



BACKGROUND NOTE

GUIDELINES ON TRANS- EUROPEAN TELECOMMUNICATION

LAST UPDATE 1 MARCH 2012

Origin and current status

- **October 2011** - Proposal for a regulation on guidelines for trans European telecommunications networks and repealing Decision No 1336/97/EC
- **November 2011** - Proposal for a regulation establishing the Connecting Europe Facility COM (2011) 657/3

The European Commission proposes to spend a total of Eur9.2 billion from 2014-2020 on the deployment of telecommunications infrastructure and promotion of services running on these networks. The funding, part of the proposed Connecting Europe Facility (CEF), would take the form of both equity and debt instruments and grants. It would complement private investment and public money at local, regional and national level and EU structural or cohesion funds. At least €7 billion would be available for investment in high-speed broadband infrastructure.

The proposal for revised guidelines on trans-European telecommunications networks (TEN telecoms) provides details on how the money could be spent. For the grants component, the eligibility of projects is entirely determined through the guidelines. The funds to finance eligible projects will be allocated on the basis of competitive calls for proposals. These calls for proposals will have to respect the selection criteria that will be specified in work programmes (annual and multi-annual).

The revised guidelines propose that „projects of common interest“ can be selected by the European Commission during the timeframe of the CEF (2014-2020). A project of common interest may encompass feasibility studies, implementation & deployment of infrastructure, continuous operation, coordination and evaluation.

Furthermore, new projects of common interest or changes to running projects should:

- respond to new technological and market developments; or
- respond to emerging political priorities; or
- exploit synergies between different infrastructures, including those in the field of Transport and Energy.
- be based on mature technology ready for deployment;
- demonstrate European added value.

Eligible projects and activities

Activities are eligible under three headings: Horizontal priorities, broadband networks and digital service infrastructures.

I. Horizontal priorities

Horizontal actions will include **innovative management, mapping & services, technical assistance measures**, where necessary for deployment and governance. This will include project and investment planning and feasibility studies, in support of investment measures and financial instruments. This will also include funds for mapping of broadband infrastructure and ongoing physical surveying of relevant sites.

II. Broadband networks

Actions under this priority should:

- Support investments in broadband networks capable of achieving the Digital Agenda 2020 target of **universal coverage at 30Mbps**; or
- Support investments in broadband networks capable of achieving the Digital Agenda 2020 target and of having at least **50% of households subscribing to speeds above 100Mbps**;
- Comply with applicable law, in particular with competition law

Actions should consist of one or more of the following:

- The **deployment of passive physical infrastructure** or the deployment of combined passive and active physical infrastructure and ancillary infrastructure elements;
- **Associated facilities and associated services**, such as building wiring, antennae, towers and other supporting constructions, ducts, conduits, masts, manholes, and cabinets;
- Exploitation of potential **synergies between the roll-out of broadband networks and other utilities networks** (energy, transport, water, sewerage, etc), in particular those related to smart electricity distribution.

Beneficiaries of EU support under these activities include:

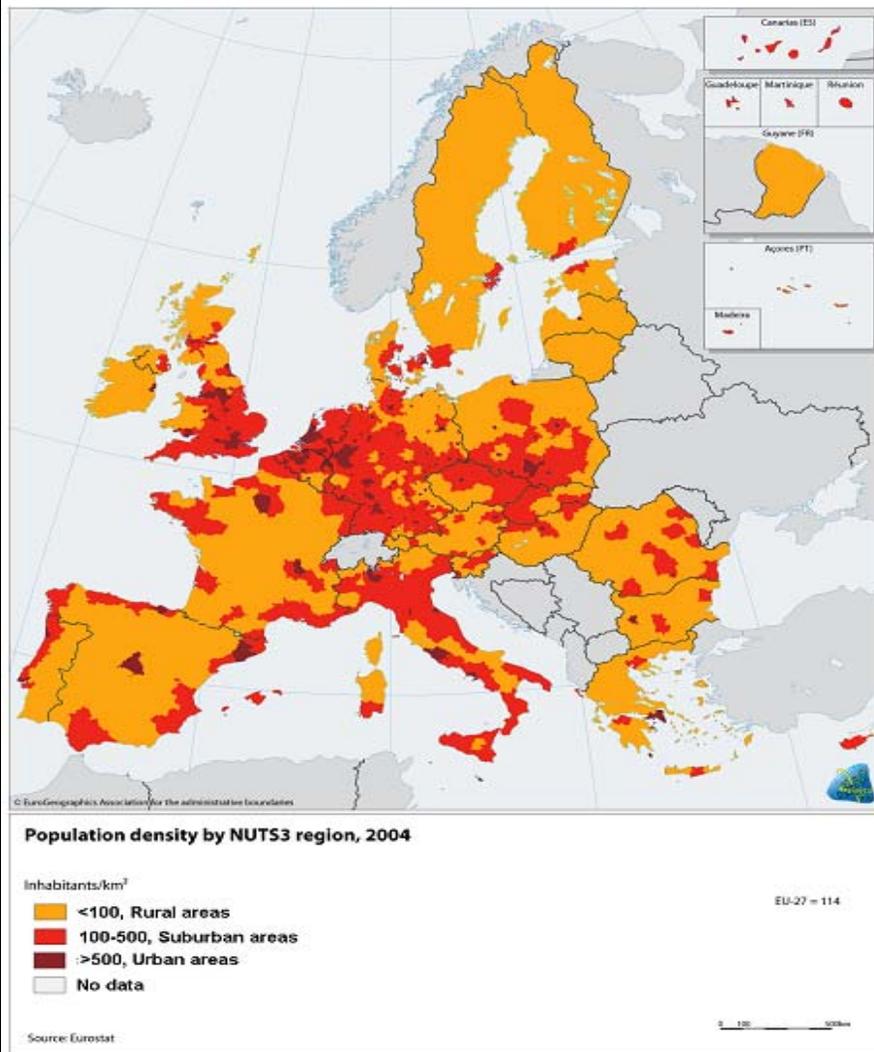
- **Telecom operators** (incumbent, whether investing directly or through a subsidiary or new-entrant) launching investments in fast and ultra fast broadband networks.
- **Utility companies** (e.g. water, sewage, energy, transport), which are expected to invest in passive broadband networks, either alone or in partnership with operators.
- **Regional decision makers**, including municipalities, who may establish concessions for broadband infrastructures. Equipment providers may be interested in such an arrangement, via the creation of a special purpose company.
- **Partnerships between several operators** active in wired and wireless markets to build new generation of infrastructures.

In addition, high speed connections to public internet access points, notably in public facilities, such as schools, hospitals, local government offices and libraries, shall also be supported.

The following types of areas can be characterized as the basis of likely investment:

- **Sub-urban/medium density areas** - typically served with medium speed connections but tend to lack higher speeds. Where it is demonstrated that the business case for investments in advanced technologies is insufficient for private investors in the short run, financial support could generate profitable investment over the longer term by closing the viability gap and stimulate competition.
- **High density/urban areas** - because of relatively satisfactory situation the market incentives to invest in very high speed networks such as fibre to the home are limited. Thus financial support may be also envisaged to investments in urban areas with dense populations which do not attract sufficient investment despite societal benefits.
- **Rural and low density areas** are typically served with low speed connections and in some cases even not served at all. The support from the Connecting Europe Facility in these areas is likely to complement available cohesion funds or rural development and other direct public support.

Indicative classification of regions to the above categories:



III. Digital Service Infrastructure

Trans-European high-speed backbone connections for public administrations

This public trans-European backbone service infrastructure will provide very high speed and connectivity between public institutions of the EU in areas such as public administration, culture, education and health. Each subheading will be composed of a “core service platform” ensuring access and interoperability and a selection of “generic services” running via these platforms. Below is an overview of the relevant generic services proposed.

Cross-border delivery of eGovernment services

- Interoperable electronic identification and authentication across Europe
- Electronic procedures for setting up and running a business in another European country
- Interoperable cross-border electronic procurement services
- Interoperable cross border eHealth services: These services will enable the interaction between citizens/patients and health care providers, institution-to-institution and organization-to-organization transmission of data, or peer-to-peer communication between citizens/patients and/or health professionals and institutions
- European Platform for the interconnection of European business registers: This facility will provide a set of central tools and services enabling business registers in all Member States to exchange information on registered businesses

Enabling access to public sector information and multilingual services

- Aggregation of international /EU/national/regional/local datasets
- Interoperability of datasets, including legal and licensing issues
- Interface to open data infrastructures in third countries
- Data repositories and long-term preservation services

Intelligent energy networks and smart energy services

- Smart metering infrastructure to measure and communicate information on energy consumption, including customer premises energy management equipment.
- Software agents able to decide when to buy/sell energy, when to switch on/off appliances in function of price signals from the energy providers.

Next Steps

- Throughout 2012 - Discussion of TEN telecommunication guidelines in European Parliament (rapporteur Evzen Tosenovsky (CZ/ECR))
 - First exchange of views in Industry Committee - 28 February 2012
 - Second exchange of views in Industry Committee - 25 April 2012
 - Deadline for tabling amendments to draft report in Industry Committee - 5 July 2012
 - Vote in Plenary - January 2013

- Throughout 2012 - Discussion of TEN telecommunication guidelines in European Council
- 2013/14 - selection of first projects

Further info

European Commission proposals on Connecting Europe Facility and guidelines for trans-European telecommunication networks: http://ec.europa.eu/information_society/newsroom/cf/item-detail-dae.cfm?item_id=7430

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