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***TOWARDS THE INFORMATION SOCIETY***

**COMMUNICATION FROM THE COMMISSION**

TO THE COUNCIL, THE EUROPEAN PARLIAMENT,  
THE ECONOMIC AND SOCIAL COMMITTEE  
AND THE COMMITTEE OF THE REGIONS

on a

**Methodology for  
the implementation of information society  
applications**

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Proposal for a

**EUROPEAN PARLIAMENT AND COUNCIL DECISION**

**on a series of guidelines for trans-European telecommunications  
networks  
(presented by the Commission)**

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*The following Communication presents an approach and measures to stimulate the development of the Information Society in Europe.*

*It is composed of two documents:*

*The first document describes the ways in which the Community can make the most efficient use of its resources to stimulate the deployment of Information Society applications*

*The second document is a proposal for a decision of the European Parliament and the Council concerning a series of guidelines for trans-European telecommunications networks in accordance with Title XII of the Treaty.*

*These two documents are complementary. Whereas the first document presents a methodology for applications, the second presents an instrument for implementing that methodology, using the framework of the trans-European telecommunications networks.*



**PART I**

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A METHODOLOGY FOR THE IMPLEMENTATION OF  
INFORMATION SOCIETY APPLICATIONS<sup>1</sup>

The joint Council of Industry and Telecommunication Ministers of 28 September 1994 called upon the Commission to submit a document setting out its proposed methodology for coordinating action to develop new services and new applications, in particular in the context of the RTD framework programme and the trans-European networks programme. This document is submitted in response to that request.

**The following methodological framework aims to optimise the use of Community instruments and financial resources. This general objective will be met by raising awareness of potential private and public partnerships, improving the access to possible support and ensuring synergy between all existing Community instruments and financial resources.**

### Overview

The convergence of the information and telecommunication technologies and the related industries as well as the evolving regulatory environment which is leading to liberalisation of the telecommunication sector are creating opportunities for the emergence of new networks, applications and services using information as a resource. In particular, the rapid liberalisation of local infrastructures will encourage the take-off of experimental projects. Market mechanisms have been recognised as the driving forces for the advent of this information era. Indeed, it is primarily up to the private sector to take the necessary initiatives for the development of information and communication infrastructures, in particular in the area of financing.

The European Council nevertheless considered that the Community and the Member States, besides their responsibilities in the field of competition and in the implementation of a new regulatory framework, have an important role to play in supporting this development by giving a strong political impetus and stimulating if necessary the implementation of application projects.

In most areas, the commercial viability of the new services and applications is sufficiently attractive to render public action unnecessary or to restrict it to a minimum to cover, for example, part of the risks involved in the development of new technologies. In certain application fields where, despite evident socio-economic benefits, the prospects for commercial viability are judged by private investors to be uncertain or long term, catalytic actions can be envisaged under the umbrella of public authorities, in particular in areas of

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<sup>1</sup> In this Communication, the term "application" refers to all aspects of a particular use of information and communication technologies. It does not refer to information content.

collective interest. Lack of immediate commercial viability for certain applications is also partly due to the innovative character of the applications, requiring rapid integration of new technologies and organisational adaptation.

**The Community, in conformity with the principle of subsidiarity, can play a catalytic role by helping generate the critical mass that will attract private investors, thus allowing markets to take off more rapidly.**

Delays in investing in information infrastructures will have negative impacts on the socio-economic development of the Community, growth and employment. The creation of a wide range of business opportunities in new growth areas (e.g. multimedia) of the economy depends on the availability of new integrated information and communications systems.

The services and applications carried by these systems in all sectors of the economy are likely to give rise to and support new economic and social activities. These new activities will boost job creation, in particular in SMEs. They will also contribute to improving social and regional cohesion.

## THE ROLE OF THE UNION

**The Union can help stimulate the launch of project initiatives and, in certain cases, can support the implementation of these projects by making a financial contribution.**

### 1. The Stimulation of Project Initiatives

In conjunction with Member State actions, the Union can help stimulate the launch of project initiatives involving the development or supply of Information Society applications and services

To advise the Commission in these activities, two new advisory structures have been created, the Information Society Forum, which brings together all the actors concerned, and the High Level Social Experts Groups whose members will examine the social and societal aspects. In addition, a specialised Task Force within the Commission has been set up to examine ways in which to develop European educational multimedia software.

These stimulation activities will aim to satisfy the needs of actors from different sectors who may have an interest in supplying or using services and applications. These actors, both suppliers and users, include industry, network operators, service providers, content



industries, financial institutions, SMEs, national administrations, regional and city authorities. Particular attention will be paid to the needs of all citizens.

**In this context the Union can fulfill three main roles:**

- **An Information and awareness role, notably:**

- in maintaining an updated inventory of projects that are planned or underway at national, European and international level (this task is one of the 11 projects identified by the G7), and ensuring they are carried out;

- on existing technologies, and the ways to access them, in particular the technologies developed in the framework of the RTD programmes managed at Union level;

- on the regulatory environment and its evolution.

- **A Role of Brokerage:**

- in bringing together actors from different sectors who may have a common interest in certain initiatives;

- in encouraging, by means of such action, the formation of partnerships, in particular between private and public actors.

- **A Role of guidance towards the sources of financial support:**

- when interested partners are in the process of organising themselves for the realisation of a project, orient them towards the appropriate Commission services which manage Community support instruments, so that the partners can evaluate the nature and the potential of support available within the Union.

**The Information Society Project Office (ISPO) was created by the Commission in December 1994 to provide a one-stop-shop interface to access such activities.**

## **2. Community financial support for the realisation of projects**

The Community has at its disposal a certain number of financial intervention instruments, which may be used, in addition to private or public resources, to create the critical mass of investment necessary for the launch of a project.

These instruments, which must be used each according to its own rules, are:

- the trans-European networks support mechanism

- the framework RTD programme
- the Structural Funds, and the Cohesion Fund.
- the European Investment Bank and the European Investment Fund.
- the programmes dedicated to education and training

Annex 1 describes these instruments in detail.

In the case where the commercial characteristics of a project are sufficiently attractive to directly trigger a private initiative, Community intervention will not be necessary.

**Some projects, whilst having clear socio-economic benefits, may not be immediately commercially viable. This is often the case for projects of collective interest. In such instances, the Community has the scope to use the combination of these instruments in a coordinated way, taking advantage of their complementarity and ensuring their synergy.**

In order to respect both the competition rules which apply to the telecommunications sector which is being progressively liberalised, and the specific needs of each of the projects for which Community support is justified, **a number of principles** will have to be applied in the management of any financial support given to a project:

a) The choice of the project should be made following **a demand-driven approach, and use public calls for proposals procedures**, in order to give equal chances to all the potential proposers. The amount of support requested will be a criteria for project selection, taking into account the need to respect the Community's competition rules.

b) **Each instrument shall be used in accordance with its own rules**: and specificities this means that **the type of support requirements of a project will be analysed in order to apply the Community instruments which best satisfy these different needs**. For instance, RTD support will address the need for supporting the eventual research-development and demonstration phase of a project, Structural Funds for the deployment of the projects in certain regions, trans-European networks resources for feasibility studies, interest rebates, loan guarantees, etc.

c) **A problem to be solved is the coordination over time of the availability of the different financial supports**. To solve it in the case where access to several instruments is governed by a call for proposals (as for RTD programmes and trans-European networks projects), a coordination in the time of the calls can be managed.

The Commission will have to set up and operate a **coordination framework** to manage these aspects. The management framework of the **Decision on trans-European telecommunications networks guidelines**, the proposal of which is introduced in the second document of this Communication, **can be one of these coordination frameworks<sup>2</sup>**.

### **3. Concluding remarks**

There will be cases where it will not be possible to support an initiative, either because of lack of funds or because it lies outside the scope or the rules of the available instruments. Within a year the Commission will present to the European Parliament and to the Council a report covering the progress of the initial actions, their impacts, and identifying difficulties encountered, including the case where support could not be given.

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<sup>2</sup> Groups of Commissioners have been established to deal respectively with information society and audio visual, trans-European networks, and cohesion.

## ANNEX 1

### THE COMMUNITY FINANCIAL INSTRUMENTS

a) The trans-European networks support mechanism (Title XII)

This instrument is intended to support the development of transport, energy and telecommunications networks provided for in Title XII, Article 129c, of the EC Treaty. For the trans-European telecommunications networks the Commission has earmarked an indicative amount of ECU 450 million for the period 1995-99, just under ECU 300 million of which is to support projects of common interest set out in the guidelines adopted by the Council. This support will be granted to projects the potential economic benefit of which is established but the financial profitability of which is uncertain or inadequate. It may take the form of joint financing of feasibility studies, including preparatory studies, and other technical measures, and interest-rate subsidies and contributions to loan guarantee premiums.

A proposal for a Regulation laying down the conditions for granting Community support for trans-European network projects of common interest is being negotiated at the Council and the European Parliament. The Council adopted a common position on 31 March 1995. This Regulation also authorizes the granting of direct subsidies in duly substantiated exceptional cases.

b) The fourth RTD framework programme

The Community's total contribution to the fourth framework programme at present stands at ECU 13 161 million for the period 1994-98, of which ECU 3 620 million for information and communication technologies, under the following three headings: telematics applications (TELEMATICS applications programme: ECU 902 million), advanced communications technologies (ACTS programme: ECU 674 million) and information technologies (ESPRIT programme: ECU 2 044 million). RTD projects in these three areas will help to establish the Information Society as a result of their development and especially their demonstration activities:

- collective interest applications under the TELEMATICS applications programme most of the funds of which are earmarked for demonstration projects;
- chiefly basic technology under the ACTS programme;
- basic technologies, applications and industrial best practice under the ESPRIT programme.

To this should be added the horizontal activities in the area of dissemination and exploitation of research.

c) The Structural Funds

The Structural Funds<sup>3</sup> represent a considerable financing potential,<sup>4</sup> but they do not contain any specific items, under the heading of telecommunications programmes, to support the development of the Information Society. They are an instrument of economic and social cohesion policy, an expression of intra-Community solidarity, in particular between regions. In this connection, Community assistance to the Objective 1 regions (those lagging behind in their development) for which 70% of the aid is earmarked (some ECU 96 billion) comes from three sources:

- the Community Support Frameworks (CSFs) drawn up by the Member States. On the basis of the CSFs already approved, the amount devoted to telecommunications investments is estimated at about ECU 1.4 billion, or 1.3% of the Community aid. For most of the Member States with access to the resources of the Structural Funds, the telecommunications sector is not a priority in the allocation of Community aid;
- the Community initiatives, subdivided into seven topics,<sup>5</sup> receive 9% of the amounts allocated to the structural policies, i.e. ECU 13.45 billion. This includes a reserve of ECU 1.6 billion for one or more initiatives still to be defined. It can be considered that two of the seven topics have a more obvious potential link with the development of the Information Society in the regions: internal and external trans-frontier cooperation, with the INTERREG II initiative, with a budget of ECU 2.9 billion, and industrial change, with the SME initiatives aimed at improving the competitiveness of SMEs, with a budget of ECU 1 billion, and ADAPT, aimed at facilitating the adaptation of workers to industrial change, with a budget of ECU 1.4 billion;

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<sup>3</sup> The Community's Structural Funds are as follows: the ERDF (European Regional Development Fund) the aim of which is to reduce the differences in development between the various Community regions; the ESF (European Social Fund) which is responsible for improving employment possibilities within the Community; the EAGGF (European Agricultural Guidance and Guarantee Fund) which contributes towards the national agricultural aid schemes and the development and diversification of rural areas in the Community; and the FIFG (Financial Instrument for Fisheries Guidance) which supports the restructuring of the fisheries sector.

<sup>4</sup> ECU 141 billion for the period 1994-99, i.e. one-third of the total Community budget.

<sup>5</sup> Internal and external trans-frontier cooperation, rural development, the most remote regions, employment and development of human resources, industrial change, urban policies, and initiatives for areas dependent on fishing.

- under Article 10 of the ERDF Regulation (regional development in the Community), the Commission has a financial mechanism limited to 1% of the ERDF's annual allocation to contribute to innovative actions in regional development through pilot schemes which encourage the pooling of experience and the development of cooperation between different Community regions, and innovative measures. These pilot schemes should have an innovative character, a European networking dimension and a strong potential for demonstration effects in other regions.

To ensure consistency for the possible information society measures, the Commission is preparing a framework for such support under Article 10.

- Pursuant to Article 6 of the European Social Fund Regulation (technical assistance, pilot and demonstration projects), innovative projects designed to test new hypotheses concerning the content, methodology and organization of vocational training and the development of employment and studies and pilot projects may be funded. Applications concerning training and the development of employment could be funded under this article.

d) The Cohesion Fund

Four Member States, in addition to the Structural Funds, benefit from a cohesion financial instrument intended to speed up their convergence. The areas concerned are transport and the environment. It is not excluded that the actions co-financed could contain an element of telematics applications.

e) The European Investment Bank

The EIB actively contributes to the financing of telecommunications networks, which account for 15% of its loan portfolio. In 1994 it financed telecommunications projects to the tune of approximately ECU 2.1 billion. The temporary Edinburgh mechanism was set up in 1992 to speed up the financing of trans-European networks. As of today, it has been fully utilised of which 641 MECUS on telecommunications projects.

The EIB loans finance projects which contribute to the Community objectives of strengthening the internal market and economic and social cohesion. These projects must be financially viable. The ceiling is 50% of the total investment cost.

f) The European Investment Fund

The EIF supports large infrastructure projects by granting guarantees not exceeding 50% of the amount of the loan. EIF assistance is coordinated with the other forms of Community assistance, in particular EIB loans.

g) The SOCRATES and LEONARDO programmes

The overall aim of the SOCRATES programme (850 MEcu from 1995 to 1999) is to help improve the quality and relevance of education for children, young people and adults, to increase access to the range of learning opportunities available across the Community, and to give more young people the chance to gain personal experience of other European countries as they prepare for their future career.

The LEONARDO DA VINCI programme (714 MEcu from 1995 to 1999) will support and complement actions in the Member states to improve the quality of training policy and practice and its capacity to find new ways of learning.

The promotion of open and distance learning actions is a common objective to these programmes.





**PART II**

**Proposal for a  
EUROPEAN PARLIAMENT and COUNCIL DECISION  
on a series of guidelines for  
trans-European telecommunications networks**



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<p style="text-align: center;"><b>PROPOSAL FOR A EUROPEAN PARLIAMENT AND COUNCIL DECISION ON A SERIES OF GUIDELINES FOR TRANS-EUROPEAN TELECOMMUNICATIONS NETWORKS</b></p>
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**Annex 1 : Domains for Projects of Common Interest**

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## 1. Introduction : The Infrastructure for the Information Society

*To... stimulate the creation of new markets, the Commission proposes to identify strategic trans-European projects.... The strategic projects would be carried out at each of three interdependent "levels" that make up the telecommunications networks: the carrier networks for transmission of information, generic services and telematics applications.*

*With regard to the networks which serve to carry the information (voice, data, images) the objective would be to consolidate the integrated services digital network and to install the high speed communications network using advanced transmission and switching techniques (asynchronous transfer mode: ATM), which will help digitized multi-media services to make a breakthrough.*

White Paper - "Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century"

### a) *The Trends*

Trans-European Telecommunications Networks should follow an overall evolution scenario whereby Europe will advance from its present situation to the deployment of an advanced communications by the year 2010-2020.

This evolution will be triggered by users demand. In order to satisfy increasingly sophisticated needs, they will require advanced services and applications which can be offered only on highly advanced networks.

Two main trends, commercial and technological, which will form the European communications environment over the planning period, can already be discerned.

These two trends, under favourable conditions, will give rise to new growth areas of activity which will be supported by advanced communication infrastructure and services. As these activities expand, and foster new and diverse market opportunities, new jobs will be created in a wide range of sectors.

**The commercial trend will be towards an ever closer integration and consolidation of European network operations**, driven by the increasing internationalization of European commercial and indeed social life inspired by the Single Market. This will be marked by increased co-operation of telecommunications operators in joint business operations combined possibly with financial partnerships or take-overs between operators.

At the same time **liberalisation will open the way for alternative network and service provision** further increasing the need for attention of interworking and transparency of service provision. The public network operators will be placed under further pressure by new foreign competitors who will come into the market riding on innovative technologies such as digital mobile and satellite communications, and interactive television.

The main **technological trend will be for the integration into the initial simple broadband network increasing features of intelligence and mobility**. Additionally, new applications will develop, taking advantage of the increased transport capacity and flexibility of the network (e.g. video-on-demand, tele-presence).

b) *Advanced Communications*

The commercial and technology trends point to the integration of all kinds of communications means, offering a variety of telecommunication services, from narrowband to broadband, the ultimate goal being **Integrated Broadband Communications (IBC)**, which include three key features:

*"Integrated"* points to "integrity" of the whole network, and therefore to the proper interworking of all its essential constituent parts, including the existing and emerging ones: voice telephony; Integrated Service Digital Networks (ISDN), broadband, satellite and mobile. It also signifies the integration of services (at the user and the appropriate network levels).

*"Broadband"* designates the total mix of services to be considered, starting from ISDN, up to what will be required by a realistic introduction of video (interactive and distributive) services.

*"Communication"* includes the "conventional" switching, transmission, and Customer Premises Network functions, but also advanced features to make service provision user-friendly, performing and economically sound.

These networks will:

- o Provide a seamless access to information, including in rural and peripheral areas.
- o Provide high bandwidth, multi-party, interactive services on acceptable economic terms.
- o Cover progressively the whole territory of the Community.
- o Allow for the extension to other networks.

- o Provide easy and efficient access to information and transfer of information among citizens.

The implementation of these networks can be schematised into four overlapping phases:

1990-2000: Implementation and increasing use of EURO-ISDN.

1995-2010: Implementation of Integrated Broadband Communication, with the completion of customer access, initially for business customers. Offer of a number of advanced services, in particular multimedia services.

2000-2010: Integration of intelligence and mobility in the networks, allowing full "follow me" mobility throughout these networks.

2005-2020: Implementation of the "photonic network", where all network functions are realised through optic devices, allowing the offer of very broadband switched services to 50% of the customers.

c) *The Role of the Union*

The importance of the role of trans-European telecommunications networks within the Union has been recognized within Title XII of the Maastricht Treaty, Articles 129b and 129c. These Articles of the Treaty provide an instrument for supporting, in combination with other Community instruments, the implementation of the networks, services and applications of the information society. The following points introduce a Proposal for an European Parliament and Council Decision on a series of guidelines for trans-European Telecommunications Networks.

**2. The Basis for Action**

Article 129b stipulates:

*1. ...the Community shall contribute to the establishment and development of trans-European networks in the areas of ...telecommunications ... infrastructures.*

*2. Within the framework of a system of open and competitive markets, action by the Community shall aim at promoting the interconnection and interoperability of national networks as well as access to such networks. It shall take account in particular of the need to link island, landlocked and peripheral regions with the central regions of the Community.*

Article 129c indicates:

*1. In order to achieve the objectives referred to in Article 129b, the Community:*

- *shall establish a series of guidelines covering the objectives, priorities and broad lines of measures envisaged in the sphere of trans-European networks; these guidelines shall identify projects of common interest.*

The following sections propose a series of guidelines as defined in Article 129c for the trans-European Telecommunications Networks.

### **3. The Overall Objectives**

The White Paper has linked the creation of trans-European telecommunication networks to the goals of Growth, Competitiveness and Employment. It paves the way to the information society by providing target areas for strategic projects up to the year 2000 in the field of interconnected advanced communication networks, generic services and telematic applications.

The Bangemann Report prepared by a high level group of industrialists has also emphasised the need to accelerate the creation of the building blocks of the information society. Particular attention is given to "blazing the trail" by supporting the launch of targeted applications in 10 areas which directly respond to essential economic and social needs<sup>1</sup>.

The necessary actions to develop trans-European telecommunication networks will be based on the promotion of **access**, **interconnection** and **interoperability** with a view to satisfying the diversity of users' needs. These actions shall contribute to achieving the following overall objectives:

- **facilitating the evolution towards the information society** by promoting the increased use of and improved access to advanced technologies, notably through adapted education and training facilities, to encourage new working arrangements (e.g. telework) and develop new information applications and services, particularly in areas of collective interest such as healthcare, education and training, and cultural activities which contribute to improving the quality of life and the environment,
- **improving the competitiveness of European industry and strengthening the internal market** by encouraging the development of pan-European networks, applications and generic services which will support the growth of trans-European electronic commerce and new commercial applications, and

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<sup>1</sup> "Europe and the global information society - Recommendations to the European Council" 26.05.1994

enable citizens of the Union to access and transfer information freely within an area without internal frontiers,

- **reinforcing economic and social cohesion** by reducing disparities between the regions concerning both the general availability of and access to telecommunications infrastructure, services, and applications
- **accelerating the development of new growth area activities (e.g. multimedia and electronic information services) leading to job creation**, by creating a favourable environment to obtain critical mass of demand and investment.

An appropriate **on-going monitoring mechanism** will be set up to assess how effectively all the trans-European telecommunication network projects are responding to these objectives. Such a mechanism will track progress towards the achievement of TENs as well as provide social and economic evaluation of projects on the basis of indicators related to the specific character of the projects and their objectives

Regular reports will be submitted to the European Council, the European Parliament, the Council of Ministers, the Economic and Social Committee, and the Committee of the Regions.

#### 4. The Priorities

Within these objectives, the Commission proposes priorities for Community action in relation to the three layers which form the model for trans-European telecommunications networks.

- **applications**, which provide logical access to information by its user. Applications may require to be interoperable between themselves ;
- **generic services**, which, through support for their common requirements, complement the specific applications whilst aiding their interoperability ;
- **basic networks**, which provide physical access, transport, and connectivity.

The Community must make optimal use of its limited financial resources . In this context, priorities have to be carefully defined. User driven **applications** are the most important because they underpin the deployment of the information society. They will create the demand for new investments in advanced telecommunications services and networks. However, whilst, some applications can already be supplied using existing infrastructures their overall development is limited by uncertainty in the market and by the hesitancy of users to adapt to new services.

**The priority has therefore to be put on stimulating the development of applications** which will allow every kind of user to access the information it needs, in the framework of the objectives aimed at by Community action. The priorities to



be assigned to **generic services** will derive from their support to allowing the availability of these applications, as well as from their role of service which has to be directly accessible to users. For **basic networks**, the priorities will result from the necessity for them to assure a cheap and efficient transport of information, to allow the rapid introduction of new applications and generic services and to offer rapidly the newest and most appropriate transport technologies. Particular attention must be paid to the needs of the SMEs.

- *Applications*

The following priorities relate to applications :

- the creation of applications that stimulate and support the transition towards the knowledge based information society, particularly those applications which respond to needs of collective interest and help to change the general culture of all citizens by introducing familiarity with the environment and tools of the information society,
- the development of applications that contribute to social and economic cohesion, both by improving information access throughout the Union and by exploiting the potential afforded by the diversity of the European cultures,
- the development of accessible and interoperable applications that strengthen the competitiveness of European companies as well as the internal market, and in particular those applications that will provide SMEs with the tools that they require in order to gain and maintain competitiveness.

- *Generic Services*

The following priorities relate to generic services :

- the establishment, within an evolving context of universal service<sup>2</sup>, of interconnected and interoperable trans-European generic services, as well as the definition of common standards
- the world-wide interoperability of trans-European generic services.

- *Basic Networks*

The following priorities relate to digital basic networks :

- the promotion of the existing Euro-ISDN network as an immediately available digital platform for the support of new applications,

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<sup>2</sup> The principle of Universal Service is an essential element of the regulatory framework put forward in the Green Paper on the liberalisation of telecommunications infrastructure and cable television networks. See COM(95) 158 final

- the rapid development of efficient and cost effective broadband networks in Europe having the network federating characteristics of Integrated Broadband Communications,
- the interconnection and interoperability of trans-European telecommunications networks to world-wide networks and the adoption of appropriate standards.

## 5. The Broad Lines of Measures

In order to reach these objectives, there is a need for action by the Community. Many measures are already being taken within other frameworks such as the fourth Framework RTD Programme, the regulatory field, etc...

**In addition, direct action is needed to stimulate the development of the trans-European networks.** These actions, which must build on the existence of expressed or potential needs, should aim on the one hand at favour the concrete expression of the needs, on the other hand to encourage and support the initiatives to be taken by the providers to offer the services and applications responding to these needs. The first document presented in this Communication spells out the methods of action which should be used.

These methods can be summarised as follows:

- identification of projects of common interest.
- action to increase public awareness of the existence of, and benefits offered by, new means of communication,
- support for the confirmation of the feasibility, and for the deployment of applications, in particular those of collective interest, through the means provided for in the Treaties, and through the development of new partnerships between public and private interests,
- action to stimulate the provision and use of telematic services for SMEs and professionals, a measure which should act as a main engine for growth and employment in Europe,
- action which encourages the rapid development of trans-European broad-band networks,

Whenever appropriate, **co-operation with third countries will be facilitated with respect to the implementation of measures under the present guidelines**, in particular when these are deemed to be of mutual interest and to ensure the interconnection of basic networks and the interoperability of the services that are supported by these networks.

## 6. Projects of Common Interest

### a) *Domains of Projects of Common Interest*

The development of trans-European telecommunications networks will be assured through the implementation of Projects of Common Interest. Taking into consideration the specific characters of the sector, **it appears that it is not possible to define a priori specific Projects of Common Interest** like for instance in the transport sector. The telecommunications sector is effectively characterised by a very fast technological change and is being progressively liberalised: the combination of these two factors leads to the conclusion that the initiatives for Projects:

- have to come from the private sector (or from a partnership between public and private sector in the case the services to be promoted are used by a public authority for the execution of its public service mission),
- must answer expressed user needs.

**Specific Projects of Common Interest can therefore only be identified through a demand driven approach, using a procedure of Call for Proposals in chosen domains to collect the initiatives which should stem from recognised users needs.** The broad domains in which proposals for specific projects may be requested are those which appear to be main building blocks of the information society:

- in the field of applications, the applications of collective interest identified in the Bangemann's report are of particular importance<sup>3</sup>,
- in the field of generic services, the services which support the offer of most of the applications have to be strongly encouraged,
- in the field of basic networks, projects improving network interconnection, promoting the required infrastructures for the development of applications and services, and the deployment of advanced network features, like the introduction of broadband communication, should be supported where appropriate.

The list of domains for Projects of Common Interest covering the three parts of the trans-European telecommunications networks is presented in Annex 1 to the draft Proposal which follows this Communication. Annex 1 includes

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<sup>3</sup> Where appropriate, projects will be closely coordinated with content related initiatives (INFO2000) in specific applications domains to achieve possible synergy effects

also a number of horizontal support and coordination actions, with a view to strengthening the interconnection and interoperability of networks and services.

*b) The procedure for Identification of the Specific Projects of Common Interest*

A **Work programme** will be set up and updated as necessary by the Commission, in consultation with the sector actors, to individualize, in the broad domains chosen, more specific areas in which proposals will be requested. A Call for Proposals will then be established and launched in the areas retained in the Work programme.

The **identification of Projects of Common Interest** among the proposals received will then take place on the basis of their compliance to the objectives and priorities adopted, as well as to criteria regarding their financial soundness. At the end of the process, a **list of Projects of Common Interest** will be available

In the management of this procedure of identification of Projects, the Commission will be assisted by a **Committee** of representatives of the Member States.


*c) Follow-up of this procedure*

The implementation of this Decision allows to **identify a list of Projects of Common Interest**.

**Projects, taken from this list, which will benefit from the Community financial support under art.129C.1, third indent, will be selected in a further sequence within the framework of the "Regulation laying down general principles for the granting of Community financial aid in the field of trans-European networks".**

**This form of Community financial support will be mainly focussed on the applications domains, in particular on the applications of collective interest.**

The projects belonging to the basic networks and generic services layers, being much closer to commercial profitability, should be eligible only to limited Community support under the Regulation rules.

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But the recourse to the other sources<sup>4</sup> of Community financing remains open for all the Projects of Common Interest identified within the financing rules governing each instrument. In addition, their recognition as Projects of Common Interest gives them a political visibility, which should facilitate obtaining financial support from other public and private sources.

## 7. CONCLUSIONS

On the basis of Articles 129b and 129c of the Treaty, and within the context of the present Communication on an overall framework and guidelines for trans-European telecommunications networks, the Commission hereby submits for adoption to the European Parliament and the Council the attached proposal for a Decision on a series of guidelines for trans-European telecommunications networks.

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<sup>4</sup> These other sources are: Fourth Framework RDT programme, Structural Funds, Cohesion Fund, European Investment Bank, European Investment Fund. These instruments are described in details in Annex 1 to the document "Methodology for the implementation of information society applications".

**PROPOSAL FOR A EUROPEAN PARLIAMENT AND COUNCIL  
DECISION**

**on a Series of Guidelines**

**for Trans-European Telecommunications Networks.**

**THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN  
UNION,**

Having regard to the Treaty establishing the European Community, and in particular the first paragraph of the Article 129D thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee<sup>5</sup>;

Having regard to the opinion of the Committee of the Regions<sup>6</sup>;

Whereas the implementation and the development of trans-European telecommunications networks aim at ensuring the circulation and the exchange of information across the Union; whereas this is a pre-condition to make possible the establishment of the "Information Society", which will result from the availability, for each citizen, company or public authority everywhere in the Union, of any kind and quantity of information they need;

Whereas, in its White Paper on "Growth, Competitiveness and Employment", the Commission stressed the importance of establishing the Information Society, which, by introducing new forms of economic, political and social relations, will help the Union to face the new challenges of the next century, including the challenge of employment creation ; whereas this has been recognised by the Brussel's European Council of December 1993;

Whereas the internal market establishes an area without borders, within which the free circulation of goods, persons, capital and services has to be ensured, and where already adopted Community measures, and other measures still to be adopted, imply significant exchange of information between individuals, organisations and administrations; whereas efficient means of exchanging information are vital for the improvement of industrial competitiveness; whereas these exchanges of information can be assured by trans-European telecommunications networks; whereas the availability of trans-European networks will strengthen social and economic cohesion at the Union level;

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Whereas the implementation and the development of trans European telecommunications networks should ensure that information is freely exchanged between individuals, organisations and administrations, while respecting the privacy rights of individuals and intellectual and industrial property rights.

Whereas, in June 1994, in their report on "Europe and the global information society"<sup>7</sup>, the members of a group of prominent representatives of industry recommended to the Council to implement trans-European telecommunications networks and to secure their interconnectivity with the whole of European networks; whereas the June 1994 Corfu European Council gave its general approval to this recommendation;

Whereas the Communication of the Commission to the Council and the European Parliament "Europe's way to the Information Society: an Action Plan"<sup>8</sup>, follows these recommendations; whereas the conclusions of the Industry-Telecommunications Council meeting on September 28th, 1994 on this action plan, stressed the fact that the fast development of performant information infrastructures (networks, services and applications), is essential for Europe on the basis of a global, coherent and balanced approach;

Whereas Article 129c of the Treaty requires that the Community shall establish a series of guidelines covering the objectives, priorities and broad lines of measures to be implemented in the sphere of trans-European networks; whereas these guidelines shall identify Projects of Common Interest;

Whereas the Information Society cannot develop without the availability of applications, and especially applications of collective interest, answering optimally to user needs, taking into account, where appropriate, the needs of the elderly and disabled; whereas applications will thus form an important part of the Projects of Common Interest;

Whereas Projects of Common Interest can, in many cases already be implemented in the present telecommunications networks, in order to offer trans-European applications; whereas guidelines have to be drawn up, in order to identify these Projects of Common Interest.

Whereas in the selection and implementation of such projects account should be taken of both infrastructures offered by telecommunications organisations as well as alternative infrastructures offered by other providers;

Whereas the Commission has transmitted to the Council a series of guidelines concerning the development of Integrated Services Digital Network (ISDN) as a trans-European Network<sup>9</sup>; whereas the Council has reached a common position on this proposal;

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<sup>7</sup> Report prepared for the Council Meeting on June 24-25, 1994, in Corfu, on "Europe and the global information society - Recommendations to the European Council"

<sup>8</sup> COM(94) 347, 19.07.1994

<sup>9</sup> COM(93) 347, 1.09.1993

Whereas the present networks, which include existing ISDN, are evolving towards advanced networks offering a variable data flow rate up to broadband capabilities, adaptable to different needs, in particular to the offer of multimedia services and applications; whereas the implementation of Integrated Broadband Communication (IBC) Networks will be the outcome of this evolution; whereas IBC will constitute the optimal platform on which applications of the Information Society can be built;

Whereas the results of the specific research and technological development programme<sup>10</sup> in the field of communication technologies (RACE) have prepared the ground and the technology base for the introduction of IBC networks in Europe;

Whereas the results of specific research and technological development programme in information technologies (ESPRIT) has prepared the ground and the technological base for the introduction of applications of information technologies.

Whereas the results of the specific research and technological development programmes in the field of telematics systems of general interest (91-94)<sup>11</sup> and Telematics Applications of Common Interest (94-98)<sup>12</sup> prepare the ground for the introduction of interoperable applications of common interest across Europe;

Whereas effective coordination needs to be ensured between the different Community programmes, and in particular as appropriate, with programs in favour of SMEs<sup>13</sup> and with information content oriented programmes (such as INFO 2000, MEDIA 2) and other Information Society activities.

Whereas in its Communication<sup>14</sup> on "Preparatory actions in the field of Trans-European Networks-Integrated Broadband Communications (TEN-IBC)", the Commission identified the need to carry out preparatory actions with the sector actors to draw up appropriate Guidelines; whereas the result of these actions form the basis for the guidelines related to IBC networks in this Decision;

Whereas the telecommunications sector is being progressively liberalised; whereas the development of trans-European applications, services and networks relies mainly on private initiative; whereas these trans-European developments must respond to market needs; whereas, taking this into account, the interested sector actors will be requested to propose, through appropriate procedures giving them equal chances, specific Projects of Common Interest in choosen domains; whereas these procedures have to be defined and a

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<sup>10</sup> Council Decision 91/352/EEC (O.J. L 192, 16.7.1991, p. 8)

<sup>11</sup> Council Decision 91/353/EEC (O.J. L 192, 16.7.1991, p. 18)

<sup>12</sup> Council Decision 94/801/EC (O.J. L334, 22.12.1994, p.1)

<sup>13</sup> Communication from the Commission : "Integrated programme in favour of SMEs and the craft sector" COM 94 207 du 3/06/1994

<sup>14</sup> COM(93) 372 of 22.07.1993 (O.J. N° C200, 24.07.1993, p. 22)



list of the chosen domains has to be adopted; whereas a Committee shall assist the Commission for the identification of the specific Projects of Common Interest;

Whereas the Community financial support to the implementation of Projects of Common Interest identified within this Decision has to be considered in the framework of the Regulation laying down general principles for the granting of Community financial aid in the field of trans-European networks; whereas following this Regulation, the concerned Member states shall give a certain degree of support to the Projects of Common Interest;

Whereas the Commission shall undertake actions to assure interoperability of the networks, and to coordinate the activities of the Member States aiming at the implementation of trans-European telecommunications networks;

Whereas it is important, for the optimum development of the Information Society, to assure an efficient exchange of information between the Community and the third countries, in particular the states members of the European Economic Area; whereas it is thus necessary to promote networks interconnection and interoperability at European scale;

Whereas, however, activities undertaken in the context of these guidelines are subject to the full application of the competition rules set out in the Treaty and implementing legislation

## **HAS ADOPTED THIS DECISION**

### *Article 1*

This Decision establishes guidelines covering objectives, priorities and broad lines of measures in the field of trans-European telecommunications networks. These guidelines set out the domains for Projects of Common Interest, and a procedure for the identification of specific Projects of Common Interest in these domains.

### *Article 2*

The Community will support the interconnection of telecommunications networks, in particular Integrated Broadband Communication (IBC) networks, the setting-up and the deployment of interoperable services and applications and required infrastructure as well as the access to them, with the general objectives of:

- Facilitating the transition towards the information society, in particular to promote the satisfaction of social needs and to improve the quality of life.
- Improving competitiveness of European industry and strengthening the internal market.
- Strengthening the economic and social cohesion.
- Accelerating the development of new growth area activities leading to job creation.

*Article 3*

The priorities for the realisation of the objectives mentioned in article 2 will be:

- The confirmation of the feasibility, followed by the deployment of applications supporting the development of a European Information Society, in particular applications of collective interest.
- The confirmation of the feasibility, followed by the deployment of applications contributing to the economic and social cohesion, by improving access to information across the whole Union building on the European cultural diversity.
- Actions aiming at the stimulation of interregional initiatives, associating less favoured regions for the launch of trans-European telecom services and applications.
- The confirmation of the feasibility, followed by the deployment of applications and services contributing to the strengthening of the internal market and job creation, in particular those offering to SMEs means to improve their competitiveness in the European Union and at world level.
- The identification, the confirmation of the feasibility, followed by the deployment of trans-European generic services providing a seamless access to all kind of information, including in rural and peripheral areas, and interoperable with equivalent services at world level.
- The confirmation of the feasibility of new high-bandwidth fibre optic backbone networks, where required for such applications and services, and the promotion of the interconnectivity of such networks.
- The identification and removal of gaps and missing links for an effective interconnection and interoperability in all their components of telecommunications networks in Europe and at world level, with a particular emphasis on IBC networks.

*Article 4*

The broad lines of measures to be implemented for reaching the objectives defined in article 2 will cover:

- Identification of Projects of Common Interest.
- Actions aiming at increasing the awareness of citizens, economic actors and administrations on the benefits they can draw from the new advanced trans-European telecommunications services and applications.
- Actions aiming at the stimulation of combined initiatives from the users and the providers for the launch of projects in the field of trans-European telecommunications networks, in particular IBC networks.
- Support, in the framework of the means defined by the Treaty, to the confirmation of the feasibility, followed by the deployment of applications, in particular applications of collective interest, and encouragement to the establishment of public-private partnerships.

- Stimulation of the offer and the use of services and applications for SMEs and professional users, which constitute a source of employment and growth.
- Promotion of the interconnectivity of networks, of the interoperability of broadband services and applications and of the infrastructure they require, in particular for multimedia, and of the interoperability between existing and broadband services and applications.

#### *Article 5*

The development of trans-European telecommunications networks is made under this Decision by the implementation of Projects of Common Interest. The domains within which Projects of Common Interest shall be identified are listed in Annex 1.

#### *Article 6*

The following Articles 7 to 9 describe the procedure for identifying specific Projects of Common Interest in the domains indicated in annex 1, using the identification criteria listed in annex 2. The identified projects are eligible for Community support in compliance with the Council Regulation laying down general rules for the granting of Community financial aid in the field of trans-European networks.

#### *Article 7*

1. A Work Programme shall be drawn up by the Commission, in conformity with the other trans-European network policies, in consultation with sector actors, for selecting the areas in which specific Projects of Common Interest can be proposed, within the domains of Projects of Common Interest set out in annex 1. The Work Programme shall be updated as necessary.
2. The Work Programme shall be the basis for the establishment of Calls for Proposals for Projects of Common Interest by the Commission

#### *Article 8*

1. The Commission shall be responsible for the implementation of the procedure defined in articles 7 to 9.
2. For the cases specified in Article 9 (1), the Commission shall be assisted by a Committee composed of representatives of the Member States and chaired by the representative of the Commission.

The Commission representative shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority provided for in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the Member States' representatives within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

The Commission shall adopt the measures envisaged where they are in accordance with the opinion of the Committee.

If the measures envisaged are not in accordance with the Committee's opinion, or if no opinion is delivered, the Commission shall without delay submit to the Council a proposal relating to the measures to be taken. The Council shall act by qualified majority.

If on expiry of a period of one month from referral of the matter to the Council, the latter has not acted, the proposed measure shall be adopted by the Commission.

#### *Article 9*

1. The procedure laid down in Article 8 shall apply to:
  - the preparation and updating of the Work Programme referred to in Article 7;
  - the identification of Projects of Common Interest as a result of a Call for Proposals;
  - the definition of complementary support and coordination actions;
  - the measures to be taken to evaluate the implementation of the Work Programme.
2. For the particular case of the domain of projects of common interest related to ISDN (referenced in annex 1, pt 3, 1st par.), the applicable guidelines are those adopted by the Council .....<sup>15</sup>.
3. The Commission shall inform the Committee, at each of its meetings, of the progress of the Work Programme implementation.

#### *Article 10*

Member States shall take all measures required at national, regional or local level to facilitate and accelerate the implementation of the projects of Common Interest, in the respect of Community rules. The authorisation procedures which may be necessary shall be achieved in the shortest delays.

#### *Article 11*

This Decision shall not prejudice any financial commitment by a Member State or the Community.

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<sup>15</sup> The common position adopted by the Council on the draft decision are referenced : (CE) N°47/94 of 22 december 1994 (JO C384 of 31 december 1994, p29).

*Article 12*

The participation of third countries, in particular those being parties to the agreement on European Economic Area, or having concluded an association agreement with the Community, can be authorised by the Council on a case by case basis, following the procedure laid down in Article 228 of the Treaty, in order to allow their contribution to the implementation of Projects of Common Interest, and to promote the interconnection and the interoperability of the telecommunications networks.

*Article 13*

The Commission shall present every two years a report on the implementation of this Decision to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

The report shall contain an evaluation of the results achieved with Community support in different project fields, in relation to the overall objectives.

*Article 14*

This Decision enters into force on the seventh day following the day of its publication in the Official Journal of the European Communities.

*Article 15*

This Decision is addressed to the Member States.

Done at Brussels,

For the European Parliament

The President

For the Council

The President

## Annex 1: DOMAINS FOR PROJECTS OF COMMON INTEREST

The trans-European telecommunications networks will open the European market to the new applications and services which are the ground upon which the information society should develop. They are essential to realise the objectives of safeguarding and promoting Europe's future prosperity and creating new jobs, as well as enhancing economic and social cohesion.

A three layer model has generally been accepted as the most appropriate framework for describing trans-European telecommunications networks. These layers are:

- The *Applications* layer, through which users interact with generic services and basic networks for meeting their professional, educational and social needs. Applications require to be interoperable between themselves to bring the maximum benefit to the users across the Community.
- The *Generic Services* layer, made of compatible generic services and their management. Through support of the applications common requirements, these services complement the applications whilst aiding their interoperability.
- The *Basic networks* layer, that provides the physical access, transport and switching elements of the networks, including their management and signalling. These elements are providing the trans-European network interconnectivity.

These three layers form a consistent structure, where applications are supported by the two lower layers : generic services and basic networks. In particular, applications cannot be offered in the absence of one or the other two layers ; however, each layer should be sufficiently open as to support any element of the layer immediately above. In this context, Projects of Common Interest should be identified on the basis of their operational capability to support the objectives set forth in this Decision.

**This Decision aims at identifying a list of Projects of Common Interest, from which Projects which will benefit from the Community financial support under art.129C.1, third indent, will be selected. This selection is made within the framework of the "Regulation laying down general principles for the granting of Community financial aid in the field of trans-European networks".**

The recourse to the other sources<sup>16</sup> of Community financing remains open, within the financing rules governing each instrument for all the Projects of Common Interest

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<sup>16</sup> These other sources are: Fourth Framework RDT programme, Structural Funds, Cohésion Fund, European Investment Bank, European Investment Fund. These instruments are described in details in Annex 1 to the document "Methodology for the implementation of information society applications".

identified. Community financial support are granted in accordance with the competition policy rules, notably those dealing with the financial support of R&D and the state aids.

The following sections are defining the domains in which Projects of common interest will be identified.

*1. Applications.*

The domains in which applications projects will be identified are the following :

- **A Network for universities and research centres** : An advanced trans-European network, carrying multimedia applications, should be established, linking universities and research centres across Europe, with open access to their libraries.
- **Distance education and training** : Advanced distance education and training services should be made accessible for all citizens, schools, colleges and businesses. Centers should be set up and made remotely accessible across Europe in order to provide courseware and training services for SMEs, large companies, education systems, and public administrations. New approaches to professional training for the information society should be developed and promoted.
- **Health Telematics** : Trans-European networks and applications based on common standards should be deployed, which would link on a European scale all the partners of the health system, in particular general practitioners, hospitals and social centres.
- **Transport Telematics** : Full advantage should be taken of trans-European telecommunications networks to improve transport network management and logistical support for transport industries and the development of value-added services. Telematic systems and services, wherever applicable, should also serve as a tool for implementing Common Transport Policy; the necessary complementarity with and interoperability of the trans-European Transport Network will be ensured.
- **Telematics for environment** : Trans-European networks can bring an important contribution to the monitoring and the management of the environment, including emergency management.
- **Teleworking** : The development of teleworking (in homes and satellite offices) supported by advance communication systems will help provide new forms of flexibility in terms of the place of work and the way work is organised. Through the decentralisation of professional activities, teleworking can also help reduce the environmental consequences of daily commuting to population centers.
- **Telematic services for SMEs** : Projects of common interest will support the use of trans-European telecommunications applications and services by European SMEs, with links to public authorities, trade associations, consumers, customers and suppliers and including information services and electronic

commerce. The awareness of telematics based solutions in general should be raised among SMEs.

- **Trans-European Network for Public Administrations** : Interconnected networks between public administrations networks in Europe should be established, aiming at facilitating interchange of data between administrations, in particular when implementing European Union regulations providing an effective and less expensive information interchange. It should be further extended to link public administrations and European citizens.
- **Electronic tendering** : A trans-European Electronic Tendering Network should be set up, based on electronic procedures for public procurement between public administrations and suppliers in Europe.
- **City information highways** : Networks and services should be promoted interconnecting households, businesses, social organisations and administrations and providing access to on-line multi-media information, education, cultural, entertainment and tourism services on a local, regional, national and European basis. Links between city and regional networks should be promoted.
- **Library services** : trans-European advanced networked library services involving all types of libraries (National, University/research, public etc.) should be deployed to provide effective access to both the reservoir of organised knowledge and the cultural wealth held in libraries across Europe, in support of the economic, social, educational and cultural life of the EU.
- **Telematic services for the job market.** Networked services, such as job information databases, should be developed to support the changing labour market in Europe and to help tackle unemployment.
- **Cultural and linguistic heritage.** Initiatives should be launched to foster the preservation of and access to the European cultural heritage, and to demonstrate the potential of the information infrastructure to support the development of local content in local languages.
- **Citizens' access to services.** Applications demonstrating citizens' access to services of collective interest should be set up. Examples might include the establishment of kiosks and access points in public areas, and the use of smart cards and electronic wallets.

## 2. *Generic Services*

The domains in which projects of common interest for generic services networks will be identified are the following :

- **Implementation of operational trans-European generic services**, which should include in particular electronic mail, file transfer systems, on-line access to electronic data bases, and video services. As there is an urgent need for these trans-European generic services, they will use existing switched basic networks and user access. They should include service elements operating at European scale,



protection and information security, trans-European "kiosk" and network navigational aids, etc.

- **Progressive extension of the generic services toward a multimedia environment.** These services will offer end-users access to multimedia services, and might cover, but should not be limited to, multi-media mail, high speed file transfer and video services, including Video-on-Demand. Use of these multimedia services by business and residential users should be encouraged, as well as the integration of new service elements such as automatic translation, speech recognition, graphical user interfaces.
- **Introduction of non-proprietary digital signature as a basis for open service provision and mobility of use :** Generic services will rely on a large number of complementary and competing services providers. Open Service Provision and mobility of use will be of key importance and require electronic names (digital signatures) to be generally available and supported.

### 3. *Basic networks*

The domains in which projects of common interest for basic networks will be identified are the following :

- **Euro-Integrated Services Digital Networks** : for reasons of immediate commercial and technical trans-European availability, ISDN is today the most appropriate and efficient digital switched basic network that can support new services and applications. Its present development makes it an opportunity for Europe, and its market and geographical extension will be justified by the implementation of these new services and applications at pan-European scale. However, it should be borne in mind that ISDN is only a first step, and that it is going to evolve toward becoming merely a user access to broadband basic services.
- **Commercial introduction of managed Asynchronous Transfer Mode (ATM) and other broadband networks** : this domain must be considered as being of utmost common European interest.
- **Interoperation of existing and broadband communication networks** : existing networks (for fixed, mobile and satellite services) should be interconnected and interoperate between themselves and with ATM-based high speed networks, in order to offer the most appropriate economic solutions to the various situations which will occur during the setting up of the information society. This issue is at the core of the development of the Integrated Broadband Communications network, and is particularly relevant for SMEs, as well as for the professional and residential markets.

### 4. *Support and Coordination Actions*

In addition to its support to projects of common interest, the Community should initiate actions aiming at providing the appropriate environment. They will contribute to

consensus development and concertation of national and regional activities for stimulation and promotion of new applications and services in conformity with the implementation of programs in other areas, as well as the development of broadband basic networks. They will involve concertation with European standardisation and strategic planning bodies<sup>17</sup>, co-ordination with actions funded by the different Community financial instruments. This includes :

- **Development of target specifications, and transition towards these targets.** These specifications will support sector actors to make sound economic investment decisions. This will be done in consultation with all sector actors, including telecommunication operators, cable operators, emerging operators, service providers, trade associations and consumer associations for:

- identifying the missing elements and the bottlenecks in the Trans-European telecommunications networks
- developing the target networks specifications for the three identified network layers. This includes terrestrial, satellite, mobile, as well as management and operation on a European scale. Sector actors will build on the RACE and Telematics Programme Common Functional Specifications, the EURESCOM work and other technical bodies set-up by sector actors, and the results of broadband trials underway as well as the results of the ESPRIT and IT programmes.
- developing the network evolution towards the target networks, and
- encouraging the development of open, interoperable and user friendly systems.

- **Definition of means to access broadband networks,** at the three specified layers.

- **Establishment of common specifications,** based on European and world standards.

- **Furthering the cooperation among sector actors,** in particular the emerging and fragmented operators, such as cable television networks, as well as with users.

- **Cooperation and co-ordination with Community, European and national programmes.**

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<sup>17</sup> ETSI, CEN/CENELEC, EURESCOM and ETNO

## Annex 2

### Identification criteria.

The identification of Projects of Common Interest among the projects presented by interested sector actors in response to a Call for Proposal as mentioned in Article 7 is made on the basis of their compliance with the objectives and priorities laid down in Articles 2 and 3 respectively. These projects shall be transnational with special emphasis on projects of an interregional nature.

In addition, the economic and financial criteria spelt out in the "Regulation laying down the general rules for the granting of Community financial aid in the field of trans-European networks" shall be taken into account. These criteria, which will be used in the framework of this Regulation to decide on the granting of a financial support to a specific project, are:

- the potential economic viability of the project, which should be assured
- the maturity of the project
- the stimulative effect of Community intervention on public and private financing
- the effectiveness of the financial package
- the direct or indirect socio-economic effects, in particular on employment
- the consequences for environment.
- specially for transborder projects, coordination of the timing of the different parts of a project.

**BACKGROUND NOTE ON THE IMPACT ON SMEs AND EMPLOYMENT**

**PROPOSAL FOR A DECISION OF THE EUROPEAN PARLIAMENT AND THE COUNCIL ON A SERIES OF GUIDELINES FOR TRANS-EUROPEAN TELECOMMUNICATIONS NETWORKS**

The draft Decision sets out to stimulate the implementation of the new services and new applications of the information society, and in particular those which are of collective interest, in accordance with the procedures stipulated in Title XII of the Treaty for supporting the development of trans-European telecommunications networks. The draft Decision defines the guidelines for the constitution of a list of projects of common interest which could potentially benefit from Community financial support provided through the various instruments available.

1. Small and Medium-sized Enterprises (SMEs) which make proposals of a transnational nature and request financial assistance within this context should demonstrate the economic viability of the project in a business plan. Companies will also have to show the direct and indirect effects of their projects, in particular in terms of employment and the environment.
2. Economic development, especially at the local and regional levels, depends on the rapid deployment of high performance trans-European telecommunications networks. They will foster the creation of new markets comprising of services and applications of the information society, whose development will largely depend on the dynamism of SMEs who tend to be particularly innovative in the communications sector. The draft Decision includes coordination and support actions encouraging the participation of SMEs. Included among the application fields eligible for Community support are the implementation of telematic links between SMEs, but also the launch of distance professional training services and teleworking facilities of particular interest to SMEs.
3. The draft Decision will have no negative impacts on SMEs.
4. The stimulation of new activities gives rise to the direct creation of jobs, notably within such firms as electronic service providers and software suppliers which are often SMEs. Jobs will also be created indirectly within other sectors of the economy depending on rates of diffusion of productivity and revenue gains.
5. The principle of the draft Decision was announced in the Communication of the Commission "Europe's Way to the Information Society: an Action Plan" (COM(94) 347). This document is and has been the subject of a number of different reports produced by other parliamentary institutions (EP, ECOSOC), and representative organisations.
6. The chosen approach is based on the establishment of an overall framework for the possible allocation of Community support. Community action is guided by the desire for transparency and aims to encourage those companies and organisations which are interested to develop activities in the field of the applications and services of the European information society.



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