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NOTE

from: General Secretariat of the Council
to: Delegations

Subject: Summary record of the joint meeting of the European Parliament committees on **Transport and Tourism (TRAN)** and **Industry, Research and Energy (ITRE)**, held in Brussels on 18 September 2012

The meeting was chaired by Mr Simpson (S&D, UK), Chair of TRAN, and Ms Sartori (EPP, IT), Chair of ITRE.

1. Connecting Europe Facility (CEF)

CJ05/7/09041, 2011/0302(COD), COM(2011)0665

Rapporteur: ITRE: Adina-Ioana Vălean (ALDE, RO)

TRAN: Inés Ayala Sender (S&D, ES)

TRAN: Dominique Riquet (EPP, FR)

Opinions: BUDG, REGI

The rapporteur, Ms Vălean, stressed that this kind of strategy, specifically in the energy and telecommunications sector, was being developed for the first time and that careful action was needed to avoid market distortion and ensure optimal leverage of resources. In the field of energy, she pointed to the gap between the investment needs and the available funds and saw no alternative to covering it through the multiplier effect of financial instruments. In telecommunications, the focus should be on creating demand for broadband before its deployment (financed through financial instruments to maximise the leverage effect) and to finance EU digital service infrastructures, core service platforms, etc. through grants. She called on the Council to secure the CEF budget though also, in view of its intentions to reduce the MFF envelope, she saw a need to define the priorities for the CEF.

The rapporteur, Mr Riquet, fully supported the Commission proposal and reiterated that the CEF needed to be effective, simple and comprehensible and to enable direct and effective management of funds; he called for synergies between its three axes. In the transport sector, consistency with the objectives of the EU 2020 strategy should be boosted, appropriate co-funding rates should be identified and the cross-border connections should be extended. He recalled the agreement that Annex I to the report would not be opened. With regard to budgetary constraint, he advocated a focus on growth, the European added value (EAV) and arbitration in the selection of projects, whereby other types of funding for which the project could be eligible should be taken into account.

The rapporteur, Ms Ayala Sender, also expressed frustration with the Council's intentions to reduce the budget and called for maintenance of the initial Commission figures. However, she considered that the doors should be opened to new financial instruments in the transport sector and underscored that the resources should be handled effectively.

Mr Pieper (EPP, DE), the REGI rapporteur, pointed to the problem of the EUR 10 billion ring-fenced in the Cohesion Fund for transport infrastructures. He recalled that REGI had reached a compromise on the issue (in particular on tendering rules) in the framework of the package on the structural funds, which was now at the stage of trilogue. He said that REGI advocated fairness in distribution of the funds and hoped to reach a compromise with ITRE and TRAN.

Mr Zagar, Committee of the Regions, expressed his support for the instrument. He underlined that the implementation of the CEF should not have a detrimental effect on the implementation of the Cohesion Fund and called for the inclusion of regional and local government in decision-making on the CEF and its implementation.

Members all agreed on the need for adequate financial support for the CEF (Mr Ertug (S&D, DE)) and stated that the budget could not be reduced as intended by the Council (Mr de Grandes Pascual (EPP, ES), Ms Țicău (S&D, RO), Mr Koumoutsakos (EPP, EL)). In addition, an effective use of funds was crucial to generate the EAV (Mr Pirillo (S&D, IT)). Given the budgetary cuts made by the Member States, innovative financial sources were necessary for accomplishing this goal for large infrastructures (Mr Vidal-Quadras (EPP, ES), Mr De Backer (ALDE, BE), Mr Audy (EPP, FR)). The latter also mentioned some compulsory charges. Concerning the cross-border EAV, Mr Cramer (Greens/EFA, DE) advocated prioritising projects creating jobs and choosing routes instead of specific corridors. In this context, Ms Ford (ECR, UK) pointed to the bottlenecks created by core networks and advocated flexibility on comprehensive networks that could unblock them. On the other hand, Mr Zīle (LV, ECR) considered that the loss of the corridors' platform would destroy the EAV that could otherwise be achieved. In the field of transport in particular, Members called for a level playing field (Mr De Backer), leverage (Mr Pirillo), greater focus on innovation and new technologies (Mr De Backer) and promotion of interoperability of rail and road transport (Mr de Grandes Pascual). Ms Țicău pointed out that the new Member States, which had a particular need to develop infrastructure, were not well represented in the proposed corridors. She also saw a subsequent need for regional allocations to cohesion countries. With regard to the ring-fenced EUR 10 billion from the Cohesion Fund, Members agreed that a compromise needed to be reached with REGI (Mr El Khadraoui (S&D, BE), Mr Koumoutsakos)), in particular on the unspent money (Mr Grosch (EPP, BE), Mr Zīle)). Mr De Backer considered that this agreement should stick as closely as possible to the Commission proposal. Mr Zīle agreed in principle, but reiterated that competition was needed in the project completion procedure. Mr Correia de Campos (S&D, PT) pointed to the discrepancies between the proposal and the report on trans-European energy infrastructure (negotiating mandate adopted earlier that day by ITRE) and called for consistency in the Parliament's work. Other issues raised were Article 10 and co-financing rates, noise pollution and motorways of the seas.

The Commission representatives welcomed the report and were pleased with the work done on various issues (synergies, references to ICT interoperability, technology neutrality and open networks, demand stimulation, etc). Concerning the ring-fenced EUR 10 billion, they felt that the committees should find the right way forward in political terms. With regard to the financial instruments, they shared the view that broadband should be predominantly supported through financial instruments to provide a good leverage effect. In the field of energy, they considered that the percentage in amendment 47 was not accurate, and that more grants were needed to deal with market integration, integration of renewables and security of supply. They also supported the ITRE opinion on energy infrastructure guidelines (voted earlier that day) and considered that amendment 54 should be dropped. Lastly, they were concerned that amendments 67 and 68 on co-financing would create major problems in East European countries.

In reply, Ms Vălean considered that the 80% funding allocated to grants in the field of energy would not close the gap between investment needs and available resources. Mr Riquet agreed with Mr Grosch and Mr Pieper that a compromise should be reached with REGI on the ring-fenced EUR 10 billion. Ms Ayala Sender also considered this cooperation necessary and concluded that a united front was needed for the budget negotiations.

<u>Timetable:</u>	deadline for amendments:	4 October 2012
	consideration of amendments:	5 November 2012
	joint vote:	27 November 2012
	vote in plenary:	January 2013
