Regulation (EC) No 1159/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks

REGULATION (EC) No 1159/2005 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 6 July 2005

amending Council Regulation (EC) No 2236/95 laying down general rules for the granting of Community financial aid in the field of trans-European networks

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the first paragraph of Article 156 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Economic and Social Committee[(1)],

After consulting the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty[(2)],

Whereas:

(1) Regulation (EC) No 2236/95[(3)] provides, *inter alia*, for the co-financing of studies related to projects of common interest for an amount which may normally not exceed 50 % of the total cost, while the maximum contribution to projects in the area of telecommunications may not exceed 10 % of the total investment cost.

(2) Decision No 1336/97/EC of the European Parliament and of the Council of 17 June 1997 on a series of guidelines for trans-European telecommunications networks[(4)] identifies projects of common interest. Experience in implementing that Decision has shown that less than one project in twenty involves the deployment of a service, the remainder being deployment-related studies. As a result, the direct impact of aid granted for trans-European telecommunications networks is limited.

(3) The cost of deploying a trans-European service based on electronic data communications networks is significantly greater than the cost of a comparable service in a single Member State because of barriers of language, culture, legislation and administration.

(4) The cost of a preparatory study for a service in the telecommunications sector has been found to be a high proportion of the total investment required to deploy the service, and as a result the maximum contribution allowable under Regulation (EC) No 2236/95 is applied to such studies, precluding the grant of aid to the deployment of

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EC) No 1159/2005 of the European Parliament and of the Council. (See end of Document for details)*

services. Consequently, grant of aid under that Regulation has had little direct effect in stimulating the deployment of services.

(5) Community aid should be granted in preference to projects which aim to stimulate the deployment of services and thus make the greatest contribution to the development of the information society. It is necessary therefore to increase the maximum contribution in proportion to the actual costs arising from the trans-European nature of a service. An increase in the Community contribution should, however, be applied only to services of public interest which must overcome the barriers of language, culture, legislation and administration,

HAVE ADOPTED THIS REGULATION:

Article 1

The following subparagraph shall be added to Article 5(3) of Regulation (EC) No 2236/95:

In the case of projects of common interest identified in Annex I to Decision No 1336/97/EC of the European Parliament and of the Council of 17 June 1997 on a series of guidelines for trans-European telecommunications networks[(5)], the total amount of Community aid granted under this Regulation may reach 30 % of the total investment cost.

Article 2

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

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

Done at Strasbourg, 6 July 2005.

For the European Parliament

The President

J. BORRELL FONTELLES

For the Council

The President

J. STRAW