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ORGANISATION FOR ECONOMIC  
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## COMMUNICATIONS OUTLOOK 1999

### TELECOMMUNICATIONS: Regulatory Issues

**Country:** FINLAND

**Date completed:** 22 June 1998

The attached questionnaire was undertaken in preparation for the biennial OECD *Communications Outlook*. The responses provided by countries on telecommunication regulation were used to provide information supporting the analytical sections published in association with data. A similar questionnaire with responses on broadcasting regulation is also available. In some cases, data for individual firms, used to compile OECD totals, have not been published at the request of the respondent. For further information, including data, see **OECD Communications Outlook 1999** and <http://www.oecd.org/dsti/sti/it/index.htm>

## TELECOMMUNICATIONS

### Market Structure and Regulatory Status (Questions 1 -13)

**1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.**

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, limited number, fully open to any applicant)	Number of licensed operators (1998)
Local PSTN	Competition	64
National PSTN	Competition	20
International PSTN	Competition	16
Analogue Cellular Mobile (e.g. NMT etc.)	Monopoly	1
Digital Cellular Mobile (e.g. GSM etc.)	Competition	2
Other Mobile Communication (e.g. PCS, PCN, CT-2 etc.)	Competition	28
Payphones	Competition	n.a.

**2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)**

Name of PTO	PTO Ownership Status (1998) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Sonera Ltd.	State Owned

**3. Please provide details of market share for the largest PTO in the following categories.**

	The largest PTO's share (End 1997)
Local Access (% of access lines)	72
National Long Distance (% of total minutes)	53
International (% of total outgoing MiTT)	61

**4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.**

Name of Operator	Number of Subscribers (End 1997)
1.Sonera Ltd.	1 594 840
2.Radiolinja Ltd.	562 000

**5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 1998.**

On the 1 June 1997 the Telecommunications Act was repealed by the Telecommunications Market Act which:

- improved the opportunities of telecommunications operators to profitably lease each other's telecommunications connections
- meant a licence is needed only in constructing mobile networks
- meant that telecommunications operators have to separate network and service operations

On the 1 January 1998 an amendment to the Telecommunications Act took place:

- the meant minor forms of mobile telecommunications no longer need licences
- an ending of the requirement for notification on the transmission of international telecommunication to Finland

**6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services.**

**Ministry of Transport and Communications (MTC):**

- Overall control and supervision of telecommunications
- Drafting laws and the making of regulatory proposals
- International co-operation
- Research when it serve regulatory purposes

**Telecommunications Administrations Centre (TAC):**

- Technical supervision and inspection of telecommunication and radiocommunication
- Mediator in conflicts between operators and between customers and operators
- Frequency and number planning
- Type approvals
- Standardisation
- International co-operation

**7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country?**

No

**8. Are there any communication infrastructures or services (e.g. cable television, terrestrial broadcasting, satellite broadcasting) PTOs in your country are not permitted to directly provide? In addition, please specify any restrictions on PTOs investing in companies that such infrastructure or services.**

No

**9. Is the incumbent PTO(s) in your country allowed to provide mobile communication services?  
If 'yes', is there a requirement for accounting separation between the PTO's mobile and fixed operations?**

Yes. Accounting separation concerns all operators which have significant market power. Moreover all operators must account separately for telecommunications network operation, telecommunication service operation and other telecommunication services, except if these operations are relatively small (annual turnover of operation is less than two millions marks and does not exceed five per cent of the total turnover)

**10. What selection procedures are used to determine licenses for new PTOs (e.g. calls for tenders, government appointments, license on request)?**

Prior to granting a licence, the Ministry shall publish notification of the possibility to apply for licences.

A licence shall be granted if it is evident that applicant fulfills some very general requirements according to the Act and radio frequencies are available for the operation of the telecommunications referred to in the application. If licences can be granted to some of the applicants only due to the scarcity of radio frequencies, they shall be granted to those whose operations best promote the attainment of the purposes of Telecommunications Market Act.

**11. Please specify any restrictions or obligations imposed on new competitive network suppliers?**

See point 10.

**12. Are there any restrictions on the use of leased lines nationally or internationally (including resale)?**

No, a customer may use a leased line for their own purpose or re-offer it to their customers.

**13. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.**

Free regime, as long as voice telephony services do not form a significant portion of Internet services.

#### **Pricing (Questions 14 -15)**

**14. What, if any, conditions are applied to the tariffs set by PTOs?** (Please include any price control information such as price caps and specify for which service they apply).

Operators may set tariffs freely without approval.

**15. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to residential users, dial-up Internet access users and a low user scheme from the incumbent PTO.** In the space below please indicate the main features:

Residential User Discount Scheme:

Every operator has a own discount scheme and these vary very much according to the amount of minutes and subscription agreement. For international calls there is in use a Family Friends system, where calls are cheaper to certain countries and to certain numbers. In most discount systems customer will get discount when the call minutes exceed a certain amount.

Note: Residential user refers to an average consumer's home telephone service. A dial-up Internet user refers to a consumer accessing the Internet via a PC with a modem over the local public switched telecommunication network. Low user schemes is a term sometimes applied by PTOs to schemes designed for segments of the community that are financially disadvantaged.

**Numbering/Domain Names (Questions 16 - 17)**

**16. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).**

The responsible authority of numbering policy is TAC. The number portability must be introduced in the whole country by 30 September 1998.

**17. Have there been any recent government policy initiatives in your country in respect to the administration of Internet top level domain names. (An example of a top level domain name is .be for Belgium).**

Since 1 June 1997 TAC took over domain name administration from a private ISP (Eunet Finland)

**Interconnection (Questions 18 - 21)**

**18. Are PSTN interconnect or access charges a matter for commercial agreement between operators and if so is there provision for arbitration and by whom? Is there a requirement to publish the rate for PSTN interconnect or access charges?  
If 'yes' please provide a schedule of interconnection charges for the PSTN.**

Interconnect or access charges are matter of commercial agreement between operators. If operators can not reach an agreement, any party may ask Ministry of Transport and Communications to intervene. Interconnections and access charges must be public.

Interconnection charges (please indicate measure e.g. cost per minute for terminating or originating traffic):

Terminating traffic: 0.095 FIM/min in the provinces Lappi and Oulu (North-Finland)  
0.085 FIM/min in other provinces

Access traffic: not yet in use

At the moment there are going negotiations on interconnection and access charges and they might be changed in near future.

**19. For the purpose of establishing interconnect or access charges is accounting separation used?**

Since 1 January of 1998 operators, which have significant market power ,must have accounting separation in operation for their network interconnections and services.

**20. Once the interconnection or access charge has been established is it available as a standard rate for other service providers (including other PTOs and resellers)?**

As a general rule interconnection charges for operators, with significant market power, must be public and sufficiently itemised and reasonable with regard to the costs incurred. The interconnection charges may also cover a reasonable profit on invested capital. There is no standard rate for interconnections charges.

**21. Does regulation specify that competitive service providers can co-locate facilities on the same site as incumbent PTOs? Please indicate whether resellers and Internet Service Providers can co-locate equipment under the same terms and conditions as PTOs without being designated as a PTO?**

Co-location is possible in free segments of cable channels and in any free antenna places in radio masts on commercial bases. There is no legislation concerning co-location.

**Information for Updating OECD Tariff Comparison Baskets (Question 22)**

**22. Please provide the following information for your largest PTO.**

What is the average duration of a local call (i.e. average time of a call in the lowest tariff band for PSTN)?	3.8 min (all local calls)	
What is the proportion of calls that fall within your lowest tariff band (i.e. local calls) as a percentage of total national calls?	Business (%) not available	Residential (%) not available
What percentage of calls from the fixed network (PSTN) terminate in mobile networks (e.g. analogue and digital cellular networks)?	Business (%) not available	Residential (%) not available
What percentage of total leased lines (i.e. leased circuits) are local (i.e. 2 km or less)?	Not available	

**Universal Service/Consumer Issues (Questions 23 -25)**

**23. In the context of universal service policies which elements of telecommunication service are considered as part of universal service in your country?**

In Finland there is not a universal service system, but public telecommunications operators have service obligations at a reasonable level. This means that public operators have to provide services to users and to maintain and develop their network. Services must fulfill reasonable needs of users, be competitive, have a good quality, as well being safe and reasonably priced.

**24. Please provide details of any explicit funding mechanism for universal service and its coverage.**

Finland does not have any funding mechanism for universal service.

**25. With what institutions other than telecommunication service providers can customers lodge complaints regarding these operators? (e.g. regulators, ombudsman, Ministry, etc.) Is there a requirement for annual reporting of the number of consumer complaints? If so how are complaints measured and reported.**

Customers complains will be handled by TAC or Consumer ombudsman. In the telecommunication regulations there is no requirement for any reporting of consumer complaints.