

Proposal for a Council Regulation instituting a Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme)

COM (85) 836 final

(85/C 356/13)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund⁽¹⁾, and in particular Article 7 (4) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas Article 7 of Regulation (EEC) No 1787/84, hereinafter referred to as the Fund Regulation, provides for participation by the Fund in Community programmes the purpose of which is to help in solving serious problems affecting the socio-economic situation in one or more regions and which are designed to provide a better link between the Community's objectives for the structural development or conversion of regions and the objectives of other Community policies;

Whereas the regions in Greece and Ireland, the Mezzogiorno, Northern Ireland, Corsica and the French overseas departments, and regions in Spain and Portugal have to contend with particularly serious economic problems; whereas the level of telecommunications services, especially advanced services intended for the productive sector in those regions is inadequate; whereas this shortcoming has an adverse effect not only on their socio-economic situation but also on their development prospects;

Whereas, on 29 and 30 March 1985, the European Council endorsed objectives aimed at strengthening the technological base and competitiveness of Community industry; whereas those objectives include achieving a breakthrough in telecommunications; whereas one of the lines of action adopted on 17 December 1984 by the Council of Ministers in this field is designed to ensure improved access for less-favoured regions of the Community to the benefits of the development of advanced services and networks;

Whereas fuller integration of the least-favoured regions into telecommunications networks and appropriate use by them of advanced telecommunications services are necessary if they are to narrow the economic development gap separating them from the rest of the Com-

munity since such services will reduce their isolation, will allow them to participate in the Community's technological breakthrough and will foster job creation;

Whereas use of advanced telecommunications services presupposes the establishment of the necessary infrastructures such as major links for the regions to the new networks, digitalization to promote more rapid introduction of integrated-services digital networks, the laying of superimposed networks notably in the field of high-speed data transmission, and the establishment and development of cellular radio infrastructures compatible with the development of a Community system;

Whereas the establishment of modern telecommunications infrastructures must be accompanied by measures to promote the supply of, and the demand for, advanced services facilitating optimum use of those infrastructures; whereas such promotion includes aid for the preparation of regional or local programmes for the coordinated use of telecommunication systems, advisory and publicity measures, demonstration projects, aid to promote the take-up of the services available (notably by small and medium-sized enterprises by making it easier for them to purchase terminals and by providing them with the requisite technical assistance), service centres, experimental tele-commuting projects and the development of regional specialized information services;

Whereas the Member States concerned have communicated the necessary information to the Commission;

Whereas, by helping the least-favoured regions to exploit the new telecommunications potential, the Community programme contributes to the furtherance of both regional development objectives and the Community's objectives in the field of telecommunications; whereas the level of Community participation must therefore be the maximum permissible under the Fund Regulation and whereas, at the same time, the programme is given priority in the management of Fund resources;

Whereas some of the regions concerned qualify for the measures laid down in Council Regulation (EEC) No 2088/85 of 23 July 1985 concerning the integrated Mediterranean programmes⁽²⁾, which permits Community financing over and above the ceilings fixed by the provisions governing the Community's Funds;

Whereas Community assistance must be provided in the form of multiannual programmes drawn up by

⁽¹⁾ OJ No L 169, 28. 6. 1984, p. 1.

⁽²⁾ OJ No L 197, 27. 7. 1985, p. 1.

the Member States concerned in consultation with the Commission and whereas it is for the Commission, in adopting those programmes to ensure that the operations proposed therein are in keeping with this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

A Community programme within the meaning of Article 7 of the Fund Regulation that contributes to the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services is hereby established.

Article 2

The purpose of the Community programme shall be to contribute to strengthening the economic base in the regions concerned by improving the supply of advanced telecommunications services, to foster job creation and to help raise technological standards in those regions. To this end, the programme shall provide for the implementation of a series of consistent, multiannual measures establishing modern telecommunications infrastructures and promoting the supply of, and the demand for, advanced telecommunications services.

The Community programme shall thereby seek to provide a better link between the Community's objectives for the structural development of regions and the objectives of Community telecommunications policy.

Article 3

1. The Community programme shall concern regions:

- (a) which face a particularly difficult economic situation compared with the Community as a whole;
- (b) which are located at the periphery of the Community or on an island;
- (c) in which the supply of telecommunications services, notably advanced services for the productive sector, is inadequate;
- (d) which are normally covered by a national regional aid scheme.

2. The regions satisfying the conditions set out in paragraph 1 are:

- (a) in Spain: ...⁽¹⁾;
- (b) in France: Corsica and the overseas departments;

⁽¹⁾ The regions will be determined by the Commission once the regional State aid scheme submitted by the Member State under Articles 92 and 93 of the EEC Treaty has been declared compatible with the common market pursuant to Article 92 of the Treaty.

- (c) in Greece: all regions, including the prefecture of Attiki;
- (d) in Ireland: all regions;
- (e) in Italy: the regions and zones of the Mezzogiorno;
- (f) in Portugal: ...⁽¹⁾;
- (g) in the United Kingdom: Northern Ireland.

Article 4

The Fund may participate, under the Community programme, in the following operations:

1. Establishment of the basic equipment needed for advanced telecommunications services in order:
 - (a) to integrate the less-favoured regions into the new advanced telecommunications networks being set up across the Community, including, where appropriate, the extension of the broadband transnational digital network planned for the Community, and to provide major telecommunication links. Investment projects may include land-based (including submarine) systems, notably those using optical fibres, and satellite systems;
 - (b) to encourage digitalization with a view to more rapid introduction of integrated-services digital networks for firms and consumers. Investment projects may include the digitalization of links to final users, additional work on local switches, the possible introduction of the signalling systems between switches that are essential to integrated-services digital networks and, where appropriate, more rapid digitalization of transmission lines and switching centres;
 - (c) to set in place, pending the introduction of integrated-services digital networks, superimposed networks essential to the provision of advanced telecommunications services, notably in the field of data transmission. Investment projects may include establishment of the major transmission lines and provision of equipment enabling the public to use the service, and particularly the transformation of pilot schemes already financed by the Community into fully-operational systems;
 - (d) to establish and develop cellular radio infrastructures compatible with the development of a Community system;
 - (e) feasibility studies relating to the investment projects specified in (a) to (d).

2. Promotion of the supply of, and the demand for, advanced telecommunications services. The following operations shall be eligible under this heading:

(a) preparation of local or regional programmes for the coordinated use of advanced telecommunications systems. This shall include technical and economic feasibility studies on the provision of new telecommunications services to users, notably small and medium-sized enterprises (SMEs) in the industrial and service sectors, including tourism; such studies shall form part of broader development strategies for specific areas, sectors or groups of firms;

(b) measures to promote the use of advanced telecommunications services. Such measures shall include publicity and information campaigns aimed at making potential users aware of the existence and advantages of modern telecommunications services, either through conventional marketing channels or by way of seminars, courses and briefings. Priority shall be given to measures for SMEs, including in the field of tourism and in other sectors with a high development potential;

(c) measures to demonstrate, by means of specific integrated applications, the advantages of using advanced telecommunications services. Such programmes shall include demonstration projects for SMEs, including in the field of tourism and in other sectors with a high development potential;

(d) aid to encourage individual SMEs or groups of SMEs to use advanced telecommunications services.

Such aid may take the form of:

(i) expert studies on the potential economies to be achieved through greater use of advanced telecommunications services, including computerized services available via data-transmission networks;

(ii) if the studies referred to in (i) so justify, equipment (such as terminals and modems) giving users access to advanced telecommunications services;

(e) establishment and development of telecommunications service centres, outside the main urban areas, with a view to:

(i) providing user services, including advanced data-transmission and video-communication services, notably in sparsely populated areas;

(ii) providing common services for two or more SMEs;

(f) implementation of experimental tele-commuting projects;

(g) the provision of regional services using computerized telecommunications facilities in the sphere of specialized information, including information compiled at Community level and of particular interest to certain users, notably SMEs, including in the field of tourism.

Article 5

The Community programme shall be financed jointly by the Member State concerned and the Community. Assistance from the Fund, which may not exceed 55 % of the total public expenditure taken into account in the programme, shall be provided from the appropriations entered for this purpose in the general budget of the European Communities. The Community contribution shall be as follows:

1. Operations relating to the basic equipment referred to in Article 4 (1):

(a) infrastructure investment projects financed wholly or partly by public authorities or by an equivalent body responsible for the implementation of infrastructure projects: 55 % of the total public expenditure borne by a public authority or equivalent body;

(b) investment projects in the industrial, craft industry and service sectors: 50 % of the public expenditure resulting from the grant of investment aid;

(c) feasibility studies: either 70 % of their cost or 50 % of the public expenditure resulting from the granting of aid in respect of them.

2. Promotion of the supply of, and the demand for, advanced telecommunications services:

(a) studies relating to the preparation of local or regional programmes referred to in Article 4 (2)(a): 50 % of public expenditure;

(b) measures to promote the use of advanced telecommunications services referred to in Article 4 (2)(b): aid covering 50 % of the cost of publicity and information campaigns;

(c) demonstration measures referred to in Article 4 (2)(c): 50 % of public expenditure;

(d) operations to encourage investment in SMEs referred to in Article 4 (2)(d):

- (i) expert studies: either 70 % of their cost or 50 % of the public expenditure resulting from the granting of aid in respect of them;
- (ii) equipment: 50 % of the public expenditure resulting from the grant of investment aid;

(e) establishment and development of telecommunications services centres referred to in Article 4 (2)(e):

- (i) operations relating to user service centres: 50 % of the public expenditure resulting from the granting of aid for equipment associated with telecommunications;
- (ii) for operations relating to common services: 50 % of the public expenditure resulting from the granting of aid;

(f) implementation of experimental tele-commuting projects referred to in Article 4 (2)(f):

- (i) feasibility studies: either 70 % of their cost or 50 % of the public expenditure resulting from the granting of aid;
- (ii) project implementation: 50 % of the public expenditure resulting from the granting of aid;

(g) provision of regional services in the sphere of specialized information referred to in Article 4 (2)(g): aid covering part of business expenditure on the development and operation of such services. The aid shall be degressive and shall be granted for three years. It shall cover 70 % of expenditure in the first year and shall not exceed 50 % of total expenditure over the three-year period.

Article 6

1. All or part of the aid may be in the form of a capital grant or an interest subsidy.
2. The following shall be eligible for Fund assistance in respect of operations referred to in Article 5: public authorities, local and regional authorities, other bodies, businesses or individuals.
- 3 (a) Aid granted under the Community programme shall not be combined with aid provided for in

the Fund Regulation or with other forms of Community assistance, except in the forms expressly provided for by the Council, including in Regulation (EEC) No 2088/85;

(b) In addition, the aids referred to in Article 5 (2)(d), (e), (f) and (g) may not have the effect of reducing the share of expenditure met by recipient businesses to less than 20 % of total expenditure.

Article 7

The component authorities in each of the Member States concerned shall, in consultation with the Commission, draw up within a period of six months from the entry into force of this Regulation an intervention programme satisfying the following conditions:

- it shall contain the particulars referred to in the Annex to this Regulation,
- it shall fall within the framework of the regional development programmes referred to in Article 2 (3) of the Fund Regulation,
- an appropriate share of the Fund's contribution shall be earmarked for the least-favoured regions covered by the programme,
- the programme shall comprise regional or local and, where appropriate, sectoral sub-programmes depending on the operations prescribed in Article 4; the sub-programmes shall be extensive enough to warrant implementation of the promotional measures provided for in Article 4 (2),
- the Fund's contribution to the promotional measures provided for in Article 4 (2) may not be less than 10 % of the total contribution to the programme,
- the programme shall cover projects that are consistent with the Community's objectives regarding telecommunications and information technology standards, particularly in view of the progress made towards these objectives by the European Conference of Postal and Telecommunications administrations (CEPT) and the European Committee for Standardization (CEN)/European Committee for Electro-technical Standardization (Cenelec).

Article 8

1. The duration of the programme shall be five years from the date of entry into force of this Regulation.
2. The intervention programme shall be submitted to the Commission for adoption as a programme agreement in accordance with Article 13 (1) of the Fund Regulation. The Commission shall establish that the programme is compatible with Article 44 of the Fund Regulation.

3. In addition to publication of the decisions concerning the grant of Fund assistance for the programme, the programme adopted shall be published by the Commission for information purposes.

Article 9

The amount of Fund assistance may not exceed the amount laid down by the Commission when

adopting the programme agreement referred to in Article 8 (2).

Article 10

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Annex

The intervention programme, broken down, where appropriate, by region and comprising the particulars listed in Article 8 of the Fund Regulation and some further particulars, shall be drawn up on the basis of the following outline:

1. General information

- (a) a concise analysis of the situation and prospects in the telecommunications field and the interrelationship between them and the socio-economic situation;
- (b) a brief description of measures adopted to meet requirements in the field of telecommunications services, indicating the bodies responsible;
- (c) the amount of expenditure incurred in previous years and that forecast for the period covered by the programme.

2. Basic equipment for the provision of advanced telecommunications services

- (a) an analysis of the situation and prospects in each of the fields mentioned in Article 4 (1) and a description of the measures already adopted and, where appropriate, existing aid schemes indicating the average amount of public expenditure involved each year;
- (b) in relation to the operations referred to in Article 4 (1):
 - (i) forecasts for investment projects in new international telecommunications networks; an indication of the main telecommunication links planned; information concerning the systems to be used (land-based, satellite, etc.); location of projects;
 - (ii) forecasts for investment projects in digitalization; indication of the fields involved: connections to users, local switches, signalling systems between switches, transmission lines, switching centres; details of how such work ties in with the introduction of integrated-services digital networks; location of projects;
 - (iii) forecasts for investment projects associated with the establishment of superimposed networks, notably in the field of high-speed data transmission; indication of the major transmission lines and the equipment providing the public with access to these services; location of projects;
 - (iv) forecasts for investment projects involving the establishment and development of cellular radio infrastructures; details as to the compatibility of such infrastructures with the development of a Community system; location of projects;
 - (v) forecasts relating to feasibility studies;
 - (vi) expected results, in quantified form, of the investments specified in (i) to (v), in terms of economic activity, job creation and technology transfers.

3. Promotion of the supply of, and the demand for, advanced services

- (a) an analysis of the situation and needs in these fields and a description of feasibility studies, surveys or information campaigns undertaken and of existing aid schemes for the use of advanced telecommunications services, indicating the average amount of public expenditure involved each year;

(b) operations referred to in Article 4 (2):

- (i) forecasts relating to the preparation of regional or local programmes for the coordinated use of advanced telecommunications systems; forecasts for feasibility studies; indication of the broader development strategies of which such studies form part;
- (ii) forecasts relating to the promotion of the use of advanced services; details of measures; indication of the sectors concerned;
- (iii) forecasts relating to demonstration projects; indication of the sectors concerned;
- (iv) forecasts relating to aids for SMEs in respect of equipment and expert studies; details of aid schemes to be set up;
- (v) forecasts relating to telecommunications service centres; location of centres; population and sectors served;
- (vi) forecasts relating to experimental tele-commuting projects; location of projects; sectors concerned; proposed evaluation methods;
- (vii) forecasts relating to regional specialized-information services; indication of data available including data compiled at Community level; indication of the sectors concerned;
- (viii) expected results, in quantified form, of the various measures and operations specified in (i) to (vii), in terms of economic activity, job creation and technology transfers.

4. The programme as a whole

- (a) summary of objectives;
 - (b) timetable;
 - (c) estimates of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged and a clear indication of the various national and Community sources of finance;
 - (d) in so far as this information has not been identified with sufficient accuracy in the regional development programme, a description of the existing or future public measures which it is intended to implement alongside the special programme;
 - (e) an indication of the authorities or bodies responsible for carrying out the various parts of the programme and the coordination arrangements;
 - (f) details of the Commission's involvement in the programme follow-up;
 - (g) arrangements for publicizing ERDF aid, the purpose being to make potential beneficiaries and trade and industry aware of the opportunities offered by the programme and of the role played by the Community.
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