

COUNCIL OF THE EUROPEAN UNION Brussels, 20 April 2012

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NOTE	
from:	General Secretariat of the Council
to:	Delegations
No. Cion prop.:	16176/11 CADREFIN 117 POLGEN 177 REGIO 111 ENER 345 TRANS 292 TELECOM 161 COMPET 472 MI 533 ECO 129 REV 1 + REV4
Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility
	- Draft input from the Telecommunications and Information Society Working Party to the Budget Committee on articles 4 and 7 of the draft CEF Regulation

Delegations will find in Annex text proposals for articles 4 and 7 of the draft CEF Regulation.

Point (c) of Article 4(1) in the Commission proposal for the CEF Regulation and Article 2 in the Commission proposal for the INFSO guidelines define sectoral objectives in relation to the telecommunications sector.

Delegations in the WP TELE expressed concern regarding the possible lack of consistency between those two provisions, since the wording differs significantly.

To respond to this concern, the Presidency proposes the following:

- general objectives should be defined in detail in Article 3 of the CEF Regulation, as proposed by the Commission;

 sectoral objectives when it comes to the telecommunications sector should be defined in detail only in one legal act, i.e. in the INFSO guidelines. For this reason, point (c) of Article 4(1) of the CEF Regulation should only refer to Article 2 of the INFSO guidelines.

This approach would keep text relating to the sector primarily in the INFSO guidelines and the more general provisions in the CEF Regulation.

Delegations will also find included in this Presidency proposal Article 7(4) of the CEF Regulation based on the text presented to the COMBUD group at the meeting on 17 April 2012. The text is intended for discussion in WP TELE and was only presented to COMBUD as part of the overall "annex discussion", including the approach to the link between the CEF Regulation and its annex.

A horizontal decision on whether there should be a CEF annex in general or not is expected in the COMBUD group on 23 April 2012. The final wording of Article 7(4), therefore, depends on the outcome of this discussion in COMBUD why the text concerning the link between the CEF Regulation and its annex as a whole is put in brackets.

Should the decision in COMBUD be that the current approach with two annexes is to be maintained, the Presidency will circulate a Presidency proposal regarding the CEF annex text for discussion in WP TELE in due course.

The Presidency's view is that the proposal put forward in the COMBUD group could in a satisfactory way address the concerns identified in the WP TELE regarding the relation between the CEF Regulation and its annex.

CEF Regulation, Article 4 Specific Sectoral Objectives

1. Further to the general objectives set out under in Article 3, the CEF Connecting Europe Facility shall should contribute to achieving the following sector specific sectoral objectives:

(a) In the field of transport [....]

(b) In the field of energy [....]

(c) In the field of telecommunications networks sector the CEF Connecting Europe Facility shall provide for actions to support projects of common interest pursuing the following objectives, as further specified in article 2 of Regulation (EU) No xxxx/2012 [INFSO Guidelines]:

(i) accelerating the deployment of fast and ultrafast broadband networks networks and their uptake, including by small and medium sized enterprises (SMEs), to be measured by the level of broadband and ultrafast broadband coverage and the number of households having subscribed for broadband connections for above 100 Mbps;

(ii) promoting the interconnection and interoperability of national public services online as well as access to such networks, to be measured by the percentage of eitizens and businesses using public services on-line and the availability of such services across borders.

CEF regulation, Article 7 Eligibility and conditions for financial assistance

1. Only actions contributing to projects of common interest according to Regulations (EU) No XXX/2012 [TEN-T Guidelines], (EU) No XXX/2012 [TEN-E Guidelines, (EU) No XXX/2012 [Guidelines for **trans-European** energy infrastructure] and XXX/2012 [INFSO Guidelines] as well as programme support actions shall be eligible for support through EU financial aid in the form of grants, financial instruments and procurement.

2. In the field of transport [....]

3. In the field of energy [....]

4. In the field of telecommunication **sector**, all actions implementing the projects of common interest and programme support actions set out in the Annex of the Regulation (EU) No XXXX/2012

[INFSO Guidelines] shall be eligible to receive Union financial aid in the form of a [grant, procurement and financial instruments under this Regulation].

[At least [85%] of the amount of the financial envelope referred to in Article 5(1)(c) shall be allocated to the support of pre-identified priorities and areas of intervention as listed in Part III of the Annex to this Regulation.]¹

¹ Consistency between the Guidelines and the CEF to be assured.