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NOTE

from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary record of the meeting of the Committee on Industry, Research and Energy (ITRE) , held in Brussels on 19 - 20 June 2013

The meeting was chaired by Ms Sartori (chair) (EPP, IT), Ms Toia (vice-chair) (S&D, IT) and Mr Rohde (vice-chair) (ALDE, DK).

1. Electronic identification and trust services for electronic transactions in the internal market

ITRE/7/09803, 2012/0146(COD), COM(2012)0238

Rapporteur: Marita Ulvskog (S&D, SE)

Opinions: ECON, IMCO, JURI, LIBE

The rapporteur said that most of the amendments focused on authentication versus identification, technical operability standards and the need for technical neutrality, data protection in relation to trust services, interoperability for cross-border services and on delegated/implementing acts. Given the minor differences of opinion, she saw a good chance to reach an agreement.

During the discussion, Members raised in particular the definition of providers of trust services (Mr Creutzmann (ALDE, DE)) and their supervision (Ms del Castillo Vera (EPP, ES)); providers from third countries (Ms del Castillo Vera, Mr Creutzmann, Mr Audy (EPP, FR)) and the building of trust (Ms Andersdotter). They also focused on interoperability and technological neutrality (Ms del Castillo Vera, Ms Andersdotter (Greens/EFA, SE)), authentication and identification linked to the technical harmonisation and their security and privacy levels (Mr Creutzmann and Ms Andersdotter) and data minimisation for e-identification (Mr Creutzmann). Members also mentioned security by transparency, citizens' choice of service, and the high number of delegated/implementing acts. Regarding the latter, Mr Audy suggested asking the Conference of Presidents to evaluate the administrative means required to make political scrutiny of the delegated acts possible

The Commission representative reminded Members that the regulation focused on providing a minimal regime for recognising e-identification in the Member States and building technical interoperability platforms instead of harmonising identification provisions and associated validation processes. Concerning citizens' freedom of choice, he advised that the responsibility of the relying party should not be overlooked. Security by transparency was an important principle and the Commission was introducing obligation for qualified trust services providers to produce security audits and conformity assessments.

<u>Timetable:</u>	vote in ITRE:	18 September 2013
	vote in plenary:	December 2013

2. Implementation Report on the regulatory framework for electronic communications

ITRE/7/12552, 2013/2080(INI)

Rapporteur: Catherine Trautmann (S&D, FR)

Opinion: IMCO

The rapporteur recalled the background to the framework. Prior to its review, she wanted to identify its successes and its shortcomings in order to produce a predictable and efficient regulation that would meet flexibility criteria to strengthen the co-regulatory process and gradually lessen the regulatory burden.

The Commission, according to its representative, was not in a position to start the overall review, but would look at some parts of the framework that needed changing. He highlighted in particular the passport for operators, net neutrality, spectrum and RSPP, and promotion of pan-European licences. He also talked about the balance between ex-ante and ex-post regulation (access to fixed networks and easing investment costs for broadband) and co-regulation procedures (Article 7/7a).

The representatives of BEREC said that BEREC did not have any official consolidated opinion on the review. He considered that the framework was fit for purpose and was well understood by NRAs. Nevertheless, he identified areas that needed some reflection, including the role of the content provider and terminal equipment, possible role of NRAs in terms of national state aid processes, future scope for symmetric regulation, etc. He shared the Commission's view that BEREC was able to provide a qualified and independent opinion (Article 7/7a), and supported its aim of lifting progressively some products or services from the list of relevant markets. He also mentioned the easing of the administrative burden for pan-European operators and the new institutional design of NRAs. For the latter, he welcomed their independence and thought they should be entrusted with full control over their resources.

During the discussion, some Members considered that the results of the legislation were not sufficient in various fields (e.g. unbundling and spectrum programme) due to remaining fragmentation of markets and questioned its implementation. They also mentioned pan-European licences and difficulties for operators in conducting cross-border operations.

In the field of spectrum licencing, the Commission representative said that it was important for the operators that wanted to invest in new bands to know the conditions, timeline and duration of licences to plan properly their activities. As to unbundling, the Commission was working on convergent pricing and non-discrimination conditions, as well as on convergence in technical means of network access, such as virtual unbundling and other forms of virtual access. The representative of BEREC said that BEREC was working on easing the administrative regime for pan-European operators.

Given regional differences, the rapporteur thought that the focus should be on cooperation and case law. Some aspects of the framework needed a review, she highlighted the tools of regulation and simplification of the market and the facilitation of cooperation between co-regulators. Concerning the passport, she asked who would have jurisdiction in case of litigation and what labour law would apply.

3. Revised proposal on the guidelines for trans-European telecommunications networks

ITRE/7/12716, COM(2013)0329

Rapporteur: Evžen Tošenovský (ECR, CZ)

Given the reduced funding allocated to the programme (from EUR 9.2 billion to EUR 1 billion), the Commission submitted a new proposal. The focus was rather on systemic services and broadband was given lesser importance. The rapporteur had problems aligning the proposal with what had already been adopted by ITRE in November 2013 and asked the Commission about the distribution of funds for chapters. He wanted to conclude the file before the summer break.

During the discussion, Members expressed their disappointment with the budget reduction, as ICT were a decisive instrument in re-launching growth and employment. Ms Toia (S&D, IT) thought it important to create a legal framework that would attract investment over the medium and long term, as well as private funds. Mr Hökmark (EPP, SE) thought it important to be clear on targets and criteria for mobilising investments. He also saw a need to clarify how to get more funds from the Structural and Cohesion Funds. Concerning the financing of infrastructure, Ms Andersdotter (Greens/EFA, SE) sought more ambitious targets for broadband and clarification of selection criteria for projects of common interest. Ms Trautmann (S&D, FR) pointed out that EIB loan rates were higher for ICT than for transport and energy. In this context, she saw a need to look for more public guarantees. Mr Audy (EPP, FR) also thought that the public sector should increase its share of the financing. Mr Creutzmann (ALDE, DE) considered that Member States needed to be more active in the field of broadband. He welcomed the fact that the focus was limited to important projects creating European added value, such as e-services and their potential for cross-border markets. Other issues raised were better use of resources, Europeana, illegal online content and the safer internet programme and the need for a full political review of the programme in 2016.

The Commission representative clarified that "less for infrastructure" meant maximum 20% (EUR 100-200 million). In this context, a closer look needed to be given to structural funds, with a possibility to create a fourth priority. In this case the Commission could look at optimal allocation of funds to complement the private investment. The cooperation with the EIB was also envisaged. Regarding services, the guiding principle would be their self-financing/ self-sustainability capacity after the CEF money was spent.

4. Follow-up on the Delegation of Legislative Powers and the Control by Member States of the Commission's Exercise of Implementing Powers

ITRE/7/11514, 2012/2323(INI)

Rapporteur for the opinion: Amalia Sartori (EPP, IT)

Responsible: JURI

To deal with this technical issue, the rapporteur considered that work in all committees was necessary. Her opinion was based on ITRE`s experience with delegated and implementing acts and invited Members to read it and submit amendments.

Ms Herczog (S&D, HU) considered that delegated acts needed a closer look in order to clarify to what extent the legislation could be managed by the delegated acts so that the EP did not lose its co-decision powers .

<u>Timetable:</u>	deadline for amendments:	2 July 2013
	vote in ITRE:	18 September 2013
	in plenary:	November 2013

5. EU Space Industrial Policy, releasing the Potential for Growth in the Space Sector

ITRE/7/12756, 2013/2092(INI), COM(2013)0108

Rapporteur: Angelika Niebler (EPP, DE)

Opinions: AFET, INTA, IMCO

The rapporteur welcomed the Commission communication and gave a brief presentation of its main objectives – to establish a coherent and stable regulatory framework; to develop further a competitive and efficient industrial base in Europe and support SME participation; to support the global competitiveness of the EU space industry by encouraging the sector to become more cost-efficient along the value chain; to develop markets for space applications and services; and to ensure technological non-dependence and an independent access to space. The Commission also identified 37 measures to achieve these targets. The rapporteur saw a need to prioritise and her report would focus on this issue, together with how to ensure the EU`s leadership in the sector. She also thought that a roadmap would be necessary, as the sector required significant investments and needed planning certainty.

Members also welcomed the communication, as space was one of the most important sectors related to new emerging technologies, with an eminent European added value. They also underlined that the EU should preserve its leading role in the area. The focus was directed towards the question of space waste and collision threats (including the cleaning up of space), solar storms, extra-terrestrial objects moving towards earth and financing.

The Commission representative underlined that the space sector was a vital component in the process of EU economic recovery and recalled that the increase in funding for space projects in the MFF was substantial. He explained that with the communication the Commission had tried to make the sector more competitive and innovative. As to the protection of space infrastructure, he informed Members that the Commission would propose a EU-wide warning system for collisions. He also said that projects to clean up space were in the pipeline.

Ms Niebler reiterated the strategic significance of space policy and the need to secure costly investments in the sector. She agreed that space waste was an important issue and that the related chapter was too short and concise. She welcomed the anti-collision warning system as the right approach, but further discussion of its details was needed. It was important to progress rapidly on this file and she wanted to adopt it this year.

Timetable: report available: 2 September 2013

6. MFF: State of play of ongoing MFF negotiations and ITRE's position

ITRE/7/12954

Rapporteur for the opinion: Edit Herczog (S&D, HU)

The rapporteur informed Members of the request of Mr Lamassoure (EPP, FR) to issue a letter regarding Heading 1a. She advised ring-fencing, e.g. ITER, where no cost-overruns could be financed from the remaining chapters of Heading 1a, nor from other chapters or from margins in ceilings. The latter should be used solely for growth and jobs projects and managing youth unemployment – COSME, SMEs and research.

7. Measures to reduce the cost of deploying high-speed electronic communications networks

ITRE/7/12388, 2013/0080(COD), COM(2013)0147

Rapporteur: Edit Herczog (S&D, HU)

Opinions: ENVI, IMCO, TRAN, CULT

The rapporteur gave a brief overview of the Commission proposal. In the light of budget cuts for CEF and the lessons learnt from the Recovery plan (slow permit granting and a lack of coordination), she considered that this legislation was much needed. She highlighted the issue of subsidiarity, calling for stakeholders to be made aware of the importance of working together, as the partners searching for synergies were few. Given the short time remaining before the EP elections, she advocated proceeding with the file as fast as possible.

Members welcomed the Commission proposal, as they found it important to make the development of high-speed broadband less expensive and allocate money for public support where it was needed. It was also an opportunity to win back some funds after the reduction in the CEF. Mr Hökmark (EPP, SE) focused on the issue of technological neutrality and targets, which he found outdated and risky, as the wrong targets would lead to wrong investments. He warned that all new services in the coming years would require more than that and would not be able to develop. Regarding subsidiarity, he needed to sort out what should be regulated at the EU level and what should be left to the national level. Mr Chichester (ECR, UK) was also cautious about having a one-size-fits-all solution.

The Commission representative welcomed the commitment to adopt the file quickly as the need to regain competitiveness was pressing. Concerning technological neutrality, there was a full awareness of this principle in the proposal. He assured Members that the Commission was open as regards both the choice of the legal instrument and subsidiarity and wanted to strike the right balance and leave a lot of measures to Member States. It was not proposing any one-size-fits-all solution, but focused on a set of “enablers” for convergence, targeting specific rights and obligations of stakeholders. The regulation was chosen for effectiveness and efficiency purposes and to avoid extensive harmonisation and time delay.

The rapporteur highlighted the opportunities created by the convergence of energy and telecommunications markets. She hoped to achieve the aim of having internet access for all, including rural areas.

<u>Timetable:</u>	report available:	3 September 2013
	2nd discussion:	18 September 2013
	deadline for amendments:	3 October 2013
	vote in ITRE:	4-5 November 2013
	vote in plenary:	January/February 2014

*** *Electronic vote* ***

8. Amendment to the fuel quality directive and the renewable energy directive (Indirect Land Use Change)

ITRE/7/11009, 2012/0288(COD), COM(2012)0595

Rapporteur for the opinion: Alejo Vidal-Quadras (EPP, ES)

Responsible: ENVI

The draft opinion was adopted as amended (47 votes in favour, 8 against, 0 abstentions).

9. Collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the internal market

ITRE/7/10143, 2012/0180(COD), COM(2012)0372

Rapporteur for the opinion: Luigi Berlinguer (S&D, IT)

Responsible: JURI

The draft opinion was adopted as amended (52 votes in favour, 8 against, 0 abstentions).

10. Making the internal energy market work

ITRE/7/11365, 2013/2005(INI), COM(2012)0663

Rapporteur: Jerzy Buzek (EPP, PL)

The draft report was adopted as amended (47 votes in favour, 2 against, 0 abstentions).

11. Approximation of the laws, regulations and administrative provisions of the Member States concerning the manufacture, presentation and sale of tobacco and related products

ITRE/7/11571, 2012/0366(COD), COM(2012)0788

Rapporteur for the opinion: Robert Goebbels (S&D, LU)

Responsible: ENVI

The draft opinion was adopted as amended (37 votes in favour, 10 against, 3 abstentions).

12. 2014 Budget - Mandate for the Trilogue

ITRE/7/11876, 2013/2017(BUD)

Rapporteur for the opinion: Reinhard Bütikofer (Greens/EFA, DE)

Responsible: BUDG

The draft opinion was adopted as amended (36 votes in favour, 1 against, 7 abstentions).

13. Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe

ITRE/7/12024, 2013/2532(RSP)

Rapporteur: Paul Rübiger (EPP, AT)

The question for oral answer was adopted (37 votes in favour, 1 against, 0 abstentions).

**** End of electronic vote ****

14. Feedback from ongoing trilogues (Rule 70.4)

Mr Creutzmann (ALDE, DE) briefed Members on the ongoing trilogue on the Programme for the competitiveness of enterprises and SMEs, COSME 2014-2020 (COSME).

Next meeting

- 8 July 2013, 15.00 – 18.30 (Brussels)
- 9 July 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)