

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 483 final-COD 495
SYN 528

Brussels, 17.11.1994

Amended proposal for a
EUROPEAN PARLIAMENT AND COUNCIL DECISION COD 495

on a series of guidelines for the development of ISDN
as a trans-European network

Amended proposal for a

COUNCIL DECISION

SYN 528

on the adoption of a multiannual Community action concerning the
development of ISDN as a trans-European network

(presented by the Commission pursuant to
Article 189a(2) of the EC Treaty)

EXPLANATORY MEMORANDUM

1. INTRODUCTION

- 1.1 On 1 September 1993, the Commission adopted its proposals¹ for :
- a decision on a series of guidelines for the development of ISDN² as a trans-European network, and
 - a decision on the adoption of a multi-annual Community action concerning the development of ISDN as a trans-European network.
- They seek to develop ISDN as a trans-European network.
- 1.2 The Economic and Social Committee gave its favourable opinion on 21 December 1993³. The Committee of the Regions adopted its favourable opinion on 17/18 May 1994⁴.
- 1.3 At its first reading on 19 April 1994, the European Parliament adopted in total 22 amendments⁵ to the two Commission proposals. The amendments numbered from 1 to 10 deal with the proposal on a series of guidelines for the development of ISDN as a trans-European network. The amendments numbered from 11 to 22 deal with the proposal for the adoption of a multi-annual Community action concerning the development of ISDN as a trans-European network.
- 1.4 From the ten amendments concerning the proposal on a series of guidelines for the development of TEN-ISDN as a trans-European network, the Commission can accept five. The Commission can accept a further amendment but with modification to the Parliament text. The remaining four amendments cannot be accepted by the Commission.
- 1.5 From the other twelve amendments concerning the proposal on adopting a multi-annual Community action concerning the development of ISDN as a trans-European network, the Commission can accept three amendments as proposed. The Commission can accept a further amendment but with modification to the Parliament's text. Eight of the amendments cannot be accepted by the Commission.
- 1.6 The rationale for these decisions is explained below. Annex 1 reproduces the amendments of the European Parliament which were rejected by the Commission. Annex 2 (for the Guidelines-Decision) and Annex 3 (for the Action-Decision) show the "Initial Commission Proposal" (left column) and the entire new text of the "Modified Commission Proposal" (right column).

¹ COM(93) 347 final, 1.09.93

² Integrated Services Digital Network;

³ CES 1313/93

⁴ CdR 42/94

⁵ Refer Delcroix report as adopted

- 1.7 Moreover, in consideration of the coming into force of the Treaty of the European Union on 1.11.1993, the provisionally proposed legal basis, Article 235 of the Treaty establishing the European Economic Community, is replaced in both proposed decisions by Article 129d (the first indent in the "guidelines" decision and the second indent in the "action" decision) of the said former Treaty.

2. PURPOSE OF THE PROPOSALS

One of the goals of the Community's telecommunications policy is to promote a telecommunications infrastructure based on interconnected networks integrating a number of harmonised services covering the whole of Europe.

Since 1984, ISDN is a key element of the Community's telecommunications policy.

Many efforts have already been undertaken by the public network operators and the Member States. However, not all aspects required for a successful Community-wide introduction of EURO-ISDN are yet in place. Additional efforts at the level of the Member States and at Community level to ensure network interconnectivity and the interoperability of a number of basic services throughout the Community are necessary.

The two proposed decisions contain:

- a series of guidelines, including the broadline of measures, objectives, priorities and the projects of common interest and
- the framework for a proposed Community action for the implementation of the projects of common interest, both related to the development of ISDN as a trans-European telecommunications network.

The implementation of the measures presented in this proposal to develop ISDN as a trans-European network will have to take into account the evolution of the regulatory regime. Regulatory changes in the course of the said evolution which would concern the development of ISDN will be fully taken into account.

3. AMENDMENTS PROPOSED BY THE EUROPEAN PARLIAMENT (FIRST READING)

In the following sections, the amendments from the EP are distinguished in three classes:

- amendments accepted by the Commission;
- amendments accepted in principle by the Commission and
- amendments rejected by the Commission.

3.1 ACCEPTED AMENDMENTS

- 3.1.1. The Commission accepts the following amendments: numbers : 1, 5 (2nd part), 6, 7, 9, 10, 12, 13, 17, 21 (2nd part) and 22 (ref. annex I), considering that they enhance the Commission's original proposals.

In line with the intentions of the initial proposal, Amendments No. 1 and 12 improve the terminology of the text.

Amendments No. 5 (2nd part) and 17 add a reference to broad band networks. Broad band networks are the successor of ISDN and a next major topic for transeuropean telecommunication networks and hence these references are appropriate.

Amendments No. 6 and 21 (2nd part) propose that the proposal TEN-ISDN covers also the promotion of application software. Indeed, application software is an important aspect for the participation in a transeuropean network or service and worth to be mentioned explicitly.

Amendment No. 7 concerns a reference to conformity with Community rules and is acceptable to the Commission.

One main feature of the TEN-ISDN proposal is the access to basic services. The amendment No. 9 introduces the list of five basic services so far contained only in the accompanying communication into the legal part of the proposal. This is fully in line with the original intention.

Amendment No. 10, 13 and 22 address under various angles the promotion and benefits of ISDN usage by SME's. As stated in the initial proposal, SME's are the first target group of the proposal TEN-ISDN. Therefore these three amendments are acceptable.

All these amendments are incorporated into the Modified proposals in order to allow them to be considered by the Council.

3.2 AMENDMENTS ACCEPTED IN PRINCIPLE

This section provides information concerning those amendments of the EP which have been accepted in principle by the Commission, but where the text was revised.

3.2.1 The Commission accepts the substance of amendments: numbers: 2, 5 (3rd part), 14, 15 (1st part), 16 (1st part), 18, and 19 with modification to the text as proposed in annex II and III. The revisions reflect in many instances editorial aspects like the usage of technical terms. Several items concern the extension of the objectives of the proposed action to non-Member States.

3.2.2 Amendment 2

The Commission can accept the reference to the broad band networks introduced by the Parliament. However, the Parliament's text might let understand that the ISDN is not considered as "Information Highway". Hence, the text is slightly revised to this end.

3.2.3 Amendment 5, 3rd part

The Commission can accept, that the applicability of the objectives defined by Article 2 are extended beyond the member states. However, in the light of recent developments, a reference to the countries of the European Economic Area and to countries with association agreements should be made (instead of referring to the EFTA states).

3.2.4 Amendment 14

The Commission accepts in principle the amendment, but the term "applications" is replaced by the term "services", since it is the services ("S" in ISDN = services) which are subject to harmonisation rather than applications.

3.2.5 Amendment 15, 1st part

same as Point 3.2.3) above.

3.2.6 Amendment 16, 1st part

The Commission supports the introduction of the notion "coordination", regarding the projects of common interest. However, this coordination should not be limited to the definition of feasibility studies and their conduct, but should extend also to implementation aspects.

3.2.7 Amendment 18

same as Point 3.2.3) above.

3.2.8 Amendment 19

The Commission understands the desire of the European Parliament to ensure that the Commission conducts such negotiations with non-Community member states in consultation with special committees composed of representatives of the Member States. Article 228, (1), first paragraph, second sentence of the Treaty provides for such consultations and therefore there is no reason to duplicate this consultation procedure.

3.3. REJECTED AMENDMENTS

3.3.1 Amendment 3

The difference between this amendment concerning the necessity of a Community action and the initial text is rather small. The initial text is preferred because it explains better the consequences of non-action at Community level. Moreover, the initial text uses the terms interconnectivity and interoperability in a technically more correct way.

3.3.2 Amendment 4

Similarly, as for amendment 3), the text difference is rather small, but the usage of technical terms in the initial text is more correct.

3.3.3 Amendment 8

same as Point 3.3.2) above.

3.3.4 Amendment 11

Since the standardisation for the ISDN infrastructure is - by all practical means - finished, it is not deemed appropriate to include a clause which requires that this standardisation work takes account of foreseeable technical developments.

3.3.5 Amendment 15, 2nd part

The initial text is preferred since it speaks of the interconnection of ISDN, the substance matter of the two proposals, as opposed to the EP amendment which refers to telecommunications networks in general.

3.3.6 Amendment 16, 2nd part

The proposed action concerns Community support, in the first place from the TEN-budget. A formulation "externally" funded is hence less appropriate. Moreover, the formulation used in the EP amendment, implies a possible differentiation of funding between infrastructure and services. However, the initial proposal is not conceived in that way.

3.3.7 Amendment 16, 3rd part

same as Point 3.3.2) above.

3.3.8 Amendment 20

Comitology is a horizontal issue which has to be resolved at inter-institutional level.

3.3.9 Amendment 21, 1st part

same as Point 3.3.6) above.

4. CONCLUSION

- 4.1 The Commission recommends the Modified proposals in Annexes II and III for the approval by the European Parliament (1st Decision) and the Council.

Annex I

Rejected amendments

Modified proposal for a European Parliament and Council Decision on a series of guidelines for the development of ISDN as a trans-European network

Amendment N° 4, 5th recital

Whereas it is important, for the purpose of the internal market, to facilitate the movement of goods, services, persons and capital between the Community and non-Community countries, and more specifically the member countries of the European Free Trade Association; whereas this will lead to intensified trade relations between the economic operators of the countries concerned; whereas in turn this requires cooperation with those countries in order to promote European-wide connectivity of telecommunications networks and interoperability of ISDN

Amendment N° 3, 4th recital

Whereas appropriate Community action is needed to establish coordination between the Member States and those responsible for laying the basic infrastructure, in order to ensure a harmonised introduction of ISDN services; whereas it is therefore essential to promote interconnection of regional networks and interoperability of ISDN as well as substantial availability of compatible basic services

Amendment N° 5

Article 2

On the assumption that ISDN facilities are available in all the Member States, the objectives for the development of ISDN as trans-European are:

- the development of a set of services based on ISDN and conforming to harmonised European standards referred to hereafter as EURO-ISDN, with account taken of the future introduction of a European broadband communications network;
- the full geographical coverage of EURO-ISDN facilities in all Member States and member countries of the European Free Trade Association.

Amendment N° 8

Article 7

The Commission is hereby authorised to open negotiations with non-Community countries likely to conclude agreement with the Community designed to allow them to participate in the projects of common interest referred to in the Annex and to improve interconnection of national networks and interoperability of the ISDN implementation between those countries and the Community Member States.

Modified proposal on the adoption of a multi-annual Community action concerning the development of ISDN as a trans-European network

Amendment N° 11, 7th recital

Whereas ISDN is a natural development of the telephone network; and is an important intermediate stage in technical development from the telephone network to integrated digital broadband telecommunications; whereas the standardisation of its infrastructure should as far as possible take account of foreseeable technical advances;

Amendment N° 15, 12th recital

Whereas cooperation is also appropriate with non-Community countries, especially the member countries of the European Free Trade Association, in order to promote projects of common interest and to ensure interconnection of telecommunications networks and interoperability of ISDN implementation.

Amendment N° 16

Article 2

The objective of the action is to support projects of common interest concerning the development of ISDN as a trans-European network, identified in Decision ...; such support shall concern both the coordination required for the implementation of externally - and in particular Community - funded telecommunications infrastructures (definition of and feasibility studies concerning projects of joint interest) and the promotion of basic ISDN facilities in conformity with the relevant harmonised standards produced by ETSI, with a view to ensuring the interconnection of telecommunications networks and the full interoperability of ISDN implementations.

Article 7

1. A Committee composed of the representative of the Member States (public network operators, industrialists, service providers and users) and chaired by the representative of the Commission shall be set up. It shall act by the majority specified in Article 148(2) of the EC Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.
2. The Commission shall submit to Parliament, represented by its committee responsible, and to the Council, represented by the committee referred to in the previous paragraph, a draft of the measures to be taken in implementation of this Decision.

It may, according to the urgency of the matter, set a deadline by which Parliament and the Council may adopt a position, if they so wish.

3. The Commission shall take account of the positions adopted by the parliamentary committee and the Council Committee. It shall, if necessary, amend its draft decision. The Commission shall inform the parliamentary committee and the Council committee of the manner in which their positions have been taken into account.

The Commission shall accordingly adopt implementing measures which apply immediately.

ANNEX

Amendment N° 21

Annex (1), first and second indents

- projects of infrastructural nature: precise definition of projects of common interest and interest subsidies and loan guarantees granted to operators implementing the projects; the infrastructures will be funded externally, in particular from Community funds,
- projects concerning telematic services and applications of trans-frontier nature; projects promoting the ISDN usage including promotion of ISDN terminal and application software availability;

Annex II

Modified proposal for a European Parliament and Council Decision on a series of guidelines for the development of ISDN as a trans-European network COD 495

Initial Commission Proposal

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof;

Having regard to the proposal from the Commission¹;

Having regard to the opinion of the European Parliament,

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

Whereas the internal market establishes an area without internal frontiers within which the free movement of goods, persons, services and capital must be guaranteed; whereas in order to ensure each of these freedoms the Community acts adopted or being adopted provide for measures involving substantial interchange of data between individuals, economic operators and the competent administrations; whereas such interchange can be ensured using trans-European networks;

Whereas the aim of establishing trans-European networks is to allow of the circulation of information, with a view to enable the proper functioning of the internal market for all participants, in particular the small and medium sized enterprises in the Community;

Modified Commission Proposal

THE EUROPEAN PARLIAMENT AND THE COUNCIL,

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

Having regard to the proposal from the Commission¹;

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

Having regard to the opinion of the Committee of the Regions;

Whereas the internal market establishes an area without internal frontiers within which the free movement of goods, persons, services and capital must be guaranteed; whereas in order to ensure each of these freedoms the Community acts adopted or being adopted provide for measures involving substantial interchange of data between individuals, economic operators and the competent administrations; whereas such interchange can be ensured using trans-European networks;

Whereas the aim of establishing trans-European networks is to allow of the circulation of information, with a view to enable the proper functioning of the internal market for all participants, in particular the small and medium sized enterprises in the Community;

Whereas a trans-European ISDN will form a basic element of trans-European telecommunications network

Whereas an ISDN network, as a natural development of the telephone network, will form one of the main elements of trans-European telecommunications networks

Whereas the "information highways" of the next generation, i.e. the high-capacity networks, will be the subject of Community actions to coordinate and harmonise their development at Community and European level

Whereas it is important, for the purpose of the internal market, to facilitate the movement of goods, services, persons and capital between the Community and non-Community countries, and more specifically the member countries of the European Free Trade Association; whereas this will lead to intensified trade relations between the economic operators of the countries concerned; whereas in turn this requires cooperation with those countries in order to promote European-wide connectivity and interoperability of ISDN;

Whereas it is important, for the purpose of the internal market, to facilitate the movement of goods, services, persons and capital between the Community and non-Community countries, and more specifically the member countries of the European Free Trade Association; whereas this will lead to intensified trade relations between the economic operators of the countries concerned; whereas in turn this requires cooperation with those countries in order to promote European-wide connectivity and interoperability of ISDN;

Whereas appropriate Community action is needed to establish adequate coordination between the Member States and those responsible for laying the basic infrastructure, in order to ensure a harmonised introduction of ISDN services; whereas failure to adopt a Council Decision on the development of ISDN as a trans-European network would be liable to result in a lack of interconnection and interoperability between national networks and in a limited availability of compatible basic services;

Whereas appropriate Community action is needed to establish adequate coordination between the Member States and those responsible for laying the basic infrastructure, in order to ensure a harmonised introduction of ISDN services; whereas failure to adopt a Council Decision on the development of ISDN as a trans-European network would be liable to result in a lack of interconnection and interoperability between national networks and in a limited availability of compatible basic services;

Whereas the only legal basis provided by the Treaty for adoption of this decision lies in Article 235;

HAS DECIDED AS FOLLOWS:

HAVE DECIDED AS FOLLOWS:

Article 1

This Decision lays down the guidelines identifying the objectives, priorities, broad lines of measures and a number of projects of common interest concerning the development of ISDN as trans-European network.

This Decision lays down the guidelines identifying the objectives, priorities, broad lines of measures and a number of projects of common interest concerning the development of ISDN as trans-European network.

Article 2

The objectives for the development of ISDN as trans-European network are:

- the availability of ISDN facilities including a basic set of services fully conformant to harmonised European standards referred to hereafter as EURO-ISDN;
- the full geographical coverage of EURO-ISDN facilities in all Member States

The objectives for the development of ISDN as trans-European network are:

- the development of a set of services based on ISDN and conforming to harmonised European standards referred to hereafter as EURO-ISDN, with account taken of the future introduction of a European broadband communications network;
- the full geographical coverage of EURO-ISDN facilities in all Member States and member countries of the European Economic Area or countries which have association agreements with the Community.

Article 3

The priorities for attainment of the objectives referred to in Article 2 are as follows:

- to contribute to the rapid availability of EURO-ISDN facilities for all business users, in particular small and medium sized enterprises;
- to maximise the usage of EURO-ISDN in the Community;
- to facilitate the access of the peripheral regions by means of EURO-ISDN.

The priorities for attainment of the objectives referred to in Article 2 are as follows:

- to contribute to the rapid availability of EURO-ISDN facilities for all business users, in particular small and medium sized enterprises;
- to maximise the usage of EURO-ISDN in the Community;
- to facilitate the access of the peripheral regions by means of EURO-ISDN.

Article 4

The broad lines of action designed to attain the objectives referred to in Article 2 shall be as follows:

- elimination of bottle-necks in the roll-out of EURO-ISDN;
- to ensure the end-to-end interoperability of telematic services;
- migration of public and private sector applications to EURO-ISDN;
- promotion of EURO-ISDN terminal availability

The broad lines of action designed to attain the objectives referred to in Article 2 shall be as follows:

- to ensure the end-to-end interoperability of telematic services;
- migration of public and private sector applications to EURO-ISDN
- promotion of EURO-ISDN terminal and application software availability
- elimination of bottlenecks in the roll-out of EURO-ISDN

Article 5

The development of ISDN as trans-European network to be implemented under this Decision shall be covered by projects of common interest. The projects are set out in Annex 1.

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Article 6

1. The Member States shall introduce the regulatory and organisational measures to allow the implementation of ISDN as a trans-European network.

1. The Member States shall introduce the regulatory and organisational measures to allow the implementation of ISDN as a trans-European network.

2. The Member States shall encourage the public network operators to introduce the infrastructure required for the development of ISDN as a trans-European network.

2. The Member States shall encourage the public network operators to introduce the infrastructure required for the development of ISDN as a trans-European network in accordance with Community rules and market requirements.

Article 7

The Commission is hereby authorised to open negotiations with non-Community countries likely to conclude agreement with the Community designed to allow them to participate in the projects of common interest referred to in Annex 1 and to improve interconnectivity and interoperability of the ISDN implementation between those countries and the Community Member States.

The Commission is hereby authorised to open negotiations with non-Community countries likely to conclude agreement with the Community designed to allow them to participate in the projects of common interest referred to in Annex 1 and to improve interconnectivity and interoperability of the ISDN implementation between those countries and the Community Member States.

Article 8

In 1997, the Commission will carry out an overall evaluation of the guidelines defined in this Decision in the light of any change in the regulatory conditions applicable to ISDN.

In 1997, the Commission will carry out an overall evaluation of the guidelines defined in this Decision in the light of any change in the regulatory conditions applicable to ISDN.

Article 9

This Decision is addressed to the Member States.

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Article 10

It shall take effect 21 days after its publication in the Official Journal of the European Communities.

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Done at

Done at

ANNEX

Projects of common interest concerning the development of ISDN as a trans-European network:

Elimination of bottle-necks in the roll out of EURO-ISDN:

- Identification of "bottle-necks", eg. in the roll-out of EURO-ISDN and measures which improve the availability of EURO-ISDN facilities.
- Analysis of differences in the existing plans for the introduction of the packet-mode bearer services and proposals which aim at the harmonisation of these implementations in a manner that at least a Community-wide service can be offered.
- Development for transborder applications in particular corresponding to the needs of SMEs.

Ensure end-to-end interoperability of telematic services:

- Development of a common telematic platform with particular attention to the six services listed.
- Development of a voluntary EURO-LABEL.

ANNEX

Projects of common interest concerning the development of ISDN as a trans-European network:

Elimination of bottle-necks in the roll out of EURO-ISDN:

- Identification of "bottle-necks", eg. in the roll-out of EURO-ISDN and measures which improve the availability of EURO-ISDN facilities.
- Analysis of differences in the existing plans for the introduction of the packet-mode bearer services and proposals which aim at the harmonisation of these implementations in a manner that at least a Community-wide service can be offered.
- Development for transborder applications in particular corresponding to the needs of SMEs.

Ensure end-to-end interoperability of telematic services:

- Development of a common telematic platform with particular attention to the following services (non-exhaustive list):
 - transfer of simple data files;
 - electronic mail and messenger services;
 - general access to databases (especially videotext)
 - visiophone services
 - fax services (group 4)

Migration of public and private sector applications to EURO-ISDN:

- Migration of existing or planned TNA applications to EURO-ISDN.
- Migration of other applications (applications developed in the context of other Community measures, eg. health care networks, network between scientific parks, dedicated networks like IXI etc.) to EURO-ISDN.
- Migration of public and private sector applications operated on other networks to EURO-ISDN.

Promotion of EURO-ISDN terminal availability:

- Analysis of EURO-ISDN terminal requirements in the context of market needs.
- Promotion of the availability of EURO-ISDN terminals.
- Development of 1-Stop shopping and billing principles for EURO-ISDN.

Migration of public and private sector applications to EURO-ISDN:

- Migration of existing or planned TNA applications to EURO-ISDN.
- Migration of other applications (applications developed in the context of other Community measures, eg. health care networks, network between scientific parks, dedicated networks like IXI etc.) to EURO-ISDN.
- Migration of public and private sector applications operated on other networks to EURO-ISDN.

Promotion of EURO-ISDN terminal availability:

- Analysis of EURO-ISDN terminal requirements in the context of market needs.
- Promotion of the availability of EURO-ISDN terminals.
- Pilot experiment of the Euro Information Centres (E.I.C.); cost/benefit analysis and subsequent feasibility study of a generalisation of ISDN amongst the E.I.C.
- Training of staff with a view to the dissemination and introduction of EURO-ISDN terminals, especially as regards SMEs.
- Development of 1-Stop shopping and billing principles for EURO-ISDN.

Annex III

Modified proposal for a Council Decision on the adoption of a multi-annual Community action concerning the development of ISDN as a trans-European network SYN 528

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof;

Having regard to the proposal from the Commission¹;

Having regard to the opinion of the European Parliament²;

Having regard to the opinion of the Economic and Social Committee³;

Whereas the Council adopted a Decision [...] ⁴ on a series of guidelines for the development of ISDN as a trans-European network;

Whereas the Council Recommendation 86/659/EEC⁵ calls for the availability of a set of European-wide compatible ISDN offerings which is also the subject of a Memorandum of Understanding (MoU) between the public telecommunications networks operators;

Whereas the Council Resolution of 18.07.89⁶ calls for the strengthening of the coordination of the ISDN in the European Community up to 1992;

Whereas the Council Recommendation of 05.06.1992⁷ calls for the application of the open network access principles to ISDN;

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 129 d, third paragraph, thereof,

Having regard to the proposal from the Commission¹;

In cooperation with the European Parliament,²

Having regard to the opinion of the Economic and Social Committee³;

Having regard to the opinion of the Committee of the Regions;

Whereas the Council adopted a Decision [...] ⁴ on a series of guidelines for the development of ISDN as a trans-European network;

Whereas the Council Recommendation 86/659/EEC⁵ calls for the availability of a set of European-wide compatible ISDN offerings which is also the subject of a Memorandum of Understanding (MoU) between the public telecommunications networks operators;

Whereas the Council Resolution of 18.07.89⁶ calls for the strengthening of the coordination of the ISDN in the European Community up to 1992;

Whereas the Council Recommendation of 05.06.1992⁷ calls for the application of the open network access principles to ISDN;

1 OJ ...
2 OJ ...
3 OJ ...
4 OJ ...
5 OJ L 382, 31.12.89, p. 36
6 OJ (89/C 196/04)
7 OJ No. L 200/10 from 18.07.92;

Whereas the Council in its Resolution from 05.06.1992⁸ has recognised the importance of developing ISDN in the context of trans-European networks;

Whereas the Council in its Resolution from 7 December 1992⁹ regarding the means to ensure the good functioning of the internal market has stressed the urgency to reinforce the telematics and other communications networks;

Whereas ISDN is conceived as the general switched telecommunications network evolved out of the telephone network;

Whereas the availability of a modern telecommunications infrastructure is an important factor to enable the economic actors to take full benefit from the market without internal frontiers;

Whereas current implementations of ISDN have an insufficient degree of harmonisation, which hinders, for example, the free movement of ISDN terminal equipment;

Whereas the availability of end-to-end compatible basic service (other than voice) is insufficiently developed;

Whereas there is a need for coordinated action for the deployment of compatible pan-European services, so as to reinforce the competitiveness of European industry;

Whereas cooperation is also appropriate with non-Community countries, in order to promote projects of common interest and to ensure interconnectivity and interoperability of ISDN implementations;

Whereas the Council in its Resolution from 05.06.1992⁸ has recognised the importance of developing ISDN in the context of trans-European networks;

Whereas the Council in its Resolution from 7 December 1992⁹ regarding the means to ensure the good functioning of the internal market has stressed the urgency to reinforce the telematics and other communications networks;

Whereas ISDN is conceived as the general switched telecommunications network evolved out of the telephone network;

Whereas the availability of a modern telecommunications network is an important factor to enable the economic actors to take full benefit from the market without internal frontiers;

Whereas ISDN is a network which is already operational at high performance levels, and whose potential should be exploited to the full, especially to the benefit of the general public and SMUs;

Whereas it is necessary to harmonise services to a sufficient degree so as to favour the free movement of ISDN terminal equipment;

Whereas the availability of end-to-end compatible basic service (other than voice) is insufficiently developed;

Whereas there is a need for coordinated action for the deployment of compatible pan-European services, so as to reinforce the competitiveness of European industry;

Whereas cooperation is also appropriate with non-Community countries, especially the member countries of the European Economic Area and countries with association agreements; whereas in accordance with Article 228, (1), first paragraph, second sentence of the Treaty, it is provided that the Commission shall conduct these negotiations in consultation with special committees appointed by the Council to assist in this task within the framework of such directives as the Council may issue to it.

8 OJ (92/C 158/1) from 25.06.92;

9 OJ C 334 from 1812.92, p. 1-3;

Whereas the Community consequently needs to establish a framework for the contribution of the Community to the implementation of ISDN as a trans-European network; whereas the objectives of the proposed measures cannot be adequately attained by the Member States and therefore, by virtue of the scale and scope of the measures in question, are best carried out at Community level;

Whereas the only legal basis provided by the Treaty for adoption of this Decision lies in Article 235;

HAS DECIDED AS FOLLOWS:

A multi-annual Community action TEN-ISDN as defined in Annex 1, hereinafter referred to as the "action", is hereby adopted. It shall run five years from the date of this Decision.

The objective of the action is to support projects of common interest concerning the development of ISDN as a trans-European network, identified in Decision [...] ¹⁰; such support shall relate to the implementation of ISDN facilities in conformity with the relevant harmonized standards produced by ETSI, with a view to ensure the full interconnectivity and interoperability of ISDN implementations.

The contents of the action is set out in the Annex.

Whereas the Community consequently needs to establish a framework for the contribution of the Community to the implementation of ISDN as a trans-European network; whereas the objectives of the proposed measures cannot be adequately attained by the Member States and therefore, by virtue of the scale and scope of the measures in question, are best carried out at Community level;

HAS DECIDED AS FOLLOWS:

Article 1

A multi-annual Community action TEN-ISDN as defined in Annex 1, hereinafter referred to as the "action", is hereby adopted. It shall run five years from the date of this Decision.

Article 2

The objective of the action is to support projects of common interest concerning the development of ISDN as a trans-European network, identified in Decision [...] ¹⁰ such support shall be coordinated concerning both the projects of common interest and the implementation EURO-ISDN facilities in conformity with the relevant harmonized standards produced by ETSI, with a view to ensure the full interconnectivity and interoperability of ISDN implementations.

Article 3

The contents of the action is set out in the Annex.

Article 4

1. The implementation of the action shall be closely coordinated with Community policies and requirements of users, notably small and medium sized enterprises, arising from the endeavour to exploit the freedoms of the internal market without frontiers.
 2. This coordination shall apply notably to the following areas: trans-European networks and services, standardisation, identification of user requirements, legal and data protection aspects raised by the introduction of ISDN.
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 2. This coordination shall apply notably to the following areas: trans-European networks and services, standardisation, identification of user requirements, legal and data protection aspects raised by the introduction of ISDN. Account shall also be taken in this coordination of R&D activities and results under the Community's specific R&D programmes for telecommunications and telematics networks with a view to the subsequent transition to a broadband communications network.

Article 5

The Commission is hereby authorised to negotiate agreements with non-Community countries with a view to their full or partial involvement in the action.

The Commission is hereby authorised to negotiate agreements with non-Community countries, in particular the member countries of the European Economic Area and countries with association agreements with the Community, with a view to their full or partial involvement in the Community's multi-annual action.

Article 6

1. The Commission shall be responsible for the implementation of the action.
 2. The procedure laid down in Article 7 shall apply to :
 - the drawing up of the work programme for feasibility studies;
 - the adoption of the recommendations of the feasibility studies;
 - the establishment of criteria for the assessment of the action;
1. The Commission shall be responsible for the implementation of the action.
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 - the adoption of the recommendations of the feasibility studies;
 - the establishment of criteria for the assessment of the action;

Article 7

1. The Commission shall be assisted by a committee of an advisory nature composed of the representatives of the Member States and chaired by a representative of the Commission.
 2. The Commission representative shall submit to the committee a draft of measures to be taken. The committee shall deliver its opinion on the draft, voting if necessary, within a time limit which the chairman may set depending on the urgency of the matter concerned.

The opinion of the committee shall be recorded in the minutes; each Member State shall be entitled to ask for its opinion to be recorded in the minutes.

The Commission shall give serious consideration to the committee's opinion. It shall inform the committee of how it has taken account of the opinion.
 3. The committee may examine any question in relation to the development of ISDN as TEN.
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Article 8

1. Every year the Commission shall report on the activities to the Council and the European Parliament.
 2. At the end of the action, the Commission shall present a final report to the Council and the European Parliament, including an assessment of the extent to which each of the objectives laid down for the action has been attained, on the basis of criteria established in accordance with the procedure laid down in Article 7 and propose any further action which may be needed.
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Article 9

This Decision is addressed to the Member States.

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Article 10

It shall take effect 21 days after its publication in the Official Journal of the European Committees.

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Done at Brussels....

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1. The TEN-ISDN Action consists of the implementation of projects of common interest eligible under the series of guidelines defined in Council Decision [...] and measures ensuring interoperability.

Three categories of action can be distinguished:

- projects of infrastructural nature;
- projects concerning telematic services and applications of trans-frontier nature; projects promoting the ISDN usage including promotion of ISDN terminal availability;
- measures concerning the end-to-end compatibility of a limited range of basic telematic services and corresponding terminal equipment;

2. Projects of common interest can be supported by feasibility studies and by support for implementation.

Feasibility studies for projects of common interest normally comprise the following phases:

- analysing the requirements (eg. bottle-necks);
- definition of the action;
- specification of technical requirements (in some cases);
- preparation of an action plan including the methods suited for implementation of the project;

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- projects concerning telematic services and applications of trans-frontier nature; projects promoting the ISDN usage including promotion of ISDN terminal and application software availability;
- measures concerning the end-to-end compatibility of a limited range of basic telematic services and corresponding terminal equipment;
- support for promotion campaigns for EURO-ISDN directed at the general public and professionals (especially SMEs);

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- analysing the requirements (eg. bottle-necks);
- definition of the action;
- specification of technical requirements (in some cases);
- preparation of an action plan including the methods suited for implementation of the project;

- validation, on a small scale, of the essential functions of the solutions adopted (in some cases);
- assessment of the results obtained.

In addition to the feasibility studies there will be regular monitoring of the projects and measures undertaken in the context of this action.

Community support for the implementation of projects of common interest may take in particular the form of interest rate subsidies and loan guarantees.

3. The measures to ensure interoperability consist in:

- contribution to the development of prototypes and software functions;
 - promotion of interoperable solutions specifically by the set up of a EURO-Label;
 - interoperability testing;
 - standardisation work;
 - incorporating relevant R&D results notably from Community programmes;
- and the flanking measures:
- support for awareness for the notion interoperability;
 - organisational support for the implementation of the above measures.

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FINANCIAL STATEMENT

Item B5-720:

Trans-European networks in the field of telecommunications: ISDN

1. TITLE OF OPERATION:

Trans-European networks in the field of telecommunications.

Community contribution to the implementation of the master plan adopted for certain priority trans-European telecommunications networks.

2. BUDGET HEADING INVOLVED:

B5-720

N.B.: Although this budget heading also covers types of networks other than ISDN, the particulars given in this financial statement refer only to ISDN.

3. LEGAL BASIS:

- Council recommendation 86/659/EEC of 22 December 1986 on the coordinated introduction of the Integrated Services Digital Network (ISDN) in the European Community (OJ L 382, 31.12.1986, p. 36).
- Council Decision 87/95/EEC of 22 December 1986 on standardization in the field of information technology and telecommunications (OJ L 36, 7.2.1987, p. 31).
- Council resolution of 18 July 1989 on the strengthening of the coordination for the introduction of the Integrated Services Digital Network (ISDN) in the European Community up to 1992 (OJ C 196, 1.8.1989, p. 4).
- Council resolution of 22 January 1990 concerning trans-European networks (OJ C 27, 6.2.1990, p. 8).
- Council Directive 90/387/EEC of 28 June 1990 on the establishment of the internal market for telecommunications services through the implementation of open network provision (OJ L 192, 24.7.1990, p. 1).
- Commission Directive 90/388/EEC of 28 June 1990 on competition in the markets for telecommunications services (OJ L 192, 24.7.1990, p. 10).
- Communication of 10 December 1990 from the Commission to the Council and the European Parliament entitled "Towards trans-European networks - For a Community action programme" [COM(90)585 final].
- Proposal for a Council Regulation (EEC) presented by the Commission on 24 February 1992 introducing a declaration of European interest to facilitate the establishment of trans-European networks in the telecommunications domain (OJ C 71, 20.3.1992, p. 12.).

- *Conclusions of the Council of 31 March 1992 on trans-European networks.*
- *Council resolution of 5 June 1992 on the development of ISDN in the Community as a European-wide telecommunications infrastructure for 1993 and beyond (OJ C 158, 25.6.1992, p. 1).*
- *Council resolution of 7 December 1992 on making the Single Market work (OJ C 334, 18.12.1992, pp. 1-3).*
- *Proposal for a Council Decision of (.../.../...) on a set of guidelines for the development of ISDN in the Community as a trans-European network.*
- *Proposal for a Council Decision of (.../.../...) introducing a multiannual Community action for the development of ISDN as a trans-European network (TEN-ISDN).*
- *Proposal for a Council Regulation laying down general rules for granting of Community aid in the field of transeuropean networks (COM(94) 62 final of 2.03.1994);*
- *Communication from the Commission to the European Parliament and the Council on "Europe's way to the information society. An action plan. (COM (94) 347 final of 19.07.1994).*
- *Article 129 d of the Treaty of the European Community.*

4. DESCRIPTION OF OPERATION

4.1 Specific objectives of operation:

- To carry out an operation representing the Community's contribution to the establishment and development of trans-European networks in the field of telecommunications, particularly with regard to the Integrated Services Digital Network (ISDN).

The purpose of the operation is to contribute to the harmonized development of the abovementioned networks and to the availability of certain basic services throughout the Community in order to enable operators to participate fully in an internal market without frontiers.

A second part of the Community activity is intended to assist the interconnection of such networks and interoperability of these basic services which are accessible via such networks. It consists in defining, for each area, a master plan of the trans-European network (such a plan already exists for ISDN) and then to implement the Community's contribution to the establishment of this network, while coordinating the activities contributing to this operation in the Member States, which will be called upon to provide the bulk of the necessary investment to those involved in this operation, consistent with the principle of subsidiarity.

- The Community contribution will chiefly be in the form of feasibility studies leading to a precise definition of projects of joint interest, and subsequently in the form of interest rebates and loan guarantees granted to those involved to carry out such projects. The Community contribution covers projects of joint interest and activities to promote interconnection of networks and interoperability of basic services.

- Given the scale of the investment required for the setting up of a general infrastructure and in view of the forms of support being considered, the Community contribution can only have a stimulating effect which will supplement the efforts being made at national level.
- Although a relatively small percentage, the Community contribution is necessary, since without it there is an obvious danger of insufficient harmonization and delay in deployment.

4.2 Duration: 1993-1997

4.3 Target population: public network operators, providers of telecommunications services, systems and software manufacturers, users.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

- 5.1 *Non-compulsory expenditure*
- 5.2 *Differentiated appropriations*
- 5.3 *Type of revenue involved:* not applicable

6. TYPE OF EXPENDITURE OR REVENUE

- 6.1 Normally, the feasibility studies and provision of the necessary services for implementing the work programme will be wholly financed; the studies will be approved according to the standard Commission procedures (invitation to tender, CCPC).
- 6.2 Subsidy for joint financing with other sources in the public and/or private sector:
 - Generally none
- 6.3 Interest subsidy:
 - Interest subsidies may be granted to those involved in the sector taking part in the implementation of projects of common interest.
- 6.4 Other:
 - Provision has also been made for loan guarantees.
 - Assistance will be sought from other Community financial instruments (i.e. the Structural Funds, temporary loan instrument, etc.).
- 6.5 Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed?: No.

6.6 Will the proposed operation cause any change in the level of revenue?
No.

7. FINANCIAL IMPACT

7.1 Method of calculating the total cost of the operation for the 1994 financial year:

In 1994 ECU 7 million will be earmarked for feasibility studies, with an average of ECU 500 000 per study in the field of ISDN .

7.2 Breakdown of the individual components of the operation

BREAKDOWN	1993 BUDGET	PDB 1994	CHANGE IN %
Studies	ECU 5 million	ECU 7 million	+ 40 %
Interest subsidies			
TOTAL	ECU 5 million	ECU 7 million	

7.3 Operational expenditure on studies, meetings of experts, etc. included in part B.

BREAKDOWN	1993 BUDGET	PDB 1994	CHANGE IN %
Studies			
Meetings of experts			
Conferences/ congresses	0	ECU 100.000	
Information/ publications	0	ECU 100.000	
TOTAL	0	ECU 200.000	

7.4 Indicative schedule of commitment appropriations

Item B5-720

Trans-European networks in the field of telecommunications: ISDN

			INDICATIVE SCHEDULE				
Consolidated situation	Budget	PDB				TOTAL	
end 1992 (1)	1993	1994	1995	1996	1997		
0	5	7	19	26	30	87	

(1) Including implementation of mini-budgets for 1991 and 1992 charged to subheading B8.

8. WHAT ANTI-FRAUD MEASURES ARE PLANNED IN THE PROPOSAL FOR THE OPERATION?

The relevant Commission departments will verify the proper implementation of the feasibility studies prior to payment, taking into account contractual obligations and principles of good management.

In conjunction with the relevant Commission departments suitable audit methods will be devised to deal with interest subsidies and loan guarantees.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Objectives

The aim of this operation is to encourage those involved in this sector in their efforts to achieve interoperability and interconnection of national ISDN networks. The aim of the Community contribution is to stimulate investment in these sectors of the order of billions of ecus in the medium term. However, in 1993 and 1994 the operation will concentrate mainly on carrying out feasibility studies for projects of common interest which, when implemented in subsequent years, should generate the necessary investment.

The operation is divided into two parts. The first concerns support activities for projects of common interest and its aim is the rapid and harmonized establishment of the infrastructure and basic services. The second part relates to horizontal activities, including support for interconnection of networks and interoperability of basic services.

9.2 Grounds for the operation

The purpose of this operation is to endow the Community with the modern means of communication which are essential to its economic development. Availability of advanced telecommunications networks in this particular field, involving multipurpose networks, is essential if operators are to take advantage of the opportunities to expand their activities, the economies of scale provided by the large Community market and the free movement of goods, persons, services and capital. Small businesses in particular (of which there are some ten million in the Community), whose key role in economic growth is acknowledged, are dependent on the availability of a universal infrastructure.

Given that the services market is competitive (except for telephone services at the present time), a non-regulatory approach is indicated.

Experience of recent years has shown that in the absence of any mechanism in this area at European level to ensure harmonized development, particularly of certain basic services, Community action is necessary. In order to promote such coordination at European level, Community financing must also be made available. This Community support will be for a limited period and will be provided at the early stages to get the mechanism off to a good start. Furthermore, a financial contribution for the development of less-favoured regions is consistent with the aims of this operation.

Should these measures not be taken in good time, the development of ISDN in the Member States might be less effective because it would not be in general use and the basic services would not be compatible.

In every case, experience has shown that taking action after the event to rectify the lack of harmonization in such a development would prove more costly.

Proper coordination between the Member States, which is intrinsic to Community action, is necessary in order to ensure consistency between what is being done at national level and Community action. The principle of subsidiarity applies fully in this case.

9.3 Monitoring and evaluation of the operation.

Each feasibility study must state its exact objectives and define specific projects. The effectiveness of the operation will ultimately be judged by the amount of investment forthcoming from those involved in the sector.

All operations will be evaluated on an annual basis (report). The assessment will be based on objective criteria which will be drawn up by a committee monitoring the implementation of the operation.

Moreover, the introduction of RNIS in the Member States of the Community is the subject of an annual report established by the Commission, based on the Council Recommendation of 22 December 1986.

9.4 Consistency with financial planning

Provision for this operation has been made in the multiannual financial programme under the heading Trans-European Networks.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

10.1 Will the proposed operation call for additional Commission staff? If so, how many?

Yes. The first stage will be to launch feasibility studies, at a preparatory level, in 1993, and then on a full scale in 1994. Assuming that ten or so studies will be carried out for ISDN, approximately eight staff (four A, one B and three C) will be necessary for management as of 1994. In addition, coordination between Member States and financial engineering (setting up of interest subsidy and loan guarantee operations) will call for a further three staff (one A, one B and one C). Overall, five staff (two A, one B, two C) should be Commission officials, with the remainder being employed on a non-statutory basis.

Total: Four A, two B and four C.

10.2 Indicate the amount of staff and administrative expenditure involved in the proposed operation.

In the light of what has been said under 10.1, six category A staff will have to be provided in the form of seconded national officials or experts and three category C staff as temporary secretaries.

Committee meetings: Some five meetings a year of the Consultative Committee, plus 40 or so meetings of groups specific to the projects,

at a cost of ECU 12 000 per meeting, will require a meetings budget of
ECU 500 000 (A 250/251).

Missions: ECU 75 000 (A 1300)

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