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THE EUROPEAN UNION**

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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

No. prev. doc. 9030/12 TELECOM 74 CADREFIN 205

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 the Annex text proposals for articles 4 and 7 of the draft CEF Regulation on which the Telecom Working Party has been invited to submit input to the Budget Committee.

Article 4(1)(c)

Based on broad support from delegations, the Presidency suggest keeping the approach as put forward in relation to Article 4(1)(c) at the last WP TELE on 25 April 2012. This approach will keep text relating to the sector primarily in the INFISO guidelines and the more general provisions in the CEF Regulation.

Article 7(4)

The Presidency took note of the broad concern and numerous reservations in relation to Article 7(4) and the functional link proposed therein at the WP TELE on 25 April 2012.

Changes made by the Presidency are marked in **bold** text.

In light of the presentation from the Commission at the same meeting, as well as the scrutiny reserves placed by some delegations, the Presidency would like to ask delegations to consider if:

- the full text on the functional link as presented on 25 April 2012 could be accepted, or
- the text except from the named percentages could be accepted. If so, the percentages could be placed in square brackets combined with a footnote stating that the percentages should be further discussed in the WP TELE.

If this is not the case, the Presidency would suggest that WP TELE in the contribution to COMBUD on Article 7(4) clearly states that this subject needs to be further discussed in the WP TELE as the discussion of the functional link is heavily dependant on further discussions on the contents of the INFSO guidelines annex.

This would mean that the whole text on the functional link would be placed in square brackets combined with a footnote stating the need for further discussion in WP TELE.

CEF Regulation, Article 4
Specific Sectoral Objectives

1. Without prejudice to the general objectives set out in Article 3, the CEF shall contribute to achieving the following 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 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 citizens 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 [Guidelines for trans-European energy infrastructure] and No XXX/2012 [INFSO Guidelines] as well as programme support actions as defined in Article 2(5) shall be eligible for support through Union 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 **The issue of the functional link is subject to further discussions in the Telecom Working Party.**

ANNEX

PART III: LIST OF PREIDENTIFIED PRIORITIES AND AREAS OF INTERVENTION IN THE ~~FIELD OF~~ TELECOMMUNICATIONS SECTOR²

[...]

² **Since the content of the Annex is closely linked to the issue of the functional link (see, footnote for Article 7(4)) as well as to the discussions on the Commission Proposal for a Regulation on guidelines for trans-European telecommunications networks and repealing Decision NO 1336/97/EC (hereinafter "INFSO guidelines"), the text of Part III of the Annex is subject to further discussions in the Telecom Working Party.**