



European Communities
Commission
Press Release

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COMMON TARIFF FOR EURONET

A substantial step forward has been achieved by the European Community in common action with the nine Postal Administrations of Member States who have agreed between themselves and with the Commission on a common tariff for the EURONET telecommunications network. This is to be financed jointly by the European Communities and the PTTs. EURONET will provide users throughout the Community from January 1979 with reliable, rapid (overall response time under 3 seconds) and cheap access to over 100 data bases containing scientific, technical and socio-economic information(1).

Network access points will be located in Amsterdam, Brussels, Copenhagen, Dublin, Frankfurt, London, Luxembourg, Paris and Rome.

The agreed tariffs embody fundamental Community principles, notably:

- for the first time, a common, unique tariff for international data transmission. Therefore there will be no discrimination against users in different countries, although local connections to EURONET will continue to be charged according to national tariffs;
- a tariff which is independent of distance, and which is based on data volume transmitted rather than fixed subscriptions. This especially benefits the small and medium scale user;
- EURONET's custom-built telecommunications facilities will offer a reduction of a factor between 3 and 5 on present day charges for comparable services and of 60% compared with those for less reliable forms of transmission - to the ultimate benefit of thousands of industrial, institutional and individual users.

The EURONET project, supported by Community funding, has already had a direct impact on the market, and the tariff announcement is the culmination of a series of Community actions and innovations, including:

- creation of a first-ever consortium of the nine Postal Administrations acting together at EEC-level;
- adoption of a common, unified technology - i.e. "packet-switching"²⁾ - thus avoiding the risk of the kind of costly competition that prevails, say, in the field of television technology between member countries;

(1) See also P-63, July 1977

(2) "Packet-switching" is the technical term given to the method of transmitting data using the network to its optimum capacity. The message is broken up into constituent impulses, transmitted by quickest route or routes and reconstituted at destination.

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- pioneering in standardised interfaces for the connection of terminals and computers in packet-switching networks, now recognized by 16 leading industrial nations, including North America.

The central project will be supplemented by aids to users, including:

- creation of a straightforward common language of command, enabling terminal users to search memory files on many different kinds of computers;
- development of semi-automatic translation systems, multilingual terminology data banks and other multilingual tools.

Thus solid foundations are being laid on which it will now be possible to build a true common market for computer-held information.

Indeed, this telecommunications utility is not likely to remain limited to scientific and technical information. It is expected to form the basis of a European public packet-switched data transmission network, and already includes some capacity for general data traffic. The network is also likely to be extended to third countries. Switzerland, for example, has made a formal application to join EURONET.

Tariffs: the details

The charging structure will be three-tiered: volume charge, time charge and a national component. Details on the first two components are given in (1), (2) and (3) below (indicated in FB and calculated on the basis of 1SDR = 41 588 FB). An illustrative example based on these components is also given. Details on national access features will be announced individually by the PTT Administrations.

1. Volume charge

For the purpose of charging, data volume transmitted will be measured in segments of 64 bytes (unit of 8 bits). The charge per 1000 segments is 67.91 FB. This is equivalent to 132.6 FB/Mbit.

2. Time charge

The time charge will be dependent on the data transmission speed (throughput class) used:

- for use of the network via leased line access:

- up to 1200 bit/s: 1.02 FB/min
- up to 9600 bit/s: 1.36 FB/min
- up to 48000 bit/s: 3.62 FB/min

- for use of the network via the public telephone system:

- up to 1200 bit/s: 1.36 FB/min

3. Special features

An off-peak (night, weekend) reduction of 20% will be applied to the time charge, and one of 33 1/3% of the volume charge.

So-called permanent virtual circuits will be charged at a flat rate equivalent to 120 hours usage per month, instead of the normal time charge, plus the volume charge as indicated under point 1 above.

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