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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 3300/86

of 27 October 1986

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

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 [2],

Having regard to the opinion of the European Parliament [3],

Having regard to the opinion of the Economic and Social Committee [4],

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 Ireland, the Mezzogiorno, Northern Ireland, Corsica and the French overseas departments, the regions in Greece and in Portugal and certain regions in Spain have to contend with particularly serious economic problems; whereas the level of telecommunications services, especially of advanced services intended for the productive sector in those regions, is inadequate and whereas this shortcoming has an adverse effect on both their socio-economic situation and 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 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 appropriae use by them of advanced telecommunications services are necessary if they are to reduce the extent to which they lag behind in terms of economic development, 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 of the new networks, digitalization to promote more rapid introduction of integrated-services digital networks, the creation of additional capacities essential to the provision of advanced services notably in the field of high-speed data transmission, and the establishment and development of cellular radio infrastructures in a way compatible with the coordinated introduction of a future pan-European radiotelephony cellular digital 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 for small and medium-sized enterprises in order to encourage them to use advanced systems and to promote their activities in the telecommunications fields, service centres, experimental tele-commuting projects and the development of regional specialized information services;

[1] OJ No L 169, 28. 6. 1984, p. 1.
[2] OJ No C 147, 14. 6. 1986, p. 4 and OJ No C 194, 1. 8. 1986, p. 7.
[3] OJ No C 176, 14. 7. 1986, p. 189.
[4] OJ No C 263, 20. 10. 1986, p. 35.

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 Council Regulation (EEC) No 2615/80 [1], as amended by Regulation (EEC) No 214/84 [2], and Regulation (EEC) No 215/84 [3] instituting specific Community measures contributing to the development of certain regions in the context of Community enlargement permit the financing of certain measures in the telecommunications field and whereas aid granted under those Regulations should not be combined with aid granted under this Community programme;

Whereas Community assistance must be provided in the form of multiannual programmes drawn up by the competent authorities in the Member States concerned; whereas, in order to ensure sound financial management of the Fund, Member States will need to transmit such assistance programmes to the Commission within a specific period following the entry into force of the Community programme; 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 is hereby established in order to contribute to the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services.

Article 2

The purpose of the Community programme shall be to contribute to strengthening the economic base in the regions concerned, to foster job creation and to help raise technological standards in those regions, by improving the supply of advanced telecommunications services and by integrating those regions into large telecommunications networks. To that end, the programme shall provide for the implementation in all the regions defined in Article 3, and in the light of socio-economic needs, regional potential and long-term regional telecommunications requirements 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 satisfying all the following conditions simultaneously:

(a) a particularly difficult economic situation compared with the Community as a whole;

(b) peripheral or insular geographical location;

(c) inadequate supply of telecommunications services, notably advanced services for the productive sector;

(d) as a general rule, eligibility under a national regional aid scheme.

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

(a) in Spain:

the regions eligible for the national regional aid scheme as they will be determined by the Commission pursuant to Article 92 of the Treaty;

(b) in France:

Corsica and the overseas departments;

(c) in Greece:

all regions, except the nomos of Attica;

(d) Ireland;

(e) in Italy:

the regions and zones of the Mezzogiorno;

(f) in Portugal:

all regions, except the Lisbon area;

(g) in the United Kingdom:

Nothern Ireland.

3. Exceptionally, the Community programme shall also apply to:

— the nomos of Attica and the Lisbon area in the case of operations provided for in Article 4,

— the autonomous community of Madrid, except the municipality of Madrid, in the case of both operations provided for in Article 4 (1) (a) and (c) and the feasibility studies relating to such operations pursuant to Article 4 (1) (f),

in so far as such operations are technically necessary for the consistency, continuity and full implementation of the Star programme as a whole.

[1] OJ No L 271, 15. 10. 1980, p. 1.
[2] OJ No L 27, 31. 1. 1984, p. 1.
[3] OJ No L 27, 31. 1. 1984, p. 5.

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 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 :

— introduction of signalling systems between switches essential for integrated-services digital networks,

— digitalization of transmission lines and switching centres, including installation of digital switches and additional work on local switches for the digitalization of links to final users,

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with a view to carrying out the operations prior to the introduction of integrated-services digital networks ;

(c) to set in place and develop, pending the introduction of integrated-services digital networks, additional capacity essential to provision of advanced telecommunications services, notably in the field of data transmission. Investment projects may include establishment of the transmission lines and provision of equipment enabling the public to use the service, such as the establishment and development of packet switching networks, data bases and videotex access points, including the transformation of pilot schemes already financed by the Community into fully-operational systems ;

(d) to establish and develop cellular radio infrastructures in a way compatible with the coordinated introduction of a future pan-European radiotelephony cellular digital system ;

(e) to establish and develop laboratories to check and measure telecommunications material ;

(f) to carry out feasibility studies relating to the investment projects specified in (a) to (e).

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 (SME) in the industrial and service sectors, including tourism ; such studies shall take account of socio-economic development prospects and plans for the territories concerned ;

(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 SME, including those involved 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 measures shall include demonstration projects for SME, including those involved in the field of tourism and in other sectors with a high development potential ;

(d) aid to encourage individual SME or groups of SME to use advanced telecommunications services and to promote the introduction of new activities or the adaptation of existing activities in the field of telecommunications.

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, modems, videotex servers and teletext message systems) giving users access to advanced telecommunications services ;

(iii) investment in new undertakings or to facilitate the adaptation of existing undertakings to market potential in the field of telecommunications goods and services.

(e) establishment and development of telecommunications service centres, except in those of the main urban areas where such centres arise spontaneously, with a view to :

(i) providing user services, in particular advanced data-transmission, videotex and videocommunication services, even in sparsely populated areas ;

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

(f) implementation of experimental distance working 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 SME, including those involved in the field of tourism.

Article 5

1. 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, the cost of which is borne wholly or partly by public authorities or by any other body responsible, in the same way as a public authority, for the implementation of infrastructure projects : 55 % of the total cost borne by the public authorities or other comparable 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 presentation 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) aid for SME 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 ;

(iii) in the case of investment in industrial and telecommunications service activities : 50 % of the public expenditure arising from the granting of investment aid under the national regional aid scheme ;

(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) operations relating to common services :

50 % of the public expenditure resulting from the granting of aid ;

(f) implementation of experimental distance working 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.

2. As regards the Portuguese regions, the rates of the Fund's contribution provided for in paragraph 1 shall be increased until 31 December 1990 by 20 points, with a maximum rate of 70 %.

3. A Member State may request lower rates of contribution from the Fund than those provided for in paragraphs 1 and 2.

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, cooperatives or individuals.

3. (a) Aid granted under the Community programme shall not be combined with aid granted elsewhere in the Fund Regulation or in Regulations (EEC) No 2615/80 or (EEC) No 215/84.

(b) In addition, the aid referred to in Article 5 (1) point 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

All the operations referred to in Article 4 shall also satisfy the following :

— the Fund's contribution to the promotional measures provided for in Article 4 (2) may not be less than 15 % of the total contribution to the programme ; the contribution from the Fund to the feasibility studies referred to in Article 4 (2) (a) may not exceed 5 % of the total contribution to the programme ; the contribution from the Fund to the production aid referred to in Article 4 (2) (d) (iii) may not exceed 5 % of the total contribution to the programme,

— the programme shall cover projects which 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 Electrotechnical 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 within six months of the entry into force of this Regulation : in exceptional circumstances the Commission may extend that period by one month.

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 13 (1) of the Fund Regulation.

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.

Done at Luxembourg, 27 October 1986.

For the Council

The President

G. HOWE