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

ON THE OVERALL EVALUATION OF A SET OF GUIDELINES FOR THE DEVELOPMENT OF THE EURO-ISDN (INTEGRATED SERVICES DIGITAL NETWORK) AS A TRANS-EUROPEAN NETWORK (TEN-ISDN)

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1. INTRODUCTION

The Decision N° 2717/95/EC of the European Parliament and of the Council of 9 November 1995 on a set of guidelines for the development of the Euro-ISDN (Integrated Services Digital networks) as a trans-European network[1] requires in its Article 10 that "the Commission shall carry out an overall evaluation of the guidelines defined in this Decision in the light of any change in the rules applicable to Euro-ISDN".

Two studies have been undertaken to address this requirement:

–   a study on the status of Euro-ISDN in the European Union in 1997-1998 completed in June 1998, and

–   an intermediate evaluation of the action of development of trans-European telecommunications networks undertaken during the period 1993-1997 within the framework of the Euro-ISDN guidelines, completed in November 1998.

The summary results of these reports together with the overall Commission conclusions are stated herein. The text of the full reports is available on request at the Commission services.

2. SUMMARY RESULTS OF THE INTERMEDIATE EVALUATION 1993-1997

This evaluation of the action of development of trans-European telecommunications networks covers the period 1993-1997. It primarily addresses preparatory studies between 1993 and 1995, then feasibility studies for projects within the framework of the adoption of the Euro-ISDN guidelines from 1995 to 1997, with Community aid granted under the TEN Financial Regulation[2]. The evaluation focuses on two major areas: the impact of Community support in achieving the objectives of the Euro-ISDN guidelines, and the manner in which the action has been carried out, i.e. the implementation and management system put in place. The key findings and recommendations are the following:

1.   Design specification of the action

        A clear, although complex, structure was in operation to create the design specification of the action. In particular the use at early stage of a consultation document to ensure industry and public consultation is seen as a very positive outcome from the experience of Euro-ISDN. It anticipates the definition of the future

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[1]   OJ L 282, 24.11.1995, p.16.
[2]   Council Regulation (EC) N° 2236/95 of 18 September 1995 laying down general rules for the granting of Community financial aid in the field of trans-European Networks (OJ L 228, 23.9.1995, p.1).

TEN-Telecom work programme, ensuring timeliness and market relevance of TEN interventions, and introducing the necessary element of flexibility in the design process.

2. Indicators to be defined and monitored to assess the fulfilment of the guidelines objectives

The guidelines objectives for developing a range of services based on ISDN has been well met, most of the areas being addressed by studies and/or projects during the period. However, the requirement in respect of access for peripheral regions would have needed further consideration. It is recommended that quantitative, outcome-related indicators be defined and monitored for each of the strategic and operational objectives of the action. Success criteria should be identified and assessed in relation with the guidelines objectives.

3. Project outcomes

Reference is made to the fulfilment of proposal objectives, sustainability of the action, trigger economic effect and cross sector coverage. It is recommended that a consolidated record of investment decisions be created and that the continuation of the activities be monitored on an annual basis. A survey of both direct continuation by one or several partners and indirect triggered activity should be undertaken at suitable intervals after the end of the project.

4. Calls for proposals preparation and appraisal of bids

Unlike in the transport or energy sectors, the TEN actions in the telecommunication sector, rely on the use of calls for proposals and depend on market responsiveness and quality of bids received. Thus, targeting the right audience, providing comprehensive information packages and evaluation guidelines are key requirements. During the course of the action, significant improvements in this process are visible year by year.

5. Projects monitoring and review

The TEN Financial Regulations requires that both during implementation and after completion the Commission and the Member States should evaluate the projects, in terms of the manner they have been carried out, the fulfilment of original objectives, and the impact of their implementation. Some improvements in the monitoring process (e.g. stringent delivery dates and related payments), and review (e.g. more frequent light reviews) are recommended.

6. Consortia commitment

Consortia management capabilities and sincerity of intent should be insured particularly with reference to:

– sound partnership of public and private entities with proven experience in the field and significant SME participation;

– full corporate support for the proposal; inter-partner contractual agreements for cost-sharing and revenue-sharing in complex multinational networks;

–   trans-European character of the proposal primarily in the sense of a trans-national consortium carrying out a validation which addresses common needs in several Member States.

7.   Dissemination and support actions

Significant use will be made of Internet tools to promote dissemination and co-ordination of projects. Highlight of exemplary projects and sectors overviews will be produced on a regular basis.

The evaluation concludes that the studies and projects supported referred to the list of projects of common interest of the Euro-ISDN guidelines. This list is a soundly based overview of issues of importance at that time, created by a process, which is transparent and allows wide external input. It is fulfilled completely and the uptake of Euro-ISDN is appreciably enhanced, making a large and necessary contribution to the creation of the TEN-Telecom action. All the projects supported contribute materially to the achievement of the guidelines objectives and meet the requirements of the TEN Financial Regulations; the choice of activities for support is conducted in a fair and transparent way.

The promotion of Euro-ISDN based services for SMEs has been a significant feature of the action, producing several good projects with clear benefits. Emphasis was put on the SME tourism sector, and on support actions for the implementation of a pan-European ISDN network providing interoperability of services, in particular to the benefit of SMEs.

Overall the programme has overcome some initial difficulties to provide a strong, well-structured and well-controlled activity. Many of the recommendations of the evaluation tend to endorse existing vectors of change within the programme: the issue of moving to a more outcome oriented approach leading to market deployment of projects, going beyond the earlier phases of continuous improvement of management processes.

3.   STATUS AND VALIDITY OF CURRENT EURO-ISDN GUIDELINES

A report was commissioned to examine the status of Euro-ISDN in the Member States of the Union at the end of 1997, and the validity of the Euro-ISDN guidelines.

The main outputs are the following:

1.   Status of Euro-ISDN in the Union

Euro-ISDN penetration exceeds 5% of telephone lines in at least 8 of the Member States. Most countries have seen the demand double each year since 1995. There is a wide variance in the degree of penetration in the Member States, largely due to the marketing policy of the incumbent network operator. Growth of ISDN connections is expected to continue with major applications being Internet access, together with voice communications among business users. ISDN prices for services and terminal equipment have fallen significantly and continue to fall. The European industry is well positioned, both as far as switch vendors and terminal vendors are concerned.

2.   Issues for improvements

Whilst the obstacles to the deployment of Euro-ISDN in Member States have been largely overcome, there are still some issues to be resolved to varying degree. These are:

–   Availability of "plug and play applications", interoperability among ISDN networks, among terminal equipment (end to end interoperability) and between ISDN and other networks (GSM, ATM, frame relay, cable networks, ADSL),

–   More balanced geographical coverage

–   Awareness among SMEs and residential users and improved "user friendliness",

–   Full exploitation of Euro-ISDN potential, in particular in relation with its interoperation with data networks, or the definition of a clear migration path from Euro-ISDN to broadband.

3.   Overall validity of the guidelines and recommendations

Euro-ISDN has been a driving force for further digitalisation of telephone networks. It has helped transform the European telecommunications map and has been an important building block on the way to an information society.

The Community support of the evolution and expansion of Euro-ISDN within the Union has been a success. Most relevant articles of the guidelines have been achieved. Those which have not been achieved, or only partially achieved are either no longer relevant within the present context, or can be fully integrated within the TEN-Telecom guidelines with some specific measures. These measures cover:

–   awareness activities,

–   interoperability issues,

–   exploitation of the full technical potential of Euro-ISDN,

–   support to European industry outside the Union.

4.   **OVERALL COMMISSION CONCLUSIONS**

1.   Euro-ISDN is a European success story, resulting of joint efforts by the telecommunications operators and standardisation bodies with the Community support to a universal ISDN service across the Union. It remains a buoyant market where the European industry is well positioned, both as far as switch vendors and terminal vendors are concerned.

2.   Promotion of Euro-ISDN has been an important step forward on the way to an information society. The list of projects of common interest in the Euro-ISDN guidelines was a soundly based overview of topics of importance at that time, created in a process which was transparent and allowed wide external input. It was well

addressed and the uptake of Euro-ISDN was appreciably enhanced in the Union. Euro-ISDN has made a large and necessary contribution to the creation of the TEN-Telecom action, which covers a considerably wider scope and updates the action in response to changes in technology and markets.

3.   The Euro-ISDN guidelines implementation and management process has been a key experience for future TEN-Telecom actions. The design specification of the action, the call for proposals preparation and appraisal of bids, the project monitoring and review process and the initial definition of co-ordination and dissemination actions, have been a valuable heritage for the further elaboration of TEN-Telecom activities.

4.   Taking into account technological and regulatory changes in the telecommunications sector, while building on the experience of TEN-ISDN, TEN-Telecom adopts a users point of view and hence a multi-network approach, integrating, when necessary, the fixed and mobile components of networks. It enlarges the scope of the actions along the following lines:

–   neutrality towards the technical platform over which services are delivered,

–   alignment with major technological and market trends, namely interconnection of communication infrastructures, confirmation of TCP/IP Internet protocol as network technology integrator, increased requirement for global multimedia services delivered over fixed and mobile networks,

–   support for applications and services in areas of general interest, making intensive use of trans-European networks, with high social and trans-European character, and based on sound business models capable to mobilise public and private financing for future deployment.

5.   The Community intervention in support of the evolution and expansion of Euro-ISDN in the Union has fulfilled its aims, and the maturity of ISDN is such that the market forces can now take over. Since ISDN is an active niche market, well supported by the European industry, and since the Community action should be, as far as possible, "technologically neutral" in the future, as described above, there is no need to pursue a specific action on a particular network, which can be fully integrated within the overall TEN-Telecom guidelines.