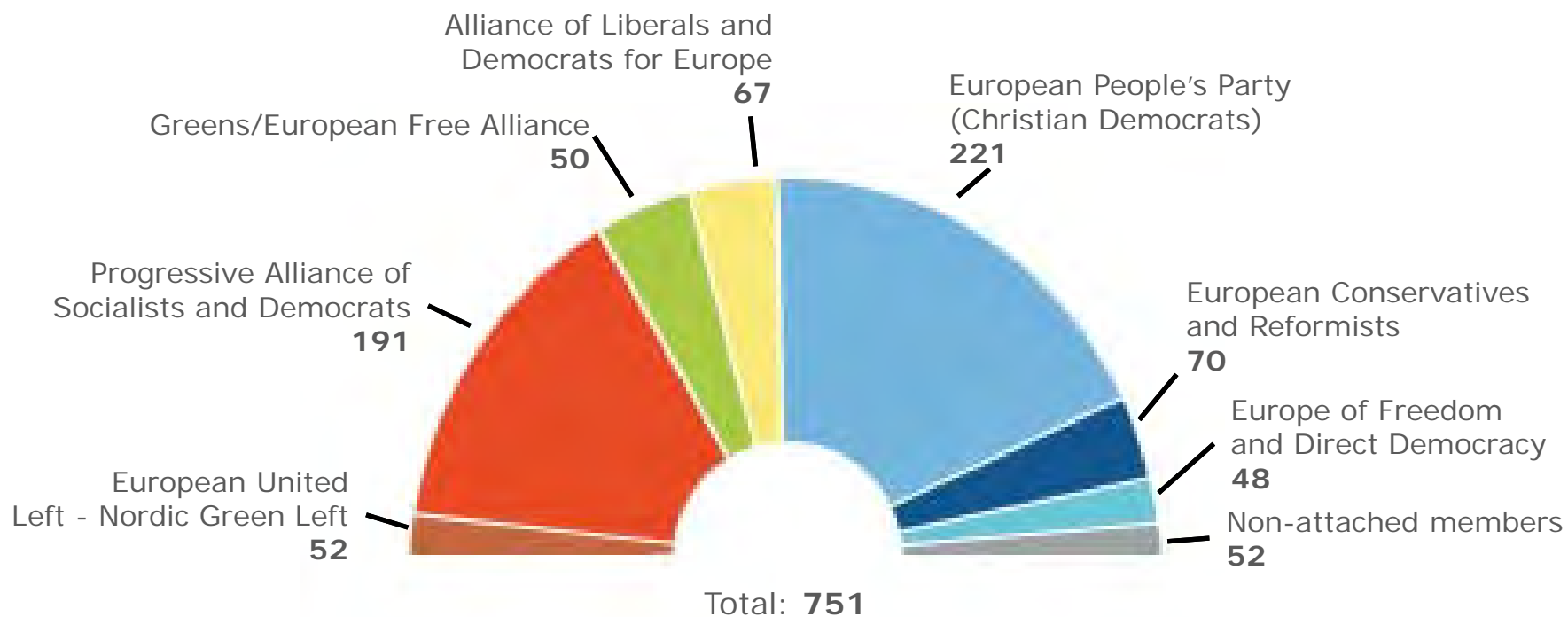
Number of members elected in each country

Austria - 18	Germany - 96	Netherlands - 26
Belgium - 21	Greece - 21	Poland - 51
Bulgaria - 17	Hungary - 21	Portugal - 21
Croatia - 11	Ireland - 11	Romania - 32
Cyprus - 6	Italy - 73	Slovakia - 13
Czech Republic - 21	Latvia - 8	Slovenia - 8
Denmark - 13	Lithuania - 11	Spain - 54
Estonia - 6	Luxembourg - 6	Sweden - 20
Finland - 13	Malta - 6	United Kingdom - 73
France - 74		

Total - 751



Seats in European Parliament per political group (after November 2014)



European Council ("Summit")



Summit of heads of state and government of all EU countries

- Held at least 4 times a year
- Sets the overall guidelines for EU policies
- President: Donald Tusk



Council of Ministers: voice of Member States



- One minister from each of the 28 EU country
- Presidency: rotates every six months
- Decides EU laws and budget together with Parliament
- Manages common foreign and security policy





Most decisions in Council taken by '**double majority**'.

A decision must have the support of at least:

- 55 % of Member States (16 countries)
- Member States that represent 65 % of the EU's population



European Commission: promoting common interest



28 independent members, one from each EU country

- Proposes new legislation
- Executive organ
- Decides by majority
- Guardian of the treaties
- Represents EU competences on international stage



High representative for foreign affairs and security



Federica Mogherini

- Double role:
 - chairs meetings of Foreign Affairs Council
 - Vice-President of European Commission
- Manages common foreign affairs and security policy
- Head of European External Action Service





28 independent judges, one from each EU country

- Rules on how to interpret EU law
- Ensures EU countries apply EU laws in the same way





Mario Draghi

President of the European Central Bank

- Managing the Euro (19 countries)
- Ensuring price stability
- Controlling money supply and deciding interest rates
- Supervising (big) banks
- Independent from governments





Legal basis

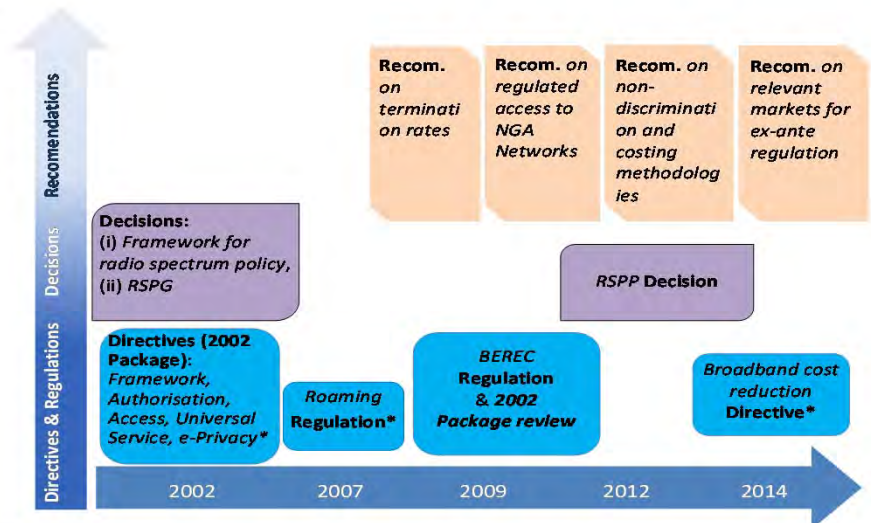
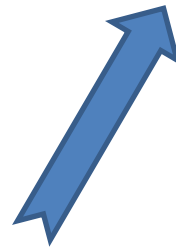
- EU Treaties do not contain special provisions for ICT, but EU can take **action under sectoral and horizontal policies**, e.g.:
 - Free movement of goods, persons, capital and services
 - Approximation of laws (Single Market)
 - R&D, Space
 - Competition policy
 - Industrial policy
 - Trans-European Networks



EU regulatory framework for electronic communications

A series of rules

1. Encouraging competition (**liberalisation** 1988-98)
2. Improving functioning of the market (**harmonisation**, common rules)
3. Guaranteeing basic **user rights**





Directive 2009/136/EC of 25 November 2009 (Citizen's Rights)

- Amending Directive 2002/22/EC (Universal Service)
- Amending Directive 2002/58/EC (ePrivacy)
- Amending Regulation EC No 2006/2004 (EU cooperation on consumer protection)



Strengthening consumer protection in telecoms relating to:

- General end-user rights
- Universal service



End user rights

Key changes introduced by Citizens Rights Directive amendment of Universal Service Directive:

- Contract provisions
- Transparency and publication of information
- Quality of Service
- Number portability
- Additional measures for disabled end-users
- Directory enquiry services
- Single European emergency number 112
- Harmonised numbers of social value 116+++ (e.g. missing children hotline)
- Access to non-geographic numbers





Universal service

Concept and scope remains: **a minimum set of services** defined at EU level, available **to all** end-users, **at affordable price** and **specified quality**

- access and services at a fixed location
- connection capable of supporting voice, fax, data
- comprehensive directories and directory enquiry services
- public payphones (may)
- specific measures for disabled end-users
- Universal Service Mechanism

Universal service (2)



New:

- functional internet access no longer limited to narrowband
 - » MS have **flexibility to include broadband connections** in scope of national obligations (under certain conditions)
- **access to network separated from provision of telephone services**
 - » in view of technological development (e.g. VoIP) where telephony services are no longer tied to single physical infrastructure
- **measures for disabled end-users now mandatory**
 - » to ensure access to and affordability of network connection, telephony services and directories



Better information on:

- **Prices** and tariffs
- Contract **duration and termination**, incl. minimum usage, charges on termination and number portability
- Minimum service **quality** levels and applicable compensation if these not met
- If access to **emergency services** and provision of caller location information
- Any limits to or use of services, applications and terminal equipment; information on **traffic management** and impact on quality; actions in case of security or integrity incidents
- Service maintenance and **customer support**
- **Contract length**



- transparent, comparable, adequate and up-to-date **information on prices, tariffs and standard terms and conditions**, available in clear and easily accessible form
- web-based **comparison tools** to be available
- services subject to **specific pricing** (e.g. premium-rate) - pricing info may be provided immediately prior call connecting
- info on **emergency services, traffic management**, rights to be included in **directories**
- info on **unlawful activities, harmful content** or protection against risks to personal privacy and security

Emergency and social value numbers

Non-geographic numbers



Emergency and social value numbers

- **112**: equivalent access to emergency services (e.g. SMS service, text-relay, video-relay or other real-time functionalities)
- MS to promote **116** social value numbers and encourage provision of services (e.g. missing children hotline 116000)
- Citizens to be adequately **informed**

Non-geographic numbers (e.g. mobile)

- to be accessible **cross-border**
- Blocking of calls in case of **misuse or fraud**

Number portability



- Porting to be carried out within shortest possible time - 1 working day from conclusion of porting agreement to number activation, loss of service **max. 1 working day**
- NRAs to set out global processes for porting of numbers, including **protection** measures **against slamming**
- **Sanctions** on undertakings, including compensation of subscribers for delays and abuse
- Facilitation of appropriate tariff transparency for those who call ported numbers

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Slamming: switching a customer from one to another provider without customer's authorisation

Author, 02/03/2016

Telecom Single Market Regulation 2015



- **Telecom Single Market Regulation:** ambitious proposal, but ...
- approved Regulation (2015) includes "only" **net neutrality and end of roaming** provisions
- Provisions to implement net neutrality rules through **reinforcement of regulators' role**
- *Lex specialis*, **applies only to internet access services** (and not all electronic communication services like USD)
- **Directly applicable and enforceable rules**, no scope for further specification of rules by national legislation
- **Except** for the provisions on **transparency measures (minimum harmonisation)**, where Member States can go beyond and introduce additional transparency and monitoring measures for internet access service

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EU wide Net Neutrality rules

- From 30 April 2016
- For **fixed and mobile** services
- Internet access service: **providers must not restrict connectivity** to any accessible end-points
- **Users have right to access and distribute information/content, ...**
- Internet access **providers must treat all traffic equally**
 - without discrimination, restriction or interference,
 - irrespective of sender/receiver, content accessed or distributed, applications or services used or provided, or equipment used

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Slamming: switching a customer from one to another provider without customer's authorisation

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- **Reasonable traffic management measures allowed to**
 - prevent network congestion
 - preserve integrity/security of network
 - for compliance with court orders / EU&EU compliant national laws
- Need to be **transparent, non-discriminatory and proportionate**
- **Transparency measures, supervision, enforcement (incl. penalties) and review**
- Enhanced competencies/obligations to act for regulators
- BEREC to publish **guidelines** within 9 month

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Slamming: switching a customer from one to another provider without customer's authorisation

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"Specialised services"

- **Services other than IAS, optimised for specific content, applications or services**
 - Optimisation must be necessary to meet service requirements for specific levels of quality that are not assured by IAS
 - Examples: eHealth, IP-TV set top boxes (under certain conditions),
- **Safeguards to avoid detriment for IAS**
 - No substitute to internet access services
 - Sufficient network capacity to provide SpS in addition to IAS
 - Must not be to detriment of availability/general quality of IAS for end-users
 - Commercial and technical conditions/practices shall not restrict connectivity and limit end user rights



Net Neutrality - Summary

- Common rules based on balanced compromise:
- Safeguard the open internet
 - Right to access and distribute content of end-user's choice
 - Non-discriminatory traffic management
- Innovative services, provided that they do not impair the open internet
- Key principles enshrined in the Regulation
- Important role for NRAs in implementation
- Importance of guidance

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Slamming: switching a customer from one to another provider without customer's authorisation

Author, 02/03/2016



End of roaming charges within EU

- Annual reductions of intra-EU roaming charges (voice, SMS, data) imposed by European Commission
- Telecom Single Market Regulation abolishes roaming charges altogether in EU by 15 June 2017

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Review of current framework



Next steps

- Commission launched **review of regulatory framework** (including USD)
<https://ec.europa.eu/digital-single-market/news/public-consultation-evaluation-and-review-regulatory-framework-electronic-communications>
- Public **consultation on review**: background and short summary of results available:
 - <https://ec.europa.eu/digital-single-market/news/public-consultation-evaluation-and-review-regulatory-framework-electronic-communications>
 - http://ec.europa.eu/newsroom/dae/item-preview-neutral.cfm?item_id=29260
- **Legal proposals** this year
- Public consultation on needs for Internet speed and quality beyond 2020
 - <https://ec.europa.eu/digital-single-market/en/news/public-consultation-needs-internet-speed-and-quality-beyond-2020>

A8 Slamming: switching a customer from one to another provider without customer's authorisation

QoE: Quality of Experience

DESI: Digital Economy and Society Index

Author, 02/03/2016



Data and selected studies

- EU Digital Scoreboard and Digital Economy and Society Index (DESI)
 - <https://ec.europa.eu/digital-single-market/en/digital-scoreboard>
- Comparison of broadband speed tests to improve measuring of broadband speed in the future (Stratix) [forthcoming]
 - Overview and comparison of existing (hardware/software based) broadband speed testing approaches
- www.broadbandmapping.eu (TÜV Rheinland Consulting)
 - Collection of data from EU28/EEA to build integrated database and mapping application, showing current quality of broadband access
 - Brings together stakeholders from EU/EEA member states' government entities, NRAs, plus crowdsourcing services, consumer organisations, carriers and content providers
- Quality of Broadband Services in the EU (Sam Knows)
 - <https://ec.europa.eu/digital-single-market/en/news/quality-broadband-services-eu>
 - For this series of studies, volunteers received a purpose-built broadband measurement unit

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QoE: Quality of Experience

DESI: Digital Economy and Society Index

Author, 02/03/2016



European
Commission

Thank you for your attention!

