

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 4 and 5 November 2013

The meeting was chaired by Ms Sartori (EPP, IT) (chair), Mr Tošenovský (ECR, CZ) (vice-chair) and Mr Chichester (ECR, UK).

1. Action Plan for a competitive and sustainable steel industry in Europe

ITRE/7/13720, 2013/2177(INI), COM(2013)0407

Rapporteur: András Gyürk (EPP, HU)

Opinions: INTA, EMPL, ENVI, IMCO, REGI

On behalf of the rapporteur, Mr Vidal-Quadras (EPP, ES) underlined that the European steel industry was a key link in the industrial value chain and that maintaining a competitive European steel production played a strategic role in ensuring economic growth and jobs in Europe.

He highlighted the need to boost demand and to improve the framework conditions to enhance the sector's competitiveness. He also saw a need to introduce measures to retain and attract skilled workers. Mr Vidal-Quadras also highlighted four key measures to improve competition - securing energy supplies at affordable prices; reconciling climate change and environmental protection goals with the competitiveness of the industry while avoiding carbon leakage; ensuring an international level playing field with a reciprocal approach in trade negotiations; and fostering research, development and innovation through the use of EU funds and new financial instruments. Further development of the scrap market was also encouraged.

During the discussion, Members underlined that innovation policy was absolutely crucial for the future of European steel industry. They also highlighted the need for a proper restructuring plan, the need to address high energy prices, the costs of raw materials, recycling, consumers' right to information, greater involvement of workers and experts and protectionism.

The Commission representative fully agreed with the actions identified. He recalled that the status quo of the steel industry had been caused not only by the crisis - China as a growing producer, new players on the markets, shale gas in the US, etc. All this had resulted in a need for a long-term strategy for the industry. Regarding the importance of providing consumers with the right information, he said that the Commission would develop standards for sustainable steel. As for recycling and secondary raw material, there were dedicated actions under the Horizon 2020 focusing on how to boost recycling in various areas.

Mr Vidal-Quadras noted that competitors were also suffering, but that the EU had lost jobs due to more expensive prices and unfair trade practices of the part of competitors, who also did not have to comply with so many environmental and social requirements. He agreed with the rapporteur that innovation was crucial for competitiveness and stated that protectionism was not a solution.

<u>Timetable:</u> deadline for amendments: 13 November 2013 vote in ITRE: 16 December 2013

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2. High common level of network and information security across the Union

ITRE/7/11960, 2013/0027(COD), COM(2013)0048

Rapporteur for the opinion: Pilar del Castillo Vera (EPP, ES)

Responsible: IMCO

The rapporteur agreed with a number of the measures proposed by the Commission, but also saw room for improvement and highlighted the principles of efficiency and trust. Regarding the scope of the directive, she thought that extension of obligations to all market operators would increase the administrative burden. Reporting obligations should be limited to critical infrastructure - the energy, transport, health and financial sectors. Regarding Article 15, she thought that the creation of a new authority would not be the most effective solution. Instead, she proposed to create a single point of contact that would take into account existing efficient national structures. A similar logic applied to the Computer Emergency Response Team (CERT). She also called for an open bidirectional dialogue between the operators and the competent authorities.

During the discussion, Members welcomed the reduction of the scope of incident reporting requirements and the proposal for a single contact point. They also called for feedback in cooperation between the operators and the competent authorities. Other issues mentioned were open minimum international standards for security with specific requirements for SMEs, delegated acts considered on a case-by-case basis, the establishment of the CERT, according a more prominent role to ENISA, helping smaller Member States in particular, transparency as essential for trust and the disconnection of defence ministries from single contact points.

The Commission representative expressed satisfaction that the rapporteur had understood the Commission's intentions and welcomed the proposal for a single point of contact. He clarified that the Commission was not proposing any new authority, but rather a cooperation mechanism. Regarding the disagreements, he thought that limiting the scope of incident reporting requirements and risk management would be a mistake as some internet companies played a key role in delivering the goals of the digital agenda and were at the heart of electronic commerce and internet functioning. This was also related to the level playing field, as many new operators entering the market were not established in the EU and were not traditional operators. He considered that, if this were to apply, the directive would be out-of-date soon after entering into force.

<u>Timetable:</u> deadline for amendments: 12 November 2013

vote in ITRE: 16 December 2013

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DRI **EN**

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

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

Rapporteur: Edit Herczog (S&D, HU) Opinions: ENVI, IMCO, TRAN, CULT

The rapporteur stressed the need to find a fast solution and highlighted the situation in rural areas, together with the right of all citizens to have digital access. Regarding the amendments, she welcomed the consensus among groups on the importance of the issue. Nevertheless, views differed as to whether the proposal should be a regulation or a directive. She supported the Commission's initial proposal. She also addressed the amendments concerning the partial exclusion of some passive infrastructures, safety and security, the definition of high-speed and conditions for cooperation. She hoped that the dossier could be concluded under the current legislature.

Mr Hökmark (EPP, SE) was confident that broadband in 2020 would not be about 30 and 100 MBps. There was a clear need for higher speed, and he saw this proposal as an opportunity to leave such outdated targets behind. He warned against investing in excessively low capacities with a long duration, which could have an impact on the future, and advocated high targets with a high degree of flexibility. With regard to the legal instrument, he supported the use of a directive, which would be open and flexible in terms of using existing facilities, as he favoured fewer details and clear overall targets. He did not like the rapporteur's proposal for labelling, as it could become outdated and increase bureaucracy. For him, it was more important to ensure competition between the different stakeholders offering broadband. Mr Johansson (ALDE, SE) underlined the need to work towards more open networks. Ms Andersdotter (Greens/EFA, SE) was satisfied with the focus on rural areas, but was concerned that the use of a regulation could harm what was being done at local level. She also thought that the proposal favoured large companies. She highlighted the need to focus on investment strategies and more innovative deployments. Ms del Castillo Vera (EPP, ES) also supported the use of a directive, but noted that some amendments could concern only a regulation. Therefore, if the instrument was changed, a special review of such amendments would be necessary.

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With regard to speed, the Commission representative explained that the proposal aimed to ensure investments with a view to achieving at least the goals of the Digital agenda, and these should be seen as a minimum speed. If the proposal was over-ambitious and was confusing objectives with scope, essential investments could be lost because the relevant technologies might not comply with them. Regarding the legal instrument, the Commission assessed the options and concluded that only a very focused proposal for a regulation would be able to rapidly achieve the goals of the Digital agenda. Moreover, a directive would take too long to be implemented and would lead to further fragmentation. He assured Members that the subsidiarity principle had been thoroughly assessed and that the proposal left enough room for local coordination. It was enabling rather than mandating a specific business model.

The rapporteur underlined that the ambition was not only to have high-speed access, but to make such access available to all citizens. She reiterated that the use of a directive was not a good solution, partly because she thought that ministers were not sufficiently pro-digital, as could be seen, for example, in the provision of financial resources for broadband.

<u>Timetable:</u> vote in ITRE: 28 November 2013

vote in plenary: January 2014

4. Commission follow-up to the 'TOP TEN' Consultation of SMEs on EU Regulation

ITRE/7/13307, 2013/2711(RSP) Rapporteur: Paul Rübig (EPP, AT)

The rapporteur stated that SMEs should not be over-regulated and should be allowed to be competitive. He welcomed the "Top Ten" initiative as part of the REFIT exercise, and thought that it should become a regular part of the screening procedure. Concerning his suggestions, he highlighted the need to avoid gold-plating, the importance of ex-ante controls, SME scoreboard integration and a new impact assessment (IA) culture. Regarding micro-businesses, he was not in favour of their exemption.

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DRI **EN**

Members highlighted the role of SMEs in growth and jobs creation and the need to reduce the administrative burden for them. Ms Andrés Barea (S&D, ES) agreed with administrative simplification, but considered that fundamental requirements should be satisfied in the area of health, safety at work and the environment. Mr Johansson (ALDE, SE) would improve trade between them. Ms Ford (ECR, UK) saw a need to recognise the difference between microenterprises and SMEs and to support the former by exempting them from certain provisions. She thought that the proposal should be more specific and made suggestions regarding the "Top Ten".

The Commission representative welcomed the motion for a resolution. Concerning point 6, he informed Members that the Commission was currently reviewing IA guidelines and working on the incorporation of the SME test into the IA body. On point 7, he said that the Commission was already doing this together with several EU associations, such as with regard to the Commission's 2014 work programme. He also proposed a change to the wording of recital F.

deadline for amendments: 7 November 2013 Timetable: vote in ITRE: 16 December 2013

5. Commission presentation of the Impact Assessment on the Telecoms regulation ITRE/7/14316

The Commission representative recalled the aims of the proposal - to contribute to the single market, leading to gradual market integration, to safeguard the open internet while leaving space for innovation, to enable benefits of economies of scale to be passed on to consumers without prejudicing operators of any size and minimal changes in governance. He said that the driving force for the proposal was the perception of regulatory fragmentation, and its sources - inconsistency in regulatory approaches, a lack of coordination of the spectrum assignment, a lack of pan-European virtual network access and market fragmentation harming consumers' interests. He stressed that subsidiarity and proportionality were key factors, and that the objective was to enable operators who wished to do so to carry on activities at a pan-European level and to offer consumers who so wished wider choices provided on a cross-border basis. He also briefed Members on the consultation with stakeholders and the assessment of the range of options considered.

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DRI

The BEREC representative said that a targeted harmonisation was strongly supported, as NRAs were aware of the significant challenges. He did not share the negative picture of the EU telecommunications market's performance and considered that the IA did not properly assess several issues. He mentioned in particular broadband penetration, pricing and performance (EU-US comparisons) and price variations in the EU, etc. Concerning the single market authorisation, there was a need to bear in mind that European operators entering multiple markets had to be aware of different legal and tax regimes. He was confident that the authorisation processes could be simplified and pointed to a proposal on reducing the administrative burden for pan-European operators developed by BEREC. He was also in favour of sustaining and encouraging investments, highlighting in particular small innovators.

Ms del Castillo Vera (EPP, ES), the rapporteur, considered that the IA had suffered from being prepared in too short a time, in particular in the case of new elements which should have been thoroughly assessed, such as the single EU authorisation. The proposal should be simpler and there was also the problem of timing. Nevertheless, she undertook to submit the report for a vote at the April 2014 plenary. She also thought that BEREC should be allowed to speak on these issues in all debates. Mr Chichester (ECR, UK) thought that stakeholders' views were not being properly taken into account and challenged the Commission's view of market fragmentation. He also questioned the significant transfers of competences from NRAs, in contrast to announced minimal governance changes. He regretted the choice of option 2, as he would prefer to build upon the existing regulatory framework. He considered that there was no need for urgent legislation, and if there were areas where such legislation was necessary, this would be better addressed by a separate measure. Mr Audy (EPP, FR) also regretted this choice, as he preferred option 3. He questioned the market logic on which the EU was relying, which was having a negative impact on the establishment of infrastructure.

The Commission representative shared with BEREC the view that the status quo in the area of authorisation was far from optimal. Concerning the actual degree of fragmentation, he said it was not a question of the number of subscribers, but rather of whether different subscribers under a single corporate roof benefited from similar levels of competitive choice, pricing, etc. In his opinion, this was not the case in Europe. Consumers' experience showed massive fragmentation, which was due to the variations in regulation, the levels of competition in different national markets

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DRI **EN**

and the conditions under which the spectrum was made available. He also referred to exogenous factors as an explanation for the variations in the sector. On the issue of benefits, he highlighted the need to ensure best practice on the part of various European markets in terms of competitiveness. Against this background, the Commission saw the proposal as pro-competitive as it aimed to increase the market dynamics which could accompany the sector towards future-oriented sustainable models. With regard to the spectrum, he explained that the Commission was proposing that Member States should be able to specify territorial coverage conditions accompanied by best practices, so that the spectrum assignment could be an engine for wireless coverage of most remote areas.

*** Electronic vote ***

6. CARS 2020: towards a strong, competitive and sustainable European car industry

ITRE/7/11711, 2013/2062(INI), COM(2012)0636

Rapporteur: Franck Proust (EPP, FR)

Opinions: INTA, BUDG, ECON, EMPL, ENVI, IMCO, TRAN

The draft report was adopted as amended (37 for, 5 against, 4 abstentions).

7. Opinion on the evaluation report regarding BEREC and the Office

ITRE/7/12036, 2013/2053(INI)

Rapporteur: Salvador Sedó i Alabart (EPP, ES)

Opinion: BUDG

The draft report was adopted as amended (44 for, 1 against, 0 abstentions).

8. Implementation report 2013: Developing and applying carbon capture and storage technology in Europe

ITRE/7/13221, 2013/2079(INI)

Rapporteur for the opinion: Vicky Ford (ECR, UK)

Responsible: ENVI

The draft opinion was adopted as amended (39 for, 5 against, 1 abstention).

9. ITER Programme

ITRE/7/14349, 2013/2916(RSP)

Rapporteur: Vladimír Remek (GUE/NGL, CZ)

The oral questions were adopted as amended (44 for, 0 against, 1 abstention).

*** End of electronic vote ***

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10. Deployment of the interoperable EU-wide eCall

ITRE/7/13030, 2013/0166(COD), COM(2013)0315

Rapporteur for the opinion: Adina-Ioana Vălean (ALDE, RO)

Responsible: TRAN

The rapporteur briefly recalled the background to and objective of the proposal. She supported it, but believed that the target date of 1 October 2015 was over-ambitious and recommended that it be postponed to June 2016. Moreover, she stressed the need to ensure an equal entitlement to emergency services for all citizens and to introduce an obligation for the Member States to ensure an equivalent level of accuracy and reliability of caller location of a 112 call initiated by a mobile terminal. The same amendment was tabled in both IMCO and TRAN and she hoped it could be supported.

Concerning the target date, Mr Belet (EPP, DE) said that the TRAN rapporteur supported the Commission proposal. If feasible, he would support it too, but he was not sure whether this would be possible for all Member States. In this context, he would consider postponement. Mr Tošenovský (ECR, CZ) advocated postponement in order to ensure smooth implementation. Regarding the enlargement of the field of application of the caller location system, they both supported the rapporteur's position. The latter added the need to address relevant legal aspects. Mr Prodi (S&D, IT) thought that there should also be a system or an application that would provide, besides the location, more details about the seriousness of the accident. Mr Belet also inquired about the HeERO 1 and 2 pilot projects.

Regarding 112, the Commission representative understood the aim of the amendments, but said that it would be difficult to guarantee the service, partly because of technological differences. Moreover, 112 in general was part of the Universal Services Directive and should be dealt with within that framework.

The rapporteur acknowledged his arguments, but was confident that greater determination could lead to a resolution of this issue.

<u>Timetable:</u> deadline for amendments: 7 November 2013

vote in ITRE: 28 November 2013

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11. Space surveillance and tracking support programme

ITRE/7/12177, 2013/0064(COD), COM(2013)0107 Rapporteur: Amelia Andersdotter (Greens/EFA, SE) Opinions: AFET, BUDG, ENVI, TRAN, REGI

On behalf of the rapporteur, Mr Johansson (ALDE, SE) gave a brief overview of the objectives of the proposal. In terms of suggestions, he proposed that the European Space Agency's (ESA) knowhow be taken on board via an agreement between the ESA and contributing Member States, as the ESA should be able to provide expertise. The scope of services should include the setting up of a publicly available catalogue of orbital elements of space objects and should also be open to any relevant addition services proposed at a later stage. The budget of EUR 70 million was included in the core text, as well as the general scope and specific objectives of the proposal. Moreover, the multiannual work programme should be considered by the Parliament prior to coming into force via delegated acts.

During the following discussion, Members mainly referred to the issue of the budget. For Ms Mazej Kukovič (EPP, SI), this was uncertain. The proposal should be more specific in this area, as it should be used for specific actions. Mr Prodi (A&D, IT) echoed her concerns about its uncertainty. He welcomed the fact that the rapporteur had included EUR 70 million in the text. On the other hand, Me Ehler (EPP, DE) supported the Commission's flexible approach, as he was concerned that it could endanger other programmes. However, he joined Ms Mazej Kukovič in highlighting the need to promote related research via Horizon 2020. Ms Carvalho (EPP, PT), rapporteur in BUDG, informed Members that the committee had already delivered its opinion. She would table the same amendments - insertion of EUR 70 million over seven years, to be drawn primarily from the Galileo and Copernicus programmes. Contributions from the Internal Security Fund and Horizon 2020 should also be possible, but these should be strictly limited to the protection of critical infrastructure and to space and security research. Mr Prodi would table amendments on defining the role of insurance companies covering the launch of satellites. He also proposed to create an ad-hoc high-level group on defining relations with the ESA and suggested that ENISA could play a role in the context of safety issues.

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The Commission representative suggested that a minimum contribution be considered (alongside the maximum budget) to ensure the funding of the programme.

<u>Timetable:</u> deadline for amendments: 13 November 2013

vote in ITRE: 16 December 2013

12. Debriefing of the ITRE delegation to South Korea and Japan (26-30 August 2013)

ITRE/7/14300

Ms Sartori (EPP, IT) reminded Members of the main focus of the delegation to South Korea and Japan - energy, innovation, growth and jobs, international trade, nuclear safety (also in the context of the Fukushima accident), national research programmes and possible cooperation, etc. She also gave a brief overview of the composition of the delegation, as well as of the meetings with various stakeholders, including public authorities, trade associations, universities and representatives of both local and European companies.

13. Feedback from ongoing trilogues (Rule 70.4)

ITRE/7/11854

Mr Tošenovský (ECR, CZ) and Ms Vălean (ALDE, RO) briefed Members about the ongoing trilogues for their respective reports on guidelines for trans European telecommunications networks and on the notification to the Commission of investment projects in energy infrastructure within the European Union.

Next meetings

• 7 November 2013, 9.00 – 12.30 (Brussels)

• 27 November 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)

• 28 November 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)

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