



**COUNCIL OF
THE EUROPEAN UNION**

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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 23-24 January 2013

The meeting was chaired by Ms Sartori (chair) (EPP, IT).

1. Modalities for reaching the 2020 target to reduce CO2 emissions from new light commercial vehicles

ITRE/7/10176, 2012/0191(COD), COM(2012)0394
Rapporteur for the opinion: Markus Pieper (EPP, DE)
Responsible: ENVI

The rapporteur welcomed the Commission proposal, outlined its main objectives and focused on points of particular importance for the committee – targets, a roadmap beyond 2020, super credits and test procedures for the measurement of CO₂ emissions. He considered that the target of

147g CO₂/km presented an ambitious goal for 2020 and saw no reason at the moment to tighten it up. Moreover, he thought that the establishment of targets beyond 2020 should be postponed until 2018 to avoid any uncertainty for manufacturers and should also be based on a new test procedure and test cycle. He was in favour of super credits and called for the extension of their application after 2017. As to the test procedures, he was against their constant adaptation.

The broad majority of Members supported the rapporteur's opinion. Mr Krahmer (ALDE, DE), with Mr Reul (EPP, DE) and Mr Lange (S&D, DE), also considered that the target for 2020 was too recent to be re-opened. Mr Vidal-Quadras (EPP, ES) added that it was ambitious enough and, together with Ms Van Brempt (S&D, BE) and Mr Tošenovský (ECR, CZ), for whom 147g CO₂/km was already borderline, did not support its further reduction. The test procedures should remain unchanged (Mr Tošenovský, Ms Van Brempt) and new procedures should be ready before starting to discuss the targets beyond 2020 (Mr Krahmer, Mr Vidal-Quadras). However, Mr Lange thought the approach beyond 2020 needed to be set out, without necessarily setting the figures. Mr Henin (GUE/NGL, FR) tackled the issue from the public health perspective and called for setting quotas for both periods. Members also showed their support for maintaining the super credits (Mr Krahmer, Mr Tošenovský, Mr Prodi). Mr Reul, supported by Mr Lange, underscored that innovation going beyond normal needs should be rewarded (e.g. eco-innovation) and the incentives should be strengthened. Mr Vidal-Quadras also welcomed comments on the reliance of SMEs on light commercial vehicles.

Timetable: deadline for amendments: 30 January 2013, 12:00
 further discussion: 21-22 February 2013
 vote in ITRE: 19 March 2013

2. Modalities for reaching the 2020 target to reduce CO₂ emissions from new passenger cars

ITRE/7/10168, 2012/0190(COD), COM(2012)0393
Rapporteur for the opinion: Fiona Hall (ALDE, UK)
Responsible: ENVI

With the current regulation working properly, the rapporteur saw no need to review current targets and focused on the period beyond 2020. She disagreed with waiting to discuss the 2025 targets until the UNECE Worldwide harmonised Light vehicles Test Procedure (WLTP) was approved and introduced a target of 70g CO₂/km. She expressed her concerns about the way the super credit system was designed (in her view it was weakening the target) and advocated the flexible mandate

to be used for the period beyond 2020. She also found it problematic that the test cycle did not reflect actual real driving conditions and called on the Commission to come up with an early revision of it that would include an independent verification. With regard to the measuring of emissions, she proposed using the footprint for the period from 2025 and giving the manufacturer the option to do so even earlier.

Besides the Greens/EFA group, Members agreed on maintaining the current target for 2020. However, they had diverging views on whether the target for 2025 should be established already. Ms Van Brempt (S&D, BE) supported its establishment, regardless of the adoption of the test cycle, to give the industry a clear signal and direction. On the contrary, Mr Pieper, on behalf of Mr Březina (EPP, CZ), advised waiting until the test cycle was adopted. He also thought that 2025 was too early to achieve 70g CO₂/km. Mr Langen (EPP, DE) agreed that the target was too ambitious. Mr Krahmer added that the technological feasibility of the target could not be known yet. Mr Vidal-Quadras considered that the focus should be on achieving the current target. As to the test cycle, Mr Lange and Mr Krahmer said that UNECE debates needed to be completed by 2015. Members agreed that the super credits should be maintained, but some did not agree with the rapporteur's requirements (Mr Pieper, Mr Lange). Mr Lange also raised the issue of eco-innovation, calling for simplification of the type-approval procedure. Other issues were a proposal for a joint discussion of two previous reports, discrepancies between recorded and real emissions, cooperation between the Commission, Member States and regions on ultra-light vehicles, and affordability of cars for families if targets were set too high.

Concerning commercial vehicles, the Commission representative said that establishment of the long-term target in 2014 was consistent with the previous legislation and would give nine years for the industry to adapt. He also considered that the amendments calling for maintaining the super credits after 2017 were weakening the target. With regard to passenger cars, he said that it was feasible to achieve 70g CO₂/km with current technologies, but with higher costs than benefits. Referring to super credits, he thought that a higher multiplier would lower the savings effect. He said that the idea of introducing the footprint could be revisited after 2020, but he thought that the choice given to manufacturers during the current period would render implementation too difficult. As to the cross-cutting issue of the test cycle, he said that UNECE talks would be finalised this year and in 2014 the Commission would come up with implementing measures.

Ms Hall was pleased about the consensus on the 2020 target and the fundamental structure. She clarified that 70g CO₂/km by 2025 was an average target for production, not the target to be attained by every single vehicle. She had problems with simply waiting for UNECE and advocated the review of current practice, as the adjustments could easily be made to comply with the WLTP.

Timetable: deadline for amendments: 31 January 2013, 12:00
 further discussion: 21-22 February 2013
 vote in ITRE: 19 March 2013

3. Protection of individuals with regard to the processing of personal data, and the free movement of such data (General Data Protection Regulation)

ITRE/7/08788, 2012/0011(COD), COM(2012)0011

Rapporteur for the opinion: Seán Kelly (EPP, IE)

Responsible: LIBE

The rapporteur restated the duty to reflect the needs and concerns of the industry. He informed Members that 917 amendments had been tabled and he went through his own amendments concerning e.g. the definition of a controller, pseudonymised and encrypted data, data minimisation, certification mechanisms, international data transfers, exemption of SMEs from carrying out the impact assessment and several deletions (e.g. articles 34, 58 and 60).

During the discussion, various issues were mentioned, including clarification and need for further work on several issues and definitions, such as anonymised and pseudonymised data, personal data and consent, main establishment of a controller, role and responsibilities of data controller and processors, etc. The importance of international agreements was highlighted with the suggestion of a transition period for adaptation. Support was expressed for a one-stop-shop across the EU. Other issues were avoiding at all costs the regulation to hamper EU competitiveness, calls for preserving the current level of protection at the very least, rigid timeline for reporting data, concerns about data leakage, etc. Ms Țicău (S&D, RO) supported all amendments calling for a reduction of the Commission's rights in the area of delegated acts and called for the regulation to be applicable for all EU institutions.

The Commission representative recalled that the Commission had always been in favour of avoiding red tape, but it also had to ensure legal certainty and good protection of personal data, which was a precondition for contributing to growth in some areas, such as the digital agenda. He said that the proposal tried to retain the level of protection and hoped it would not drop below that.

The rapporteur underlined the need to bring clarity to consumers about their rights and use of their data, as well as the need to strike the correct balance between necessary innovation and strong and stringent protection level for individuals.

Timetable: vote in ITRE: 21 February 2013

4. Presentation by Pat Rabbitte, Irish Minister for Communications, Energy and Natural Resources, Presidency-in-office of the Council of the European Union

Minister Rabbitte delivered the speech set out in Annex I.

Members inquired about the internal energy market (Ms del Castillo Vera (EPP, ES), its completion by 2014 and raising of the financing (Mr Chichester (ECR, UK)), including the EU financing for genuine EU infrastructure (Mr Prodi (S&D, IT)) and financing of interconnections in particular (Mr Balčytis (S&D, LT)); possible simplification of energy policy given a vast range of measures, targets, tools and policies creating confusion (Mr Vidal-Quadras (EPP, ES)), EU dependency on imported fossil fuels and guarantees of Irish presidency to diversify and secure supply (Mr Kelly (EPP, IE)) and preconditions to achieve ambitious priorities in the field of renewables (Ms Ulvskog). They were also interested in the Connecting Europe Facility (CEF) and the rolling out of telecommunications networks (Ms del Castillo Vera); ENISA (Ms del Castillo Vera); e-identification and authentication (Ms del Castillo Vera), in particular assessment of the situation in the Council (Ms Ulvskog (S&D, SE)); digital market and concerns on data protection (Ms Andersdotter (Greens/EFA, SE)), smart grids in the context of data protection (Mr Kelly and Ms Andersdotter), the need to ensure cyber-security (Mr Prodi); and ETS licences (Ms del Castillo Vera). Members also pointed out the lack of consensus on European industrial policy (Ms Andrés Barea (S&D, ES)) and the need to guide long-term development discussions on this issue (Mr Bütikofer (Greens/EFA, DE)).

Minister Rabbitte reiterated that the primary objectives of the EU economy were growth and employment. In this context, the industrial strategy of the EU was identified as the main vehicle to address the unemployment crisis and had to be reviewed and supported to achieve this goal. With regard to the completion of the internal energy market, he referred to challenging actions yet to be taken, but was confident of making as much progress as soon as possible, even if some infrastructure would perhaps need to wait slightly longer. He said that financing was available, but there was a problem channelling it, as investors in the energy sector needed certainty given the long time span between conception and execution. The outstanding issues therefore needed to be addressed to create that certainty. The CEF could make a contribution, but depended on the final MFF. He said he would be surprised to see it improved, but it would be a pity if its commitment were diminished. As to the post-2020 targets in the context of simplification of the energy policy, he thought that if there was an unclear position and uncertainty for beyond 2020, there might be a regression and vain prospects for investments. Addressing the issue of dependence on fossil fuel imports, Minister Rabbitte considered that a great deal could be done in that respect and advocated further examination of shale gas in the EU, given the huge impact of its discovery on energy supply and prices in the US. Regarding ENISA, the negotiations were at a crucial stage and should be finalised as soon as possible to avoid any risks to its mandate. Concerning e-signature and identification, he said that there was no lack of Council enthusiasm or political commitment and all Member States were clear about the significance of reinforcing trust and confidence in this area. But given the different national backgrounds and developments, several key issues needed further discussion. Nevertheless, he wanted to make progress on this file and hoped for adoption of a Council position.

5. Supplementary Research Programme for the ITER project (2014-2018)

ITRE/7/08406, 2011/0460(NLE), COM(2011)0931

Rapporteur: Vladimír Remek (GUE/NGL, CZ)

Opinion: BUDG

The rapporteur referred to ITER as a project with clear European added value and disagreed with the Commission proposal for its financing outside the MFF. He said that the EU as a host should send the right signals and provide guarantees that ITER would be supported and considered that the out-of-budget financing would not be well perceived. Moreover, if included, the European Parliament would gain better control over it.

All Members supported the rapporteur's call for inclusion of ITER's financing in the MFF (Mr Vidal-Quadras (EPP, ES) and Mr Reul (EPP, DE)). In this context, several issues were raised, such as ITER cost overruns, where Members were against any redeployment of funds from other budget lines, such as Horizon 2020 or research (Mr Glante (S&D, DE), Mr Ehler (EPP, DE), Mr Rübzig (EPP, AT)). They also discussed whether the withdrawal of the EU was possible and what consequences it would entail. Mr Rübzig thought that the EU should respect the contract.

The Commission representative reiterated the need to keep the financing outside the MFF, as it was the most suitable way of financing the large-scale projects. He thought that Horizon 2020 and research budget lines would not be affected by redeployments. However, the comments by Mr Ehler, who said that Council negotiations on heading 1a actually suggested the opposite, were not addressed. He also requested further clarification of whether the EU could withdraw from the treaty. The Commission confirmed that the EU could not unilaterally withdraw from the treaty without penalties, but the figure of EUR 4 billion, mentioned by Mr Ehler, was only an estimate that could not be confirmed.

Timetable: deadline for amendments: 28 February 2013, 12:00

6. Presentation by Richard Bruton, Irish Minister for Jobs, Enterprise and Innovation and by Sean Sherlock, Irish Minister of State at the Department of Enterprise, Jobs and Innovation with responsibility for Research and Innovation, Presidency-in-office of the Council of the European Union

Mr Bruton delivered the speech set out in [Annex II](#).

Mr Sherlock delivered the speech set out in [Annex III](#).

During the discussion, several Members raised the issue of Horizon 2020 (Mr Balčytis (S&D, LT)), including the need for ensuring appropriate financing for it (Mr Glante (S&D, DE), Ms Carvalho (EPP, PT), Ms Toia (S&D, IT), Mr Kelly (EPP, IE), Ms Hibner (EPP, PL)). There were calls for prioritising in the event of funding cuts (Mr Ehler (EPP, DE)) and for a greater financial contribution to be made by the private sector (Mr Johansson (ALDE, SE)). Other related issues were widening participation, brain drain of scientists, excellence and stairway to excellence, leverage in relation to simplification and shortening the time span between innovation and issuing of the patent.

Members also highlighted the role of SMEs (Ms Carvalho) and the self-employed in job creation (Mr Rübzig (EPP, AT) and inquired about COSME (Mr Lamberts (Greens/EFA, BE)) and its budget (Mr Rübzig), access of SMEs to finance (Ms Andrés Barea (S&D, ES)) and exemption of micro-entities from EU directives (Ms Ford (ECR, UK)). Members were also interested in the future financing of Galileo, inquired whether GMES and ITER should be funded from the MFF budget and called for early presentation of the GMES Regulation. Other issues were data protection, linked to the need to reduce red tape for businesses while ensuring protection of consumers' private data.

Minister Bruton acknowledged that the size of MFF budget would have an impact on the ambitions of Horizon 2020 and COSME, but was convinced that this envelope was not the only way to deliver their objectives, mentioning in particular opportunities provided by exports, trade and implementation of Single Market provisions. He acknowledged the difficulties of SMEs in accessing the finances, but recalled the existence of other financing, e.g. non-banking instruments. He accepted criticism on the administrative burden for SMEs and reassured Members about future exceptions, e.g. for accountancy. Concerning concrete measures for job creation, he mentioned encouraging programmes in micro-financing, training improvements, etc.

Minister Sherlock was convinced of the importance of the MFF for Horizon 2020, but hoped for its early conclusion as a tool for job creation and global competitiveness, and was anxious to progress on European Research Area. He restated the complementary nature of both the Council's and the Parliament's commitment to SMEs, highlighting the proposal from both institutions to increase their funding. In the context of industrial policy and the space industry, he highlighted the model role of the European Space Agency where SMEs benefited from its funding. In this sector, he saw it as critical to involve and enhance SMEs throughout the EU. Concerning the GMES, he repeated the Irish commitment to make progress as soon as its funding issue was solved.

7. Debriefing of the ITRE delegation to Dublin, Ireland (29 - 31 October 2012)

Ms Sartori (EPP, IT) reminded Members that the main purpose of the delegation was to get in touch with Ministers responsible for issues within the ITRE remit. During the meetings, Presidency priorities in these areas were presented. She found it useful to understand that the EU was a reference point for the Irish economy, together with their interest in achieving the completion of the Single Market. Irish representatives kept stressing the need to create a business-friendly environment with relevant policies, where research and innovation played an important role. They committed themselves to investing in infrastructure and renewables and highlighted the importance of the digital agenda.

8. Debriefing of the ITRE delegation to the Internet Government Forum (IGF) in Baku, Azerbaijan (6 - 9 November 2012)

Ms del Castillo Vera (EPP, ES) gave a brief overview about the IGF background and participants. The main theme was internet governance for sustainable human, economic and social development with its related issues, including digital copyright infringements, security, openness, privacy, access and diversity. The European Parliament was active both as a participant and panellist. She highlighted the need to maintain the multi-stakeholder nature of the IGF, as emphasised in a declaration issued jointly with Commissioner Kroes. She was also pleased that partners had confirmed their will to preserve this nature. Together with Ms Trautmann (S&D, FR), she commented on the lack of freedom of expression in Azerbaijan. Ms Trautmann also emphasised a need for better cooperation in preparation with the Council and the Commission.

*** *Electronic vote* ***

9. The Energy roadmap 2050, a future with energy

ITRE/7/09373, 2012/2103(INI), COM(2011)0885
Rapporteur : Niki Tzavela (EFD, EL)
Opinions: AFET, ENVI, IMCO, REGI

The draft report was adopted as amended (35 votes in favour, 9 against, 14 abstentions).

10. Risk and safety assessments ("stress tests") of nuclear power plants in the European Union and related activities

ITRE/7/10880, 2012/2830(RSP)
Rapporteur : Amalia Sartori (EPP, IT)

The draft motion for a resolution was adopted as amended (48 votes in favour, 5 against, 7 abstentions).

11. Amendment of Directive 2003/87/EC clarifying provisions on the timing of auctions of greenhouse gas allowances

ITRE/7/10158, 2012/0202(COD), COM(2012)0416
Rapporteur for the opinion: Francisco Sosa Wagner (NI, ES)
Responsible: ENVI

The draft opinion was adopted as amended (32 votes in favour, 14 against, 11 abstentions) (rejecting the Commission proposal).

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

Next meeting(s)

- 20 February 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
- 21 February 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)

Presentation by the Mr Pat Rabbitte, Minister for Communications, Energy and Natural Resources to the ITRE Committee of the European Parliament, Brussels 23 January 2013

Madame Chairperson, distinguished members, ladies and gentlemen,

It is a great honour for me to outline Ireland's Presidency Programme to the ITRE Committee of the European Parliament.

As a Government Minister and as an elected member of Ireland's legislature, I am fully aware and appreciative of the key role played by Parliament in the democratic process. The continued development of a more democratic and transparent European Union for the benefit of citizens is particularly significant during this Year of the Citizen and is of particular relevance in the context of Energy and Communications.

The Irish Presidency looks forward to a positive and constructive relationship with the Parliament. I hope that together we can build on the good work done under the last Presidency TRIO of Poland, Denmark and Cyprus and work towards delivering on the many individual goals contained in our Presidency Programme. In this regard, co-operation is the key. At all times, we will endeavour to be an open and transparent Presidency, striving for efficiency with a firm focus on results. Of course, this programme is part of a wider TRIO programme with our colleagues from Lithuania and Greece. We look forward to continued cooperation with the Parliament over the 18months of this TRIO of Presidencies.

I greatly value the experience and the knowledge of this Committee. Building on our good working relationship, we are keen to work closely with you on proposals within your remit. This relationship has been forged from our previous contacts and meetings, including with Mrs Sartori as well as the very productive ITRE Committee visit to Dublin last October.

The overarching themes of our Presidency are the three priorities of stability, jobs and growth. Ireland will work to ensure that EU efforts are focussed on the steps necessary to restore economic stability, promote jobs and foster growth. Specifically, we will prioritise legislative and policy initiatives which will increase confidence in Europe including the Single Market and the Digital Agenda for Europe.

The Single Market has delivered many benefits to EU businesses and consumers. The Irish Presidency will work to make progress on the proposals that remain outstanding under the first Single Market Act, including the completion of the Digital Single Market. In addition, we look forward to the challenge of advancing work on the new Single Market Act II measures. These include the full implementation of the Third Energy Package, through endorsement of the Commission's Action Plan as proposed in its recent Communication on the Completion of the Internal Energy Market.

A competitive European economy needs a robust infrastructure. The Irish Presidency will continue to work towards ensuring acceleration and progression of EU-wide investment in key economic infrastructure. The Connecting Europe Facility will be a key driver of private and public sector investment in transport, energy and communications networks.

The latter two areas fall within my own Ministry. The Cyprus Presidency achieved agreement with the European Parliament on the Energy guidelines for which great credit is owed to the Rapporteur, Mr Correa de Campos. Reaching agreement at Council on the telecommunications guidelines will be one of the Irish Presidency's immediate tasks. Although this instrument ultimately depends on agreement on the overall multiannual financial framework, as Presidency we believe that its logic and structure does not depend on the exact amount of money that will be allocated to it.

The support to be provided from CEF can contribute significantly to the faster roll-out of next generation broadband particularly in areas at risk of a digital divide. It can also further develop public interest digital service infrastructure for the benefit of all EU citizens. It therefore has a high potential for jobs and growth and is a key component of the Digital Agenda for Europe. The ICT sector is evolving fast and therefore flexibility and responsiveness in the choice of projects under the Telecoms Guidelines is required.

The Cyprus Presidency achieved significant progress on this file. Nevertheless further work is needed on a number of areas.

The Irish Presidency will seek to finalise the Council's views which Member States can broadly endorse and thereby pave the way for negotiation with the European Parliament.

I read with interest Mr. Tosenovsky's draft report and noted that the issues raised by Parliament are similar to those discussed in Council. Key common concerns are how these sectoral guidelines link with the horizontal CEF Regulation; the selection of projects; the need to ensure technology neutrality and the link with cohesion funds. I look forward to meeting with Mr. Tosenovsky later today, and to exploring with him, the most effective way to conclude this file in first-reading negotiations.

There are two other Telecommunications files on which we aim to reach agreement following commencement of the trialogue process under the Cyprus Presidency. The first file, a proposal on the Re-use of Public Sector Information has the capacity to stimulate job growth by allowing private sector access to public sector information at marginal or no cost. This should help generate new and innovative products for citizens and business and it therefore has a significant contribution to make towards completion of the Digital Agenda..

Following the first very constructive trialogue held under the Cyprus Presidency, I noted that the Parliament led by Rapporteur Kalfin agreed with Council that although some issues remain to be further explored, an early first reading agreement should be possible. The Irish Presidency is committed to achieving this and based on our initial exchanges, we believe that early agreement is feasible.

The second file relates to ENISA, the European Network and Information Security Agency, and the proposal to strengthen and modernise the agency with a new expanded mandate for the security of cyberspace. As we are all aware, ENISA's current mandate will expire in just a few months' time. Ireland, as Presidency, believes that it is incumbent on both the Council and Parliament to reach a conclusion on this file, thereby creating the clarity needed regarding ENISA's future.

Both Council and Parliament are agreed that network and information security and the increase in cyber-incidents and cyber-threats and their potential impact on European critical infrastructure are issues requiring urgent consideration.

I therefore welcome the fact that a triologue has been arranged for the coming days. I look forward to discussing this file in more detail with Mr. Chichester later today.

Secure, trustworthy and easy online transactions are an important element of the European digital single market. The proposed Regulation on Electronic Identification and Trust Services is therefore vitally important. Ireland is conscious of the importance of this regulation but we also recognise its complexity. I recently attended the TTE Council where Ministers outlined some of their issues of concern.

It was apparent to me that much detailed work is required on some key issues but I took encouragement from the broad support given to the proposal. I assured Ministers that the Presidency will work to make the Regulation as practical and effective as possible. We hope to produce a meaningful progress report at the June Council, with a view to entering negotiations later this year. In this context, I welcome the recent exchange of views by the Committee and note that similar issues of concern arose, namely trust, confidence and interoperability. By your July vote it is my ambition that the Council position on these and other important issues will be further advanced.

The importance of network and information security as a pre-requisite for a flourishing digital market is also expected to be the focus of the forthcoming Strategy on Cyber Security for the EU. We expect the European Commission to publish this Strategy shortly, together with a legislative proposal addressing baseline network and information security requirements.

The Presidency will be working to make significant progress on this legislation. We place a particular emphasis on promoting business and consumer trust and confidence in order to drive online growth with resulting economic benefits.

Digital services can of course only be delivered once adequate infrastructure is in place. The rapid roll-out of high speed broadband networks is therefore an essential requirement. We understand that a Commission proposal on reducing the cost of this roll-out will be published towards the end of the first quarter 2013.

Ireland published its National Broadband Plan in August 2012. The development of the Plan has given us a unique insight into the challenges of reducing barriers to broadband deployment. We await the Commission's proposal with interest and we intend to guide an informed debate in this crucial area and set a framework for future progress.

We will also begin examining the recently published proposal on Web Accessibility. The proposal aims to ensure that websites are accessible to all users, in particular those with disabilities. 2013 is European Year of Citizens, which puts this issue firmly into focus. The Presidency will work to progress the proposal which is especially important as a signal of the European Union's intention to tackle the digital divide.

The Irish Presidency's work on these important legislative files is timely given the publication last month by the Commission of the mid-term Review of the Digital Agenda Strategy. The Review acknowledged that Europe needs to be continuously ambitious in order to keep pace internationally. I have assured Commissioner Kroes that we will support a continued strong momentum on implementation of the conclusions of the Review.

The Review will also form the backdrop for the Digital Agenda Assembly being held in Dublin next June. The Irish Presidency is working closely with the Commission in shaping the event to ensure that all the key messages and transformative actions identified in the Review are reinforced with stakeholders. The event will be policy focused and success driven, recognising the impact of the Digital Agenda on society, and particularly on digital entrepreneurship.

I note that the mid-term Review also highlighted research and development. As Minister responsible for both Energy and ICT, I am particularly interested in the possible synergies between the two areas.

We look forward to publication in April of the Commission's Communication on Energy Technologies in a Future European Energy Policy. This Communication will identify the role for energy technologies in line with the Horizon 2020 priorities, the decarbonisation ambitions of the Energy 2050 Roadmap, and the technology roadmaps of the SET Plan. Ministers will have an opportunity to discuss the Communication at the June Energy Council in Luxembourg.

The progression of the Internal Market for Energy is key to achieving Europe's energy objectives and will deliver real benefits for EU energy consumers, both households and business.

We will give the Commission's Communication on the Internal Energy Market maximum political visibility by scheduling an in-depth policy debate at the February Energy Council, which will feed into the May European Council devoted to the topic of energy. Thereafter, we will present concrete and operational Council conclusions at the June Energy Council for adoption by Ministers.

The Internal Energy Market can fulfil its considerable potential I am very interested to hear about this Committee's views on the Communication, and in particular Professor Buzek's plans to develop a report on the proposal.

Following good progress under the Cyprus Presidency, our objective for the Proposal on the Safety of Offshore Oil and Gas Activities is to reach agreement quickly with the European Parliament – possibly before the first Energy Council on 22 February. I met with the Rapporteur, Mr. Ivo Belet, last May and we both were of the opinion that we could come to an agreed position.

A key European energy objective is to create a low carbon economy to deliver benefits in terms of growth, innovation, competitiveness, job creation, energy security and environmental quality. Renewable energy will play a key role in shaping our combined energy future - decarbonising our electricity generation over the coming years.

The recently published draft Directive on Indirect Land Use Change (ILUC) and the use of biofuels and bioliquids is a complex proposal involving many policy areas. It addresses a key EU energy policy concern regarding the long term sustainable development and use of biofuels and potential negative impacts on global food production.

As the draft Directive spans the work of Energy and Environment Councils, following orientation debates at the February Energy Council and March Environment Council, our objective is to produce a Progress Report for both Councils in June.. This should provide the Lithuanian Presidency with a good basis for discussions with the European Parliament.

Allied to the sustainability concerns relating to liquid biofuels, is the need to address sustainability of biomass generally. During this Presidency, the Commission is expected to propose a Directive on Sustainability Criteria for Biomass. We will actively progress the discussions on it.

The Commission is expected to present Guidance Papers on Renewable Energy Support Schemes, and on Cooperation Mechanisms as provided for in the 2009 Renewables Directive, in the second half of our Presidency. I note with interest Mr. Reul's Draft Report on the Current Challenges and Opportunities for Renewable Energy, which specifically mentions these two issues. I look forward to all three Institutions of the European Union working towards the development of renewable energy as a key objective of the European Energy Market.

A major priority of the Irish Presidency will be the potential of technology changes to enable the Union meet its challenging 2020 energy efficiency targets. I must congratulate Mr. Turmes for the work done on reaching agreement on the Energy Efficiency Directive under the Danish Presidency. In follow-up, there needs to be a major increase in the pace, scale and depth of investment in upgrading existing facilities to assist Member States in meeting their energy efficiency targets. We will actively promote this need for investment.

The potential of 'smart' energy systems, particularly smart grids and smart meters to support our energy future, will feature prominently in discussions at the April Informal Energy Ministerial meeting in Dublin.

This Presidency attaches great importance to EU external energy relations. In shaping policy and responding to the challenges we face in energy and in climate change, we need stable and transparent global energy markets to ensure energy security. The EU must work with others to address the long-term challenge of laying a foundation for efficient and sustainable use of energy.

In the first instance, however, we must work together as a unit and in solidarity so as to maximise our advantage internationally. In this regard, I welcome Mrs Edit Herczog's report on External Energy Cooperation.

Our focus will be on exploring key areas of mutual interest such as using clean energy to create economic growth and jobs and to address the challenge of climate change, diversification of energy supply and export routes. We look forward to comprehensive discussion on the various strands of international collaboration on energy matters at the June Energy Council.

While neither my portfolio as Irish Energy Minister nor the TTE Council formation includes Nuclear issues, the June Energy Council will provide an opportunity for Commissioner Oettinger to update Energy Ministers on developments in this sector. The reports from Mr. Chichester on Nuclear decommissioning and Mr. Kraemer on Nuclear safety are very interesting in this regard.

The European Heads of State and Government intend to discuss Energy during a special sectoral European Council on May 22. This underlines the central importance of energy policy to the sustainable growth and jobs agenda. The agenda for this Council is the responsibility of Presidency Van Rompuy, but I am sure that completion of the Internal Energy Market will feature prominently. The Presidency in its Energy Council chair capacity will work to carry forward the outcome of the European Council deliberations on energy in setting out a clear path for European energy policy in the future. We look forward to proactive engagement in this regard.

Before I conclude let me remind you of the Presidency events in Dublin this year:-

The Informal Energy Ministerial in April;
The SET Plan Conference in May;
The Digital Agenda Assembly in June.

I would welcome the participation of members of this Committee at these events.

In conclusion, we will pursue a busy and challenging agenda during the Irish Presidency. It is my hope that we will make a significant and lasting contribution to our shared objective of a digitally enabled society. On the Energy side, we will continue the work towards developing a fully integrated and interconnected Internal Energy Market to deliver security of supply, contribute to the creation of sustainable jobs and growth and competitiveness and protect the environment – and not just to 2020 but beyond that to 2030 and towards the 2050 goal of a decarbonised economy. We look forward to working with the ITRE Committee and your colleagues in the Parliament in furthering our shared objectives in these areas.

Thank you.

Presentation by the Mr Richard Bruton, Minister of Jobs, Enterprise and Innovation to the ITRE Committee of the European Parliament, Brussels 23 January 2013

Honourable Members of the European Parliament,

Madame Chairman, Vice-Chairs and members of the ITRE Parliamentary Committee,

Ladies and Gentlemen,

I would like to thank you for the opportunity as Council Presidency to outline to the ITRE Committee on the priorities and actions for the Irish Presidency on the issues of Industry and Entrepreneurship. My Colleague Mr Sean Sherlock, Minister for Research and Innovation, will shortly outline the Presidency priorities under the Research and Space Agenda.

Both Minister Sherlock and myself are delighted to be here today and we very much look forward to a good working relationship with the European Parliament. Since the Lisbon Treaty came into force, the competences of the European Parliament have been broadened where it now co-decides on the vast amount of EU legislation. The European Parliament now has a very important role in the whole EU co-decision process and plays a vital role in the democratic process at EU level representing citizens. Indeed its role has now also developed towards building constructive partnership with the National Parliaments. This helps to bring about more Parliamentary accountability both at the European and at the National levels. Under our Presidency we will adopt a pragmatic and constructive approach to engagement with the Parliament.

I met some of you when you visited Dublin last October and we had a very good meeting.

I would like to thank colleagues from the Cypriot, Danish and Polish Presidencies for advancing some of the key measures under discussion today.

SMEs and Entrepreneurship

As Presidency Ireland will seek to stimulate growth and job creation by bringing forward measures proposed by the Commission to reduce the regulatory burden on SMEs and by advancing the Entrepreneurship agenda. It is crucial that Europe increases its appetite for entrepreneurship and supports new entrepreneurs in creating new businesses. Potential and actual founders of new enterprises must be supported to give them the best chance to create and grow their SMEs, especially during the start-up phase and the most difficult and crucial first five years.

Ireland welcomes the recent Commission communication on the Entrepreneurship 2020 Action Plan and supports the objectives of this framework proposal, particularly the focus on the fostering and promotion of entrepreneurs, entrepreneurship and an entrepreneurial culture at a European and National level. This Action Plan will enable us to create a more entrepreneurial Europe. It is Ireland's intention to hold an orientation debate on this proposal at the February Competitiveness Council. Ministers will also be invited to discuss among other things entrepreneurship as a regional issue at the Presidency's Informal Competitiveness Council on 2/3 May next.

We all acknowledge that SME's are the backbone of the European economy and an important contributor to growth and employment in the Union.

We are prioritising several measures that will help SMEs tap into more public procurement opportunities, and get better access to credit and research funding. Securing agreement on the Programme for the competitiveness of Enterprises and small and medium-sized enterprises (COSME) will be one way of providing this assistance and other supports. This is important for small countries that are highly dependent on the SME sector and indeed this area is a particular focus of my own Ministerial remit.

In this regard, Ireland very much supports the general aim of this programme to strengthen competitiveness and sustainability of EU enterprise, encourage an entrepreneurial culture and promote the creation and growth of SMEs. In particular, we welcome the proposed equity facility for growth-phase investment which will support the development of the EU wide Venture Capital market, as well as the Loan Facility which will provide direct or other risk-sharing arrangements with financial intermediaries to cover loans for SMEs.

As you are aware the Multiannual Financial Framework (MFF) sets the overall budgetary framework for the EU for the period 2014-2020. The outcome of negotiations on the MFF will dictate the prospects for progress on the (COSME) and will be of major interest to all small business stakeholders.

As I said as part of the Irish Presidency an Informal Competitiveness Council will be held in Dublin on Friday 3 May. The focus of this Council will be on "SME's as a driver of European Growth" where the Council will address real issues for SMEs as we attempt to negotiate our way out of the current economic crisis. Issues to be discussed will include access to finance, regional entrepreneurship and global opportunities for SMEs.

In addition to the Informal Council the Commission will host its SME Finance Forum on Thursday 2 May 2013 in Dublin in association with the Informal Competitiveness Council. As you are aware this Forum was set up to monitor the market situation and to explore new ideas to improve access to finance for SMEs. This high-level Forum will bring together the Presidents/Secretaries general of business organisations, banks and other financial institutions as well as Commissioner Tajani, MEPs and representatives of the EU Presidency. Some possible topics for discussion include; alternative sources of finance, guarantees and the credit review office. Commission Tajani will be able to report on conclusions from this forum to the Informal Competitiveness Council the following day.

Industry issues

Globalisation is changing the way industrial sectors and firms cooperate. The European Competitiveness Report 2012 stresses the increasingly important role of global value chains for EU industry, a point which is also emphasised in the EU flagship initiative 'An integrated industrial policy for the globalisation era'. Greater focus is needed to the manufacturing value-chain and the services that support it and help to design and market new goods and services. This new perspective requires a different approach to industrial policy that takes increased account of the inter-linkages and a focus on encouraging the formation of networks and clusters which facilitate technology transfer between domestic firms and foreign Multinationals. This is something that we will address during our Presidency

The Irish Presidency will build on the progress already made in reducing business costs by the administrative burden reduction programmes carried out by the Commission and Member States. We welcome the Commission's recent Communication on EU Regulatory Fitness and look forward to the second Communication, focusing on SMEs and micros, expected in spring 2013. We intend to have Conclusions adopted by the Competitiveness Council in May, responding to these two Communications.

I believe we all have common goals: evidence-based policy; modernisation of processes and institutions; evaluation of our success at achieving our goals; improving efficiency; removing unnecessary burdens, and so on.

We must push forward to find new ways of reducing the overall burden of regulation for small business. We must listen to business, find out where regulation is most burdensome; and then do what we can to reduce these burdens. We must continue to work together to ensure that Smart Regulation delivers real and tangible benefits for industry, especially SMEs and micro-enterprises, through creating the business environment which will enable European enterprise to flourish and create growth and jobs. In this respect, I am sure that we share the same goals.

The Presidency welcomes the Commission proposals in relation to the State Aid Modernisation (SAM) initiative. As we know the objectives of this reform process, particularly the need for greater clarity, transparency, predictability and rationalisation of the procedures with a focus on bringing cases to a timely and satisfactory conclusion.

The State Aid Modernisation initiative is timely in that State aid policy now needs to look beyond the financial crisis and be more than ever supportive of the goal of achieving a strong, dynamic, integrated and contestable single market.

The State aid regime can benefit from greater simplicity and clarity, greater flexibility for Member States within safeguarded limits, more transparency and more of an economics-based approach.

I am sure we all agree that the Commission should focus its resources where possible on larger cases or those which involve more serious damage to competition and allow Member States greater responsibility for 'smaller aids'. Therefore, economically insignificant aid should be approved more quickly or exempted.

While we should at all times recognise that while the State Aid regime is important in ensuring that we have a level playing field within the common internal market, the EU as a bloc is often competing with third countries for mobile Foreign Direct Investment (FDI) and recognition should be given to the positive benefits for the EU economy and society of facilitating FDI (particularly, hi-tech FDI).

In this regard, State aid is also being provided by third countries to undertakings and we believe that this is an aspect that would benefit from continued consideration by the Commission.

The Irish Presidency will be chairing the Working Party on Competition. The Presidency's objective will be to seek agreement on the Procedural and Enabling Regulations that govern the State Aid Controls framework at the May 2013 Competitiveness Council.

The above two proposals were adopted by the Commission on 5 December 2012. They are not subject to the Ordinary Legislative Procedure, and the Parliament is only consulted on these proposals. However, may I assure you of the intention of the Irish Presidency to take your comments and concerns very seriously indeed and to make sure that they are properly debated and scrutinized in the Council before adopting these Regulations.

The focus of these priorities clearly demonstrates the importance Ireland attaches to creating the right conditions and environment in Europe in order to promote growth and jobs and help European businesses to grow and internationalise.

I would like to thank you for your attention and now my colleague Minister Sean Sherlock will outline the priorities in the Research and Space agenda. We will both be happy Chairman to take questions from the Committee.

Presentation by Mr Sean Sherlock, Irish Minister of State at the Department of Enterprise, Jobs and Innovation with responsibility for Research and Innovation to the ITRE Committee of the European Parliament, Brussels 23 January 2013

It is a particular pleasure for me to have the honour to address the European Parliament on the Space and Research priorities of the Irish Presidency.

I had the opportunity last year, in preparation for the Presidency, to meet with the Chair of the ITRE Committee, Ms Sartori, and Rapporteurs Mr. Ehler and Ms Carvalho. I have also had the chance this morning to meet with a number of the other Rapporteurs. Also, a delegation from the ITRE Committee came to Dublin in October last year. All of these engagements help to establish a mutual understanding of our shared objectives.

Space Priorities

As Minister for Research and Innovation, I will be Chairing the Space and Research formations of the Competitiveness Council. The Irish Presidency's objectives on Space Policy are to:

- Progress discussions on a draft regulation on GMES, assuming that the funding issue regarding whether this project is within the MFF or outside the MFF is resolved. It is expected that if the funding issue is resolved the Commission will propose a Regulation by late Spring 2013.
- We also propose to progress a proposal for a Decision on Space Surveillance and Tracking - vital to the security of satellite assets, industry and the general population.
- Furthermore we would wish to reach conclusions on a Commission Communication due on Space Industrial Policy – a critical component which will enhance the potential involvement of SMEs in the Space Sector.
- During the Irish Presidency our ambition is to agree Council Conclusions on the relationship between the EU and ESA. This will provide direction to the Commission to pursue a set of actions which will assist in developing coherence and complementarity between both bodies.

I hope to be able to bring these dossiers to the table at formal meetings of the Competitiveness Council in February and May.

Significant progress on these dossiers would represent a major advancement in the Space interests of the European Union and the combined benefits of their socio-economic impacts should not be underestimated.

During the Irish Presidency, I look forward to continuing to promote the evolution and growth of the space sector at a European level and the significant benefits which this will bring to European industry, the research sector and society in general in both the short and in the longer term.

Research and Innovation Priorities

Objectives :

Research and innovation are of major importance given their potential role in contributing to economic recovery, competitiveness and growth across the EU. The Irish Presidency's objectives in this respect are to :

- Accelerate the realisation of economic and societal value and impact from European knowledge,
- Increase the global competitiveness of Europe's industry,
- Enhance Europe's human capital in research and development,
- Improve the innovation capacity of Europe's SME's, and
- Maximise synergies with national level strategies and investment.

Actions :

To deliver these objectives we will give priority to the following actions through legislative actions, policy debates and conclusions at Council and dedicated Presidency events , as appropriate :

- Achieving agreement on the Horizon 2020 package
- Progressing the completion of the European Research Area
- Promoting the adoption and deployment of key enabling technologies, such as nanotechnology, and their commercialisation
- Promoting further development of the innovation capacity of SMEs
- Strengthening the research and innovation capacity of European regions
- Enhancing engagement between science and society on responsible research and innovation.

Horizon 2020

Of course, the key research and innovation priority for the Irish Presidency will be to achieve political agreement on the Horizon 2020 package. A great deal of work has already been done by previous Presidencies in agreeing a Council position on the various elements of the Horizon 2020 proposals. The Irish Presidency will work with the Member States, the European Parliament and the European Commission with a view to agreement by the end of our Presidency on the whole of the Horizon 2020 package.

Achievement of agreement on this item will of course be dependent on the conclusion of negotiations on the MFF. Research and innovation have been placed at the centre of the Europe 2020 strategy to promote smart, sustainable and inclusive growth through the Innovation Union Flagship Initiative. Much remains to be decided on the EU's budget and it is in all our interests to secure appropriate funding for research and innovation. I was particularly pleased to see that the ITRE Committee, when adopting its negotiating mandate on the Horizon 2020 package in November, gave broad support to Horizon 2020 stating *"This programme is an opportunity for Europe to invest in its future and to help us get out of the crisisThe Union budget should mirror this ambitious goal."*

I know that discussion in the trilogue negotiations on Horizon 2020 has commenced at technical level, with the first trilogue meeting per se on 31 January. I welcome our shared commitment to advancing these negotiations. It is vital that we demonstrate to the citizens of the EU that we are representing their interests efficiently and effectively. And it is vital, therefore, that we make progress as speedily as possible to ensure that there will be sufficient time to give effect to the necessary legislative procedures to implement Horizon 2020 from the start of 2014.

I am pleased to see that the Parliament shares many of the interests on the Framework Regulation proposal that we have had at the Council. The Irish Presidency is looking forward to a fruitful negotiation with the Parliament on this major file. We will do our best, closely working with the European Parliament, to ensure that work on the various components of this package contributes to the three reinforcing priorities of Horizon 2020. Together, we must strengthen and extend the excellence of the Union's science base with world class researchers; maintain and increase the Union's industrial leadership; and address the major societal challenges through novel innovative solutions that foster growth and jobs in Europe.

I would like to stress at this point the importance of the principle of Simplification as a priority. It is important to strike the right balance between simplification and flexibility, in order to successfully implement Horizon 2020.

European Research Area

Europe needs a unified research area to attract talent and investment. Remaining gaps must therefore be addressed rapidly to create a genuine single market for knowledge, research and innovation. The Irish Presidency, therefore, also includes the further development of the European Research Area among its priorities. Our aim is to secure substantial progress towards meeting the target set by the European Council in February 2011 to complete the European Research area by 2014 in order to create a genuine single market for knowledge, research and innovation.

We will include a particular focus on a number of the ERA priorities identified in the ERA Communication:

- jointly addressing grand challenges,
- an open labour market for researchers,
- enhancing international cooperation

Competitiveness Council Meetings

We propose to hold meetings of the Competitiveness Council on 18 and 19 February and 29 and 30 May. Issues to be tabled by the Irish Presidency at the Competitiveness Council will include :

- Better access to scientific information,

Where we propose to have a policy debate at Council on this important issue. The Presidency will continue to exchange views with the Parliament with a view to developing further the policy on open access and its implementation in the European Union, and in particular in the context of Horizon 2020.

- On How best to ensure coordinated public investment in research and innovation across Europe,

The Presidency will host a major Conference on Joint Programming on 28 February to 1 March on the lessons from the experience to date and the way forward in joint programming. Following on from this, we propose to have a policy debate on joint programming at Council in May.

- In relation to the strategic nature of High-Performance Computing as a crucial asset for the EU's innovation,

The Presidency will propose the adoption of Council conclusions on the strategic nature of High-Performance Computing as a crucial asset for the EU's innovation.

Enhancing and focusing international cooperation in research and innovation is an essential, cross-cutting and integral part of the European Research Area. It plays a vital role in contributing to the quality of European research and the strengthening of the economic, industrial and technological competitiveness of Europe. The Irish Presidency will propose Council conclusions to endorse this this new strategy for developing international cooperation in research and innovation, as proposed in the Commission's ERA Communication, and in the Communication from the Commission on "Enhancing and focusing international cooperation in research and innovation."

Informal Council

In conclusion, we will also have the pleasure of hosting an informal meeting of the Competitiveness Council in Dublin on 2nd and 3rd of May. In line with the overall theme of the Irish Presidency, the Research theme of this informal Council meeting will be "*How to optimise the benefits of European research investment for European jobs, growth and society.*" I hope that the ITRE Chair, Ms. Sartori, will be free to join us at this informal Council.