

# Guidelines for trans-European networks in the area of telecommunications infrastructure

2011/0299(COD) - 19/10/2011 - Initial legislative proposal

PURPOSE: to draw up guidelines for the implementation of trans-European telecommunications networks.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: telecommunications networks and services are increasingly becoming internet-based infrastructures, with broadband networks and digital services closely interrelated. The internet is becoming the dominant platform for communication, services, and doing business. Therefore, the trans-European availability of fast Internet access and digital services in the public interest is essential for economic growth and the Single Market.

This initiative is anchored in the Europe 2020 Strategy for smart, sustainable and inclusive growth<sup>1</sup>, which put digital infrastructures at the forefront as part of the flagship initiative "[Digital Agenda for Europe](#)". It underlined the need to ensure the roll-out and take-up of broadband for all, at increasing speeds, through both fixed and wireless technologies, and to facilitate investment in the new very fast open and competitive internet networks that will be the arteries of a future economy. The EU has set itself ambitious targets in terms of broadband roll-out and take up by 2020.

The approach in this Regulation is to aim for the **removal of bottlenecks** which hinder the completion of the Digital Single Market i.e. providing connectivity to the network and access, including across borders, to an infrastructure of public digital services. The blockages in operational terms for the telecom networks, in contrast to e.g. financing a ring-road around a capital city which is essential for fluidity in a transport corridor, concern both supply-side and demand side aspects :

- for the **supply side**, the limitations relate to a strong degree of market failures and the concomitant weak business cases for investment in broadband networks and delivery of essential public interest services (e.g. eHealth, eIdentity, eProcurement and their cross-border interoperability).
- on the **demand side**, the Digital Single Market with its considerable growth potential relies on all citizens being connected to digital networks.

IMPACT ASSESSMENT: two options were analysed:

**Option 1- baseline option:** this option foresees no EU funding to be allocated to broadband other than, potentially, through the structural funds and the continuation of the Competitiveness and Innovation Programme for digital service infrastructures in the scale of pilots only;

**Option 2 - a financing tool which would complement the financing resources available under the first option:** this is the line of action included in the [proposal for the multiannual financial framework \(MFF\)](#) released by the European Commission on 29 June 2011. The new facility will finance infrastructure projects with high EU added value, not only 'hard' infrastructure, but also 'soft and smart' infrastructure and governance structures to realise the transport "core network", the energy "priority corridors" as well as digital infrastructure. The facility would target projects with high European value added, such as cross-border interconnections or the deployment of EU-wide systems, which must be implemented by 2020.

**This option was retained by the Commission.**

**LEGAL BASIS:** Article 172 of the Treaty on the Functioning of the European Union (TFEU) which provides a legal base for the EU intervention supporting the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures.

**CONTENT:** the proposed Regulation will repeal and replace Decision 1336/97/EC on a series of Guidelines for trans-European telecommunications networks. It seeks to establish a series of guidelines covering the objectives and priorities envisaged for broadband networks and digital service infrastructures in the field of telecommunications in the context of the Connecting Europe Facility.

The guidelines identify in annex projects of common interest for the deployment of broadband networks and digital service infrastructures. These projects shall contribute to (i) improving the competitiveness of the European economy including small and medium sized enterprises (SMEs), (ii) promoting the interconnection and interoperability of national networks, as well as access to such networks and (iii) supporting the development of a Digital Single Market. They shall be eligible for EU financial support under the instruments available under the Regulation on [Connecting Europe Facility](#) which accompanies the proposed Regulation.

**High-speed broadband:** in this sector, the actions will encourage investment in networks capable of achieving, by 2020, the Digital Agenda for Europe targets of universal coverage at 30Mbps; or having at least 50% of households subscribing to speeds above 100Mbps. A balanced portfolio of 30 and 100 Mbps projects will be created and due account should also be taken of Member States' investment needs which are indicatively assessed to be up to EUR 270 billion.

**Digital service infrastructure:** for the digital service infrastructure, the bottlenecks in terms of service deployment within interoperable frameworks are addressed through direct grant schemes, in certain cases with high co-funding rates as there are no natural owners of a European interoperable service infrastructure.

Projects of common interest in the field of digital service infrastructures include:

- trans-European high-speed backbone connections for public administrations,
- cross- border delivery of eGovernment services based on interoperable identification and authentication (e.g. Europe-wide electronic procedures: to set up a business; for cross-border procurement, e-Justice, cross-border eHealth services);
- enabling access to public sector information, including digital resources of European heritage, data, eu and multilingual resources; safety and security (safer internet and critical service infrastructures) and
- smart energy services.

Projects of common interest may also include the operation of electronic public services implemented under other Community programs such as the ISA programme ("Interoperability solutions for European public administrations").

**BUDGETARY IMPACT:** the proposal will not entail any additional cost for the EU budget. The proposal for a Regulation on guidelines for the implementation of trans-European telecommunication networks is linked to the proposal for a Regulation establishing the Connecting Europe Facility (CEF) which will provide the legislative and the financial framework. An amount of **EUR 9.2 billion** is allocated for telecommunications within the envelope of the CEF.

Financial support shall be provided in accordance with the relevant rules and procedures adopted by the Union, funding priorities and the availability of resources.

DELEGATED ACTS: the proposal contains provisions enabling the Commission to adopt delegated acts in accordance with Article 290 of the TFEU.