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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee

No. prev. doc.: 13293/18

Subject: European Court of Auditor's Special Report No 12/2018: "Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met"
- *Discussion of Council conclusions*

1. On 5 June 2018 the European Court of Auditors published its Special Report No 12/2018 entitled "*Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met¹*".
2. Pursuant to the rules set out in the Council conclusions on improving the examination of special reports drawn up by the European Court of Auditors², on 5 September 2018 the Permanent Representatives Committee instructed the Working Party on Telecommunications and Information Society to examine the Special Report.
3. On 11 October, the representatives of the Court of Auditors presented the Special Report to the Working Party which held discussions on the Special Report on 26 October and 8 November 2018.

¹ https://www.eca.europa.eu/Lists/ECADocuments/SR18_12/SR_BROADBAND_EN.pdf

² Doc. 7515/00 + COR 1.

4. After the examination of the Special Report, the Working Party on Telecommunications and Information Society has agreed on the draft Council conclusions as set out in the Annex.

 5. The Permanent Representatives Committee is invited to endorse the attached draft Council conclusions and transmit them to the Council for adoption as an "A" item at a forthcoming meeting.
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DRAFT

COUNCIL CONCLUSIONS

on the Special Report No. 12/2018³ of the European Court of Auditors
entitled
"Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met"

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

– its conclusions on improving the examination of special reports drawn up by the European Court of Auditors in the context of the discharge procedure⁴;

1. TAKES NOTE of the Special Report No. 09/2018 by the European Court of Auditors entitled: *"Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met"*.
2. TAKES NOTE of the conclusions and recommendations of the Special Report and RECOGNISES in particular that:
 - a) broadband coverage has improved across the EU, but not all of the Europe 2020 targets will be achieved in time;
 - b) the broadband strategies of the Member States are not always consistent with the objectives of Europe 2020;
 - c) the financing of projects in rural and sub-urban areas was not always properly addressed in some Member States;

³ https://www.eca.europa.eu/Lists/ECADocuments/SR18_12/SR_BROADBAND_EN.pdf

⁴ Doc. 7515/00 + COR 1.

3. INVITES
 - a) the Member States to consider reviewing the mandate of their National Regulatory and other competent authorities in accordance with the revised EU regulatory framework for telecommunications, with a view to ensuring that they are able to impose their recommendations and remedies on operators;
 - b) the European Investment Bank to focus its support through European Fund for Strategic Investments and the Connecting Europe Broadband Fund on small and medium size projects in areas where public sector support is most needed.
4. TAKES NOTE of the Commission's replies which accompany the Special Report and the partial acceptance of Recommendation 3 by the Commission.
5. WELCOMES that the Commission is looking into different possibilities for establishing a more streamlined, simplified and harmonised system of indicators across European Structural and Investment Funds for the post-2020 Multiannual Financial Framework (MFF).
6. ENCOURAGES the Commission to further clarify the application of the State Aid Guidelines on broadband funding to measures supporting the gigabit targets of the Union in its forthcoming Guide on Broadband Investment and in future decisions in specific cases, particularly concerning rural areas.
7. NOTES that:
 - a) all Member States achieved the basic broadband coverage target by 2016. Many of the examined Member States are in a good position to reach the 2025 targets;
 - b) all Member States have developed broadband strategies and many Member States have identified the financing support needed from the public sector;
 - c) the projects funded from European sources should focus in the future on those areas where public sector support is most needed;
 - d) the use of vectoring technology in some Member States at present will lose importance in line with their updated commitments to the new gigabit targets.
8. INVITES the Member States and the Commission to carefully examine the recommendations of the Special Report and encourages them to pay attention to those recommendations.