



Council of the
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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Partial summary of the meeting of the **Committee on Industry, Research and Energy (ITRE)** of the European Parliament, held in Brussels 1-2 September 2014

A meeting of the ITRE Committee where Ms GUIDI, Italian Minister of Economic Development, Ms GIANNINI, Italian Minister for Education, Universities and Research and Mr GIACOMELLI, Secretary of State responsible for Telecommunications presented the priorities of the Presidency. After having confirmed the EP first reading position last July, ITRE adopted a negotiating mandate on the proposal for a regulation concerning the European single market for electronic communications (rapporteur: Ms del CASTILLO VERA (EPP, ES)).

4. General budget of the European Union for the financial year 2015 - all sections

Rapporteur for the opinion: Jerzy Buzek (EPP, PL)

Responsible: BUDG – Eider Gardiazabal Rubial (S&D, ES), Monika Hohlmeier (EPP, DE)

- Consideration of draft opinion

Mr BUZEK (EPP, PL) expressed the strong concerns of ITRE on the significant cuts proposed by the Council on the Commission 2015 draft budget, notably in key areas as innovation, research, infrastructures, SMEs and energy. He added that he could support most of the amendments on budget lines, which were mainly aiming at restoring the Commission draft budget.

MEPs supported the rapporteur (Mr EHLER (EPP, DE), Mr REUL (EPP, DE), Ms GROSSETÊTE (EPP, FR) Mr ZORRINHO (S&D, PT), Mr FERREIRA (GUE/NGL, PT), Mr PEDERSEN (ALDE, DK), Mr TURMES (LU, Greens/EFA), Mr TAMBURRANO (EFDD, IT), considering that these cuts were unacceptable and ran counter to EU policies for Growth and Jobs. Mr EHLER raised the problem of extra costs due to the non-observance of EU contractual obligations. Mr TOŠENOVSKÝ (ECR, CZ) considered that Galileo had to be promoted. Mr TAMBURRANO was concerned about budget lines regarding nuclear energy and fossil fuels.

The Commission representative indicated that cuts suggested by the Council meant that the Commission would not be able to meet some of its contractual obligations.

Next steps:

- Vote in ITRE on budget lines: 2 September 2014;
- Deadline for amendments on budgetary resolution: 3 September 2014 noon;
- Vote in ITRE on budgetary resolution: 25 September 2014;
- Vote Plenary: October II 2014.

5. BEREC (Body of European Regulators for Electronic Communications), Presentation by Göran Marby, Chair of BEREC

Mr MARBY presented the activities of BEREC, which was established in 2009 as part of the Telecom reform package. During the discussion, Mr KARIŇŠ (EPP, LV) asked about the balance between net neutrality and industry interests to invest. Mr NICA (S&D, RO) wondered how to properly roll out 5G technologies. Mr TOŠENOVSKÝ (ECR, CZ) wanted a more detailed report on access to broadband. Mr FEDERLEY (ALDE, SE) raised the issue of rural areas access. Mr ERNST (GUE/NGL, DE) stressed the need for BEREC's work to be transparent and raised the importance of net neutrality and privacy.

Mr MARBY referred to the opinions and studies published by BEREC and in particular its 2012 opinion in 2012 on net neutrality. He mentioned that most NRAs (National Regulatory Authorities) were dealing with privacy but that it was not part of BEREC's competence. He indicated that BEREC was a transparent organisation involving stakeholders and experts.

6. Digital Agenda for Europe, presentation by the Commission Director-General Robert Madelin

Mr MADELIN presented a state of play of the EU digital agenda, stressing in particular the objective of broadband infrastructures across Europe, while informing MEPs about the insufficient level of investment to achieve that goal. He also stated that much more was needed to create a digital single market. On research, he said that Horizon 2020 had to be easier to use for researchers, SMEs and institutes and raised the issue of the budget shortfall threats.

During the ensuing debate:

- Mr KARIŇŠ (EPP, LV) asked about the biggest obstacles for SMEs selling on line.
- Mr NICA (S&D, RO) wondered about the way to have better penetration of EU structural funds into rural areas.
- Mr TOŠENOVSKÝ (ECR, CZ) wanted to know when a discussion would take place on CEF (Connecting Europe Facility) results.
- Mr ANSIP (ALDE, EE) pleaded for more infrastructure and security.
- Ms ERNST (GUE/NGL, DE) asked what could be done to prevent cybercrime
- Mr TAMBURRANO (EFDD, IT) spoke about the digital divide.

Several MEPs insisted on the need to encourage national and local authorities to use structural funds (Ms GROSSETÊTE (EPP, FR), Ms TOIA (S&D, IT)). Mr HENKEL (ECR, DE) wondered whether EU targets were wide and ambitious enough. Mr TELIČKA (ALDE, CZ) highlighted the importance of e-health as part of the Digital agenda. Mr MARTIN (S&D, FR) felt that the EIB did not play the catalyst role it ought to play.

Mr MADELIN answered that the digital divide should be tackled with national and local structures. He added that local actors should also be encouraged to use structural funds in this area, mentioning the EUR 300 billion investment package announced by President-elect Juncker. He considered that more coordination was needed to ensure cyber security. He was hoping that the Telecoms Single Market regulation would be concluded rapidly, adding that more could be done after the new Commission. Referring again to the political guidelines of President-elect Juncker, he stressed that enhancing the use of digital technologies and online services had to become a horizontal policy.

8. Presentation of the study on "How can European industry contribute to growth and foster European competitiveness?"

Ms SYLVEST, from the Danish Technological Institute, presented the above-mentioned study. During the discussion, Mr TAJANI (EPP, IT) stressed the need for a real « Economic » Council as a counterweight to the ECOFIN Council. Some MEPs raised the differences between EU and US economies (Mr KARIŇŠ (EPP, LV), Ms van NIEUWENHUIZEN (ALDE, NL), with Ms TOIA (S&D, IT) saying that there was much more public investment in research in the US. Mr PIEPER (EPP, DE), Mr ECHENIQUE ROBBA (GUE/NGL, ES), Mr SYLIKIOTIS (GUE/NGL, CY), Mr BÜTIKOFER (Greens/EFA, DE) underlined the need to support SMEs and to give them access to finances. Emphasis was also put on education (Mr KELLY (EPP, IE)) and training (Mr KOFOD (S&D, DK)). Ms del CASTILLO VERA (EPP, ES) and Mr TELIČKA (ALDE, CZ) felt that there was no sufficient enforcement of EU internal market laws. Ms ERNST (GUE/NGL, DE) asked about the strategies for countries shaken by the financial crisis. Mr HENKEL (ECR, DE) believed that deindustrialisation in the South of the EU meant that the euro was too strong for the South and too weak for Germany. Mr GRÓBARCZYK (ECR, PL) deplored the lack of industry policies. Mr BORRELLI (EFDD, IT) raised the need for a level playing field in tax matters. Mr TURMES (Greens/EFA, LU) considered that high energy prices could lead to energy efficiency and effective industries as shown in countries like Sweden.

The Chair, Mr BUZEK (EPP, PL), concluded by saying that Commissioner FEROCI would attend the next ITRE meeting to discuss reindustrialisation and competitiveness.

*** Electronic vote ***

9. General budget of the European Union for the financial year 2015 - all sections

Rapporteur for the opinion: Jerzy Buzek (EPP, PL)

Responsible: BUDG – Eider Gardiazabal Rubial (S&D, ES), Monika Hohlmeier (EPP, DE)

- Budget amendments were adopted by 45 votes in favour, 5 votes against and 11 abstentions.

10. European single market for electronic communications

Rapporteur: Pilar del Castillo Vera (EPP, ES)

Responsible: ITRE –

- The negotiating mandate (Rule 73 of the EP rules of procedures) was adopted by 55 votes in favour, 2 votes against and 4 abstentions.

*** End of electronic vote ***

11. Renewal of mandate of ENISA's (European Union Agency for Network and Information Security) executive director, Udo Helmbrecht and presentation of the agency

Mr HELMBRECHT presented the mission, strategic objectives and activities of ENISA, underlining the specific challenges of cloud computing and of energy infrastructures (i.e. smart grids).

- Mr BONI (EPP, PL) asked about ENISA's views on the directive on Network Information Security (NIS). Mr EHLER (EPP, DE) hoped that Mr HELMBRECHT would remain Head of the Agency and recalled EP's efforts to strengthen the role of ENISA.
- Ms DALLI (S&D, MT) wondered whether the Agency was equipped to face new challenges.
- Ms van NIEUWENHUIZEN (ALDE, NL) asked how ENISA could deal with such rapid changes in cyber criminality.
- Ms ERNST (GUE/NGL, DE) wanted to know whether ENISA was able to deal with threats such as NSA surveillance activities.
- Mr TAMBURRANO (EFDD, IT) asked whether measures had been taken against surveillance activities.

Mr HELMBRECHT replied that the current challenge was that the same technologies were used and misused in all areas. He told ITRE that ENISA had to work on priorities given the Agency's lack of staff and explained that its mandate was on the prevention side. On the NIS Directive, he replied that a structure for crisis management was needed in every Member State.

The Chair, Mr BUZEK, concluded by saying that MEPs had expressed positive remarks and wished him good luck for his new term of office.

12. Directive on the dissemination of Earth observation satellite data for commercial purposes, presentation by Director Philippe Brunet, European Commission

Mr BRUNET presented the Commission proposal for a directive on the dissemination Earth observation satellite for commercial purposes which was adopted on 17 June.

- Ms NIEBLER (EPP, DE) asked who would decide about access to the data and according to which procedures. She also wondered how to ensure services to be developed in all Member states.
- Mr TOŠENOVSKÝ (ECR, PL) feared that the directive could create administrative barriers.
- Mr ECHENIQUE ROBBA (GUE/NGL, ES) thought that it would be wise to charge money to companies making profits out of public data.

Mr BRUNET replied that the major challenge was to set up a transparent and consistent legal framework and proper procedures to facilitate access to high resolution satellite data within the EU. He explained that the proposal covered commercial data, while allowing Member states' safeguards for sensitive data. He underlined that the proposal complemented Copernicus which provided free access to data.

13. Visit of Federica GUIDI, Italian Minister of Economic Development and Antonello GIACOMELLI, Secretary of State responsible for Telecom, Presidency of the Council:

See under item 14.

14. Visit of Stefania GIANNINI, Italian Minister for Education, Universities and Research, Presidency of the Council

In her opening statement, Ms GUIDI stressed the need to give the highest priority to EU's competitiveness and energy policies. On energy, she stated that the Presidency was ready to launch an informal dialogue with the EP on the "ILUC" file (draft directive on indirect land-use change). She indicated that discussions were ongoing on the 2030 climate and energy framework in view of the European Council of October. As regards the external dimension of the EU's energy policy, she made it clear that the priority was to ensure energy security and referred to the short-term, medium and long-term measures of the EU strategy. She mentioned in particular energy security stress tests currently under way to simulate a disruption of gas supply in the coming winter. She also raised the importance to develop Euro-Mediterranean relations and infrastructures allowing, for example, the opening of the Southern Gas Corridor and import of LNG. Ms GUIDI added that the completion of the internal energy market by the end 2014 remained an absolute priority and indicated that the Presidency would lead discussions towards the increase of interconnections and of reverse flows facilities. On industrial policy, she indicated that the Presidency intended to promote an integrated industrial policy approach to all policies and instruments, with SMEs at the core of the Presidency's programme.

Mr GIACOMELLI explained that completing the digital single market was guiding the Presidency's efforts in the area of telecommunications. Among others, he spoke about discussions on the directive on Network Information Security (NIS), on the directive on web accessibility, on the proposed regulation concerning the European single market for electronic communications and on Internet Governance.

Ms GIANNINI, presented the Presidency's programme in the areas of research, innovation and space. She put specific emphasis on research and innovation as new sources of growth in the context of the 2020 strategy review, on the optimisation of resources, public/private partnerships, cooperation across borders and on the issue of research infrastructures. On space, she mentioned in particular the launch of discussions on the Commission's Proposal for a directive on the dissemination of Earth observation satellite data for commercial purposes.

In the following debate, on behalf of the political groups:

- Mr TAJANI (EPP, IT) considered that energy costs were key for industry policy, raising the impact of the crises in Ukraine and Libya. On climate change, he felt that moderate, achievable goals and a level playing field with other partners were needed to protect EU industrial competitiveness. He believed that the Competitiveness Council had to become a real "Industry Council" as a counterweight to the ECOFIN Council. He called to restore the 2015 EU budget on financing for SMEs.
- Ms TOIA (S&D, IT) supported the Presidency's priorities, which she said were in line with the ones of ITRE. She stressed the need to be pragmatic, e.g. acting on investments and access to bank loans, and to bolster existing EU instruments, e.g. in the research area.
- Mr GRÓBARCZYK (ECR, PL) wondered how to achieve decarbonisation without gas from Russia and Africa given the current political instability. He also asked about the Presidency's position on shale gas.
- Mr PEDERSEN (ALDE, DK) raised the importance to maintain the internet as an open platform and to ensure net neutrality. He wanted to know what the Presidency intended to do specifically in the field of renewables and energy efficiency.
- Ms LÓPEZ (GUE/NGL, ES) considered that public investment in infrastructures was necessary to meet the target of 20% for industry's contribution to EU's GDP, adding that industrial policy had to be sustainable. She also thought that tax harmonisation was needed to reach employment objectives.
- Mr ERIKSSON (Greens/EFA, SE) called for concrete steps on energy security and stressed the need to tackle corruption.
- Mr TAMBURRANO (EFDD, IT) expressed criticisms about Italian energy policy.

Ms GUIDI replied that the Presidency was working towards a compromise on the 2030 energy and climate framework in line with the EC March conclusions, referring to the challenging objectives and negotiations on these issues. She argued that decarbonisation and energy security were not contradictory. On shale gas, she replied that it was for each Member State to decide on their energy mix. As regards public investment, she indicated that the priority was to use available instruments. Following a recent Council informal meeting, she mentioned that there was a broad consensus to improve the governance of the Competitiveness Council. Mr GIACOMELLI answered that net neutrality should be preserved, while maintaining a level playing field, and stressed the need to protect privacy. He considered that the internet governance should be based on a multi-stakeholder model.

In the next round of questions, Mr GYÜRK (EPP, HU) raised the need to expand energy sources, capacities, and routes. Mr TELIČKA (ALDE, CZ) hoped that there would be no decrease of the level of protection regarding roaming and net neutrality. He was upset that the decrease of administrative burdens was not part of the Presidency's programme and that the Council was not carrying any impact assessments. Mr BONI (EPP, PL) was concerned that operational and technical cooperation would not be included in the NIS directive. Mr ZORRINHO (S&D, PT) and Mr BLANCO LÓPEZ (S&D, ES) were critical of the Council's reductions to the 2015 draft budget on industry matters, calling for actions in practice. Mr KARIŇŠ (EPP, LV) and Mr ECHENIQUE ROBBA (GUE/NGL, ES) also criticised Council's cuts in the research programmes of the 2015 draft budget. Mr MARTIN (S&D, FR) felt that competition rules had to be more flexible.

Ms GUIDI replied by outlining measures towards energy security, efficiency, possible alternative sources, investment in interconnections, while stressing Member States' different systems. Mr GIACOMELLI answered that the Presidency was aiming to conclude the NIS Directive. On roaming, he indicated that some Member states were concerned to abolish roaming fees immediately given their use for investment in infrastructures.

15. 2014 UN Climate Change Conference - COP 20 in Lima, Peru (1-12 December 2014)

Rapporteur for the opinion: Jerzy Buzek (EPP, PL)

Responsible: ENVI –

- Exchange of views

The rapporteur, Mr BUZEK, presented ITRE contribution to the draft Resolution prepared by the ENVI committee, stressing the need for all countries to contribute to cut emissions.

- Ms VAN BREMPT (S&D, BE) broadly supported the rapporteur's views. She considered that pledges were needed from all partners, not only from the EU.
- Mr FEDERLEY (ALDE, SE) supported the rapporteur's amendments. He was of the view that economic growth had to be decoupled from CO2 emissions.
- Mr HELMER (EFDD, UK) strongly criticised EU policy in this area, considering it was causing huge damages to EU industry.

The Commission representative felt that there was some reasons for hope since the US administration was taking climate change seriously, adding that there was a similar movement in China.

Next steps:

- Vote in ITRE: 7 October 2014
- Vote in plenary: October II 2014

17. Next meeting

- 24 September 2014, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
- 25 September 2014, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)