



**COUNCIL OF
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NOTE

from: General Secretariat of the Council
to: Delegations

Subject : Summary of the meeting of the **Committee on Industry, Research and Energy (ITRE)**, held in Brussels on 23-24 April 2012

Chairing the meeting were Ms Sartori (EPP, IT), chair; Ms Toia (S&D, IT), vice-chair; and Mr Glante (S&D, DE).

- 1. Markets in financial instruments and amendment of the EMIR Regulation on OTC derivatives, central counterparties and trade repositories**
2011/0296(COD) COM(2011)0652
Rapporteur : Holger Kraemer (ALDE, DE)
Responsible : ECON

2. **Markets in financial instruments, and repeal of Directive 2004/39/EC (recast)**

2011/0298(COD) COM(2011)0656

Rapporteur : Holger Kraemer (ALDE, DE)

Responsible : ECON

- Joint debate - consideration of draft opinion

The rapporteur, Mr Kraemer, reminded Members that the MiFID (Markets in Financial Instruments Directive) was the central part of the financial framework. He proposed exemption of the non-financial companies (such as commodities industries) from the scope as the systemic risks were not relevant for them. Moreover, he considered that they should be subjected to position management rather than position limits. He did not amend the proposal for the Regulation.

Members agreed with the Committee's focus on non-financial (commercial) companies, but were divided over their exemption from the scope. Mr Goebbels (S&D, BE) advocated as few exceptions as possible. Mr Kalfin (S&D, BG), supported by Mr Reul (EPP, DE) was also cautious, as he considered the systemic risks might be accumulated by the commercial companies' counterparts. Mr Bütikofer (Greens/EFA, DE) was against exemptions, but supported the rapporteur's position on the position limits, but considered that they could not be applied in order to stop hedging on commodity markets entirely. Mr Langen (EPP, DE) saw no need for extra position limits. Mr Kalfin considered that positions should allow commercial companies to use financial instruments. Mr Reul (EPP, DE) considered that electricity was not to any great extent the subject of speculation, but the scope for that needed to be minimised. He was also concerned about the impact on SME operators in this sector and their access to finances. He inquired about the classification of CO2 certificates.

The representative of the Commission pointed out that the objective of proposals was to strike the right balance to cover all players on the markets, while leaving room for exemption for commercial companies using financial markets as the edging tool. Answering queries regarding the position limits, she explained that the exemption for commercial companies was provided for within the framework of this regime, as the Commission did not want to make it more difficult for commercial companies to edge their commercial risk. She also explained that the classification of emissions allowances as financial instruments was proposed solely for purposes of market oversight.

Mr Krahmer emphasised that "excessive speculation" was difficult to define and considered that regulatory measures should be in proportion to the risk. He reiterated that clarification of the exemption for ancillary activity was necessary, giving the example of companies' pooling units. He acknowledged the possibility of abuse, but was confident that the majority of the risks were covered by the proposed legislation. With regard to the CO2 certificates, he did not understand their inclusion, as to do so could attract speculation on this "politically" created market.

Timetable: deadline for amendments : 3 May 2012, 12:00

3. Common provisions on European Funds and repealing Regulation (EC) No 1083/2006

2011/0276(COD) COM(2011)0615

Rapporteur : Patrizia Toia (S&D, IT)

Responsible : REGI

4. Cohesion Fund (CF) and repeal of Council Regulation (EC) No 1084/2006

2011/0274(COD) COM(2011)0612

Rapporteur : Patrizia Toia (S&D, IT)

Responsible : REGI

5. Specific provisions concerning the European Regional Development Fund (ERDF) and the 'Investment for growth and jobs' goal and repeal of Regulation (EC) No 1080/2006

2011/0275(COD) COM(2011)0614

Rapporteur : Patrizia Toia (S&D, IT)

Responsible : REGI

- Joint debate - consideration of draft opinion

The rapporteur, Ms Toia, gave a brief overview of the budget and objectives of the legislative proposals. She considered that the general Regulation raised an institutional problem due to implementation of its provisions via delegated acts. As to the main objectives, she mentioned research and innovation, synergies between the funds covered and Horizon 2020, COSME, the Connecting Europe Facility, and others. Concerning the ERDF regulation, she saw a need for greater flexibility for regions without any binding percentage. She considered that more integrated activities needed to be carried out, said that projects with the stamp of excellence should be funded and highlighted the role of SMEs. As to the CF regulation, she emphasised energy efficiency in the public sector, in particular in housing.

During the discussion which followed, Mr van Nistelrooij (EPP, NL) echoed the rapporteur's position on the delegated acts. Members raised various issues, such as simplification (Mr Patricello (EPP, IT), Ms Mazej Kukovič (EPP, SI)) and the multi-fund approach (Mr van Nistelrooij), synergies and compatibility (Mr van Nistelrooij, Mr Cancian (EPP, IT)), efficiency of resources (Mr Patricello) including housing (Ms Ulvskog (S&D, SE)), and the role of large companies (Mr van Nistelrooij, Ms Mazej Kukovič). Members also mentioned the inadequate funding available for COSME (Mr Patricello) and eligible projects not receiving funding due to shortage of funds (Mr Patricello), demanded the extension of the use of CF to finance the housing sector (Mr Enciu (S&D, RO)), commented on the ERDF's non-funding of infrastructure (Mr van Nistelrooij), inquired about reasons and data regarding why several funds had remained unused in the past (Ms Mazej Kukovič) and thought that incentives should be given to all low-carbon generating technologies, such as nuclear technology (Mr Helmer (EFD, UK)).

The representative of the Commission was sceptical about the introduction of more detailed elements and specifications to the investment priorities, as it could, in his view, hinder flexibility. Concerning large enterprises, he assured Members that the Commission did not intend to exclude them from support, but to target their support in the areas of research, innovation and energy efficiency. Regarding the energy efficiency of housing, he saw no need to open up the CF as considerable funding was available under the ERDF. As to the partnership contracts, he clarified that it was a partnership agreement between the Commission and a partnership in the Member State and that a code of conduct, as proposed by the Commission, played an important role in this context.

The rapporteur reiterated her position opposing the use of delegated legislation.

Timetable: deadline for amendments: 3 May 2012, 12:00

6. Visit of Neelie Kroes, Vice-President of the European Commission and Commissioner for the Digital Agenda, on the Structured Dialogue: European Parliament / European Commission

- Exchange of views

Ms Kroes stressed that information and communication technologies' (ICT) investments ranked among the most productive ones and needed to be supported and that EU digital transition should be achieved. Consequently, she identified three needs :

- the need for a legal framework opening up a vibrant digital single market with rich online content and embracing new developments (proposals on roaming regulation, the copyright regime, orphan works, public sector information; on electronic identification, authentication and signature as well as a Cloud-friendly network, including the European Cloud Computing Partnership);
- the need for network infrastructure, including reduction of the cost of investing in broadband (proposals on the Connecting Europe Facility (CEF) with innovative financing leveraging private funds, cross-border e-Government services, etc.) and investment in future technologies (proposal on Horizon 2020);
- the need for human capital with digital skills ("Digital Champion" for each Member State to boost these skills).

Ms Kroes also highlighted the issue of security (against cut-offs, cyber attacks and malware). In this context, the Commission would adopt the European strategy for Internet security in the third quarter of 2012, containing ideas on sharing critical information, security breach notifications for all sectors, requirements for computer emergency response teams, risk management, etc.

She concluded by giving a reminder of the annual Digital Agenda Assembly meeting on 21-22 June 2012, which was organised jointly by the EP, EESC, CoR and the Commission.

During the discussion, Members raised various issues. Concerning Cloud computing, Ms Țicău (S&D, RO) thought that the strategy, together with an action plan, should be set out on paper and should include issues of standards, security, data protection, governance, etc. Ms Merkies (S&D, NL) considered that a more active input was needed in strengthening the security of Cloud Computing and respect of confidentiality of personal details, as the market would not resolve these issues. Ms Niebler (EPP, DE) saw a need for more inventions in the field. Ms del Castillo (EPP, ES) was interested in the content of the proposal.

Regarding ACTA, Ms Niebler inquired about network neutrality, with Ms Andersdotter (Greens/EFA, SE) asking how far the Commission would take account of requirements placed upon the private sector.

As to investment in broadband, Ms Ford (ECR, UK) mentioned prior consumer demand as a driver for this investment. She also highlighted the issue of public-private investment and called for early clarification of state aid issues. Regarding private investment, she suggested lowering the capital requirements of banks for investments made in long-term infrastructure and a 50% reduction in their investments with the EIB on project bonds.

Members were interested in the estimated date of the e-signature package (Ms Țicău), internet governance (Ms del Castillo) and the liberalisation of fixed broadband (Ms Merkies). They also mentioned the importance of the CEF (Ms Țicău) and commented on roaming regulation (Ms Merkies, Mr Prodi (S&D, IT)), the state of play regarding the "No Disconnect Strategy" and the mandate of Mr zu Guttenberg (Ms Merkies, Mr Langen (EPP, DE)).

Ms Kroes considered that CEF, as an innovative tool, was necessary because the markets needed incentives to invest in infrastructure, in particular in rural areas. With regard to broadband infrastructure, she reminded Members that the structural funds would only support the less developed regions. Concerning cost reduction in broadband, she said that the Commission was planning to launch a public consultation and conduct an impact assessment (IA) for an EU initiative (around the end of the year), with the objective of making better use of the existing infrastructure, better coordination of new ones and a simpler and more transparent regime to speed up the granting of the necessary permits. In this context, she found Ms Ford's proposal interesting. As to the demands of investment, she specified that with the enormous growth expected for applications, the infrastructure was an asset, but the transparency, predictability and consistency of the market were essential attributes for investors. On ACTA, she shared Members' concerns, but was convinced that ACTA was not undermining existing legislation and advised waiting for the judgment of the European Court of Justice (ECJ) on its compatibility. Regarding the e-signature package, Ms Kroes said that the proposal would be launched during the next month. Concerning Cloud Computing, she said that the strategy was under preparation and should emerge during the summer. On internet governance, she recalled the previous year's proposal on the Internet compact that was guiding the development of the internet. In this context, she emphasised that the Internet Governance Forum should not change its multi-stakeholder and non-binding nature, but should also strive to raise its profile. Concerning orphan works legislation, she observed that the objective was to create a legal framework for their digitalisation and subsequent online availability.

7. 2013 Budget - Mandate for Trilogue

2012/2016(BUD)

Rapporteur : Reinhard Bütikofer (Greens/EFA, DE)

Responsible : BUDG

- Exchange of views with the rapporteur for the draft budget 2013

The rapporteur, Mr Bütikofer, emphasised that the budget, with its synergetic potential, should focus on European added value, make a substantial contribution to the revitalisation of sustainable growth, address the issues of resource scarcity and climate change and strengthen the implementation of the Europe 2020 Strategy. Consequently, he thought that the EU flagship programmes (Horizon 2020, COSME, and Connecting Europe Facility) should be allocated substantial resources to boost the (green) economy as a driver of competitiveness. He considered that the funding provided for the COSME programme was not sufficient and opposed the redeployment of finances for the ITER project.

Mr La Via (EPP, IT), the rapporteur in the BUDG Committee, underlined that the budget priority was growth and job creation, in particular for young people. Given that 85% of new jobs were generated by the SMEs, he called for their full support to allow them to innovate and compete on global markets. He also recalled that 2013 was the last year of the current programming period and warned against cuts in payment appropriations. He also pointed to the general difficulty of assessing negative priorities and saw a need to look into some budget lines.

Members in general supported the rapporteur's opinion. Ms Herczog (S&D, HU) underlined the synergetic potential of the EU budget, but pointed out that the Member States should fulfil their own role and engage in co-financing. She asked for clarifications on what had happened the previous week regarding ITER funding. Together with Mr Rübzig (EPP, AT), she was against the redeployment of funds to the detriment of running programmes under the 7th Framework Programme (7FP). Mr Rübzig focused mainly on SMEs, including young businesses, exports and the employment of young women, and called for extra funding for the Erasmus for Young Entrepreneurs programme. He also tackled the media sector and suggested a pilot project in that area. Mr Saudargas (EPP, LT) echoed Mr Via regarding the programming period.

Mr Bütikofer reiterated the importance of ITRE's common position against the redeployment of funds allocated to FP7 or other Heading 1 flagship programmes.

Timetable: deadline for amendments : 26 April 2012, 12:00
 deadline for the opinion : 30 May 2012

8. Anti-Counterfeiting Trade Agreement between the EU and its Member States, Australia, Canada, Japan, the Republic of Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland and the USA

2011/0167(NLE)

Rapporteur : Amelia Andersdotter (Greens/EFA, SE)

Responsible : INTA

- Consideration of draft opinion

The rapporteur, Ms Andersdotter, welcomed ACTA's objective of tackling the trade in counterfeited goods. Nevertheless, she believed that the agreement in its present form did not ensure a fair balance between the right to intellectual property and the freedom to conduct business and was creating a legal uncertainty. She therefore called on the Committee to reject it.

In the ensuing discussion, Members of the S&D group backed the rapporteur's proposal that the agreement be rejected. They considered that ACTA was infringing the IPRs and working against innovation and progress (Mr Gierek(PL)) and criticised the lack of transparency of the negotiations and the vague definitions (Ms Trautmann (FR), on behalf of Mr de Angelis (IT), Ms Ulvskog (SE)). Ms Ulvskog also pointed out that large developing countries were not its signatories. Ms Badia i Cutchet (ES) made the point that the EP could only give or decline to give its consent.

Taking the contrary view, Members of the EPP group (Ms del Castillo (ES) on behalf of Mr Caspary (DE), Mr Rübzig (AT), Mr Hökmark (SE), Ms Niebler (DE)) argued that ACTA was not changing any existing legislation (confirmed by the Legal Service of the EP) and pointed to the lack of evidence that the IPRs were hindering internet freedom (Mr Hökmark). They also raised the issue of IPRs and proper remuneration of content creators (Mr Rübzig, Mr Reul (DE) and Ms Jordan (SI)). Instead of watering down the agreement, they prioritised the clarification of individual issues and the search for alternatives.

The representative of the Commission reiterated that ACTA was an enforcement treaty and did not constitute any threat to EU citizens or users, nor was it undermining net neutrality. Its provisions were optional and were already covered by legislation in the EU. He advised waiting for the ruling of the European Court of Justice (ECJ) before rejecting the agreement.

Ms Andersdotter acknowledged that the issue needed a broader and better structured debate, but she was convinced that ACTA was not the best platform.

Timetable: deadline for amendments : 26 April 2012
vote in the ITRE : end of May 2012

9. Establishing a European Neighbourhood Instrument

2011/0405(COD) COM(2011)0839

Rapporteur : Konrad Szymański (ECR, PL)

Responsible : AFET

- Consideration of draft opinion

The rapporteur, Mr Szymański, focused on energy and highlighted the role of neighbouring countries on the borders of the EU in the fields of transit and supply. He considered that the legal framework was necessary and that it should relate to the EU's model of liberalisation of the energy market.

Members raised the issues of simplification, with a focus on expanding and extending energy networks, flexibility, coherence and territorialisation of aid, diversity of energy supply and resources, transit, coherence of policies with the EU2020 Strategy and their complementarity, and a greater degree of cooperation with neighbouring countries.

The rapporteur concluded that the energy and cooperation aspects of the report should be strengthened.

Timetable: deadline for amendments: 25 April 2012; 12:00
 further debate : 31 May 2012

10. Joint Public Hearing with the Committee on Transport and Tourism [Rule 51] on CONNECTING EUROPE: Forms of Financing, Priorities, Synergies between the Sectors

Not covered.

11. Trans-European energy infrastructure, and repeal of Decision No 1364/2006/EC

2011/0300(COD) COM(2011)0658

Rapporteur : António Fernando Correia de Campos (S&D, PT)

- Consideration of draft opinion

The rapporteur, Mr Correia de Campos, gave an overview of the amendments aimed at strengthening the EU network and making existing instruments more effective. He highlighted the projects of common interest (PCIs), closer cooperation of operators, enlargement of regional groups, simplification and increasing transparency in decision-making, simpler selection of projects, faster options for tendering and a coordinating point to guarantee the security and safety of the network.

During the discussion which followed, Members reflected in particular on the identification, selection and evaluation criteria of PCIs (Mr Saudargas (EPP, LT), Ms Vălean (ALDE, RO), Mr Jadot (Greens/EFA, FR)), including the cost-benefit analysis (Mr Gyürk (EPP, HU), Ms Ford (ECR, UK)), and the timeframe for permits (Ms Vălean); and the definition and formation of regional groups (Mr Saudargas, Mr Gyürk, Ms del Castillo (EPP, ES) Mr Vidal-Quadras (EPP, ES)), with clarification of their rules of operation and methods of concluding agreements (Mr Sosa Wagner (NI, ES)) and the role of project promoters and transmission system operators (Ms Vălean). Members also highlighted smart grids linked to energy efficiency (Mr Jadot, Ms del Castillo), emphasised the role of the electricity infrastructure (Mr Jadot, Ms Van Brempt (S&D, BE), Mr Turmes (Greens/EFA, LU), Ms Ford) and questioned the relevance of including carbon capture and storage (CCS) in the proposal (Mr Jadot, Ms Ford). Other issues raised were the greater inclusion of security of supply, LNG and storage, better environmental IA and public consultation, the EU relevance of some projects without a cross-border dimension and linking the energy infrastructure policy to other EU policies.

The representative of the Commission considered that the CCS should start being dealt with directly at EU level. He agreed with the rapporteur that the decision-making process needed greater transparency and welcomed the latter's suggestions on cost-benefit analysis. With regard to the regional groups, he drew attention to the need to reach a balance between the members of those, the project promoters, the regulators and Member States, which had the right to veto any infrastructure on their territory. He questioned the relevance of several amendments, including those referring to the permit granting process for PCIs and those going into too much detail within the scope of the proposal.

The rapporteur reiterated his demand to expand the regional groups and backed the role of project promoters. Even if the technology was not soundly based yet, he recognised the usefulness of the CCS, mainly for countries with coal as a main source of energy. He agreed with Members that electricity infrastructure was of key importance, but gas infrastructure could not be neglected either. He concluded that he would table an amendment making water storage part of the PCIs.

Timetable: vote in the ITRE : 26 April 2012, 18:00

*** *Electronic vote* ***

12. Roaming on public mobile communications networks within the Union (recast)

2011/0187(COD) COM(2011)0402

Rapporteur : Angelika Niebler (EPP, DE)

First reading agreement text was adopted unanimously. The legislative resolution was adopted (54 for, 0 against, 1 abstention).

13. 20 main concerns of European citizens and business with the functioning of the Single Market

2012/2044(INI)

Rapporteur : András Gyürk (EPP, HU)

The draft opinion was adopted as amended (54 for, 0 against, 2 abstentions).

13. Online distribution of audiovisual works in the EU

2011/2313(INI)

Rapporteur : Maria Badia i Cutchet (S&D, ES)

The draft opinion was adopted as amended (47 for, 5 against, 0 abstentions).

14. Health for Growth Programme, the third multi-annual programme of EU action in the field of health for the period 2014-2020

2011/0339(COD) COM(2011)0709

Rapporteur : Maria Badia i Cutchet (S&D, ES)

The draft opinion was adopted as amended (54 for, 1 against, 1 abstention).

15. EU-Russia agreement on trade in parts and components of motor vehicles

2011/0324(NLE)

Rapporteur : Béla Kovács (NI, HU)

The draft opinion was adopted as amended (53 for, 0 against, 1 abstention).

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

16. Small and Medium Size Enterprises (SMEs): competitiveness and business opportunities

2012/2042(INI)

Rapporteur : Paul Rübige (EPP, AT)

- Consideration of draft opinion

Given the current recession, the rapporteur, Mr Rübige, emphasised the need for generating income and creating well-remunerated jobs and training for workers and entrepreneurs. Given the international activity of SMEs, he highlighted the Erasmus for young entrepreneurs programme, which was encouraging young people to get involved in business exchanges and to bring their knowledge back home. In this context, he stressed the international recognition of qualifications and double taxation agreements as key provisions. He also emphasised that SMEs needed some financial assistance, guarantees and collateral for the loans as many of them did not have enough risk capital. Moreover, he saw a need to have an appropriate financial framework for exports. Mr Rübige also looked into the possibilities of leveraging the effect of these instruments, as he thought that the traditional banking sector was not entirely suitable for providing guarantees.

In the ensuing discussion, Members identified access to finance, access to markets and cutting red tape as the main challenges for SMEs (Mr Johansson (ALDE, SE), Mr Creutzmann (ALDE, DE), Ms Toia (S&D, IT), Ms Andrés Barea (S&D, ES), Mr Kelly (EPP, IE)). Concerning the micro-entities, Mr Kelly and Ms Ford (ECR, UK) called for their exemption from EU legislation. Mr Bütikofer (Greens/EFA, DE) was against this idea. Together with Mr Creutzmann, he also called for more funds to be made available for the COSME Programme. Ms Ford, Ms Herczog (S&D, HU) and Mr Creutzmann criticised the fact that the Commission was not consistently applying the SME test as part of the IA. Other issues raised were the Enterprise Europe Network as an international tool (Mr Bütikofer, Ms Toia), wider use of Erasmus for Young Entrepreneurs (Mr Johansson, Mr Kelly), a need for technological and management innovation with new instruments enabling SMEs' expansion (Ms Toia), tax reduction for small businesses (Ms Ford), responsibilities of Member States such as co-financing (Ms Herczog), synergies between various funds (Mr Johansson), energy as a huge outlay for SMEs (Toia), and a belief that the proposal was worsening workers' conditions (Ms Ulvskog (S&D, SE)).

Regarding the best way to help SMEs to internationalise, the representative of the Commission informed Members that the Commission was planning to issue in 2012 a study focusing on an inventory of existing measures in the Member States to support the SMEs, and another one in 2013 to identify the gaps in support to businesses abroad. Concerning the Erasmus Mundus programme for entrepreneurs, he pointed out the practical obstacles resulting from constraints of the legal base of the CIP/COSME programmes which limited countries eligible to participate in the programmes. He was surprised by the comments on the inconsistent application of the SME test by the Commission, as strong measures had been taken to incorporate the test into impact assessments. With regard to micro-enterprises, he specified that as of 2012 the Commission would a priori exclude micro-enterprises from the scope of all future legislative proposals, unless the necessity and proportionality of their being covered could be demonstrated during the IA phase. He concluded that the Commission had no plans to establish any separate intermediate category (mid-caps) within the framework of the SME definition.

Mr Rübiger was interested in the role of Member States and SME envoys and inquired about the support that could be given to SMEs, as only 1% was entitled to receive subsidies. He mentioned the mid-caps in the context of export and warned against overlooking micro-entities with no employees.

Timetable: hearing on SMEs : 8 May 2012
deadline for amendments : 10 May 2012; 12:00

17. Establishing a Partnership Instrument for cooperation with third countries

2011/0411(COD) COM(2011)0843
Rapporteur : Niki Tzavela (EFD, EL)
Responsible : INTA

- Consideration of draft opinion

The rapporteur, Ms Tzavela, pointed out that the objective of the Instrument was to implement the international dimension of the EU2020 Strategy, as well as to improve access to markets, to develop trade and investing opportunities and to increase EU visibility worldwide. She also informed Members that AFET was claiming competence for the report over INTA.

Ms Badia i Cutchet (S&D, ES) added that the focus should be on competitiveness and innovation in order to respond to external challenges such as climate change and IPRs. She also highlighted support for trade to enable EU companies to expand abroad.

The representative of the Commission reminded Members that only a limited financial envelope was available for the instrument. Rigorous prioritisation would therefore be required.

Timetable: deadline for amendments : 25 April 2012, 12:00

18. The industrial, energy and other aspects of shale gas and oil

2011/2309(INI)

Rapporteur : Niki Tzavela (EFD, EL)

- Consideration of draft report

In the presentation of her report, Ms Tzavela focused on three issues : energy aspects; industrial and economic aspects of unconventional gas and oil; and public opinion and best practices. She stressed that the EU should assess all existing shale gas and oil resources, as they could have an important role in lowering global prices, could strengthen the position of customers, contribute to the security of supply and could help in reducing the greenhouse gas emissions. She therefore called on the Commission to evaluate the impact and prospects of unconventional resources in the EU. She pointed to the challenges of the licensing framework and highlighted the need for a one-stop-shop approach to authorisation and licensing. She also mentioned the disclosure of information about the use of chemicals prior to the drilling exercise and urged the exchange of best practices between the EU and the US.

The discussion gave rise to two opposed groups. Members mainly from the new Member States (Mr Březina (EPP, CZ), Mr Kalfin (S&D, PL), Mr Szymański (ECR, PL), Mr Marcinkiewicz (EPP, PL), Ms Hibner (EPP, PL) and Mr Helmer (EFD, UK)) considered that any potential resource should be thoroughly considered. They championed shale gas for its potential to lower energy prices, increase the competitiveness of EU enterprises, create better market for consumers and address the issue of EU energy security . Nevertheless, they agreed that it was important to prevent damage and negative impact on the environment. On the other hand, the group consisting mainly of Green/EFA Members (Ms Ford (UK), Mr Bütikofer (DE), Mr Cochet (FR), Mr Prodi (S&D, IT) and Ms Hall (ALDE, UK)) argued against shale gas given its higher carbon footprint, greater risk of leaks, serious potential damage to the environment (in particular the risks of higher seismic activity after drilling) and unguaranteed profitability.

The Commission representative informed Members that a study on the assessment of shale gas resources would be published before the summer break, a study on greenhouse gas performance was to be finalised and would be available within a short time and a study on dialogue with citizens and public opinion would be commissioned.

The rapporteur reiterated that the EU should exploit all available resources and should not ban shale gas before examining its potential.

Timetable: deadline for amendments : 8 May 2012, 12:00

19. Establishment of a Programme for the Environment and Climate Action (LIFE)

2011/0428(COD) COM(2011)0874

Rapporteur : Gaston Franco (EPP, FR)

- Consideration of draft opinion

The rapporteur, Mr Franco, focused on the concept of integrated projects, creation and restoration of biodiversity, geographic coverage of the programme, co-innovation and cost eligibility. On the latter, he underlined that staff costs should remain eligible for reimbursement.

During the discussion, Ms Van Brempt (S&D, BE) supported the idea of integrated projects, whereas Ms Hall (ALDE, UK) questioned their added value. Regarding the eligibility of staff costs, Mr Cochet (Greens/EFA, FR), supported the rapporteur's position. Ms Van Brempt thought that the issue needed further clarification, together with reimbursement of VAT. Regarding geographical coverage, Mr Cocher and Ms Hall advocated the association of the overseas territories (OSTs).

In the light of the MFF constraints, Ms Hall reiterated that the LIFE budget should be protected.

Mr Cocher opposed the promotion of CCS (carbon capture and storage) and Mr Helmer (EFD, UK) was disappointed that the budget focused too much on climate change.

The representative of the Commission advocated an integrated approach as LIFE had limited funding and the Commission, in the MFF framework, focused on its complementarity with other funds. Regarding the OSTs, he noted that LIFE supported the implementation of Community legislation. On cost eligibility, he concluded that the discussion was ongoing within the framework of the MFF.

Timetable: deadline for amendments : 26 April 2012, 12:00

Date of the next meeting

- 8 May 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)