



Council of the
European Union

Brussels, 29 September 2014

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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 on 24-25 September 2014 (items 4-5, 7-10)

A meeting of the ITRE Committee with a discussion with Commissioner Nelli Feroci on Industry, Competitiveness and Space policy and with Commissioner Oettinger on Security of Supply and Energy Efficiency. ITRE adopted its opinion on the EU general budget for the 2015 financial year.

4. Industry, Competitiveness and Space policy, Presentation by Commissioner Nelli Feroci

Commissioner FEROCI started by presenting the main findings of two Commission reports on competitiveness published on 11 September, which would contribute to the Annual Growth Survey and to the 2015 European Semester. He informed MEPs that the Commission recently launched a public consultation in order to update the Small Business Act.

On the incident related to the launch of two Galileo satellites last August, he explained that the Commission was currently working with an independent inquiry commission in order to establish the cause of the incident and that a final report was expected by the end of November. In addition, he said that ESA (European Space Agency) was assessing whether the two satellites could still be used and for which purposes.

During the ensuing discussion:

- Mr EHLER (EPP, DE) asked whether budget cuts were planned in the space area in the 2015 draft budget.
- Mr HENKEL (ECR, DE) referred to press articles according to which Israel had offered support to get the satellites in the right orbit and wondered about possible US support on the matter.
- Ms van NIEUWENHUIZEN (ALDE, NL) expressed concerns about the effect of this incident on the EU budget.
- Mr SYLIKIOTIS (GUE/NGL, CY) agreed with the need to support SMEs but criticized the fact that cuts had been made in next year's programme for SMEs. On Galileo, he asked how to avoid this kind of incident, given the significant amount of expenditure involved.
- Mr HELMER (EFDD, UK) considered that high energy prices were due to EU and national climate policies.
- Mr SCHAFFHAUSER (NI, FR) wondered whether the cooperation with Russia on Galileo would be pursued.

During the second round of interventions, MEPs focused questions on the consequences of the Galileo incident (Mr MARINESCU (EPP, RO), Mr TELIČKA (ALDE, CZ), and on the need to support SMEs (Mr SALINI (EPP, IT), Ms SANDER (EPP, FR)).

Commissioner FEROCI replied that proposed budget cuts for 2015 were not directly affecting Galileo funding. He explained that the inquiry on the Galileo's incident had to be completed first in order to have a clear picture of the situation and to envisage possible options and remedies.

5. Security of Supply and Energy Efficiency, Presentation by Commissioner Oettinger

Commissioner OETTINGER presented EU challenges related to energy security and energy efficiency. He hoped that strong commitments would be taken at the next **European Council** on the 2030 framework for climate and energy, recalling the ambitious goals proposed by the Commission on GHG reductions, energy efficiency and renewables. He stressed that security of supply was increasingly important since the Ukraine crisis and indicated that on 6 October, the Commission was planning to issue an in-depth analysis on the EU energy market's situation. While highlighting the different situations of Member States in terms of energy dependence and imports, he outlined various measures in order to ensure security of supply across the whole of the EU, stressing in particular interconnections, use of reverse flow technologies and prospects with third countries.

In the following discussion:

- Mr KARIŅŠ (EPP, LV) thanked the Commissioner for the fruitful cooperation over the last years. In the light of recent geopolitical events, he asked how to reconcile the need to lower GHG emissions with the need to increase energy security.
- Mr ZORRINHO (S&D, PT) felt that the issue of interconnectivity would be crucial for the next Commission mandate, raising in particular the interconnectivity of the Iberian peninsula.
- Mr JACKIEWICZ (ECR, PL) asked about the effects of energy measures on Member States' competitiveness, in particular in Member states using carbon and nuclear energy.
- Mr PETERSEN (ALDE, DK) considered that more instruments were needed in order to increase cooperation on energy at EU level.
- Mr RANSDORFF (GUE/NGL, CZ) stressed the urgency to tackle the energy crisis.
- Mr TURMES (Greens/EFA, LU) took the view that renewables should be first priority.
- Mr TAMBURRANO (EFDD, IT) underlined the need for investment in renewable energy. He wondered whether nuclear energy would be part of the EU energy policy, referring to recent press statements according to which the Commission had approved state aids for a UK nuclear power plant.
- Mr SCHAFFHAUSER (NI, FR) enquired about the alternatives to Member States' dependence on Russian gas and asked how to finance energy efficiency.

In the next round of questions, several MEPs, raised the need to do more on energy security (Mr BALČYTIS (S&D, LT)), infrastructures (Mr GYÜRK (EPP, HU)), interconnectivity (Mr BLANCO LÓPEZ (S&D, ES)), energy efficiency (Ms WERNER (S&D, DE)). Some (Ms DALLI (S&D, MT), Ms SPYRAKI (EPP, EL), Mr SYLIKIOTIS (GUE/NGL, CY)) supported the creation of a Mediterranean Gas Hub and the financing of projects in the region. Ms MOODY (S&D, UK) asked whether the Commission would take a decision related to the UK reactor before the end of the Commission mandate. Ms KIRTON DARLING (S&D, UK) enquired about CCS (Carbon Capture and Storage) technologies. Mr LEWANDOWSKI (EPP, PL) asked about the link between energy and digital markets.

In his replies, Commissioner OETTINGER pleaded for more "Europeanisation" and coordination of energy markets. He indicated that the EU could provide stimulus and funding for industry, research and energy projects but that it remained a small percentage compared to Member states' means. On energy efficiency, he considered that the EU was going in the right direction to reach the 2020 target of 20% of energy savings and that a new goal should be set for the next decade. On the use of coal in some EU countries, he explained that, while decreasing - notably with the help of CCS skills, he felt that it would remain part of the energy mix in many Member States in the years to come. He raised the key importance of the "Connecting Europe" projects, stressing in particular the need for more interconnectors for energy from Spain and Portugal. He also said that energy infrastructures, in particular energy terminals, were still very linked to national policies. He added that the Mediterranean region had a key role to play and that concrete projects were currently being discussed. He also referred to important CCS research projects involving notably the UK. Finally, he felt that energy and digital policies shared some similar aspects, in particular as regards infrastructures.

7. Protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure

Rapporteur for the opinion: Ms RIVASI (Greens/EFA, FR)

Responsible: JURI –

- Presentation by the Commission

The Commission representative presented the Commission proposal on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure adopted on 28 November 2013.

- The rapporteur, Ms RIVASI (Greens/EFA, FR), believed that the definition of trade secrets was too broad and could open the door to uncertainties. She considered that trade secrets were already well protected, notably by patent legislation, and feared that this proposal could go against citizens' health or freedom of expression.
- Mr PATRICIELLO (EPP, IT) and Ms SANDER (EPP, FR) supported the proposal given the need to protect know-how and innovation, in particular for SMEs.
- Ms WERNER (S&D, DE) also welcomed the initiative for SMEs. She felt that the definition of trade secrets could introduce the concept of commercial value and cover processing of personnel data.
- Mr PETERSEN (ALDE, DK), on behalf of Mr DE BACKER (ALDE, BE) agreed with the objective of the Directive consisting in introducing legal security and a minimum level of redress. He questioned the limitation period of two years to launch remedies, referring to the different views of the Council on the matter. As regards compensation, he wondered on the basis on which criteria royalties could be awarded.

The Commission representative replied that the patent was different than the know-how and that one could not use trade secrets not to disclose information regarding environment and health. He added that that the Commission had proposed a period of two years to take legal action, considering that beyond that, a company could stop a competitive innovation. He also mentioned that royalties would be a possibility that the judge would determine on a case-by-case basis.

The rapporteur concluded that the discussion should focus on the added value of the proposal and on the need to prevent business to use it for other purposes.

*** *Electronic vote* ***

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

Rapporteur for the opinion: Mr BUZEK (EPP, PL)

Responsible: BUDG –Ms GARDIAZABAL RUBIAL (S&D, ES), Ms HOHLMEIER (EPP, DE)

- The draft opinion was adopted as amended by 50 votes in favour, 5 votes against and 1 abstention.

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9. Reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC

Rapporteur for the opinion: Mr GIEREK (S&D, PL)

Responsible: ENVI – Ms GIRLING (ECR, UK)

- Presentation by the Commission - *see under item 10*

10. Limitation of emissions of certain pollutants into the air from medium combustion plants

Rapporteur for the opinion: Mr FEDERLEY (ADLE, SE)

Responsible: ENVI –Mr GRZYB (EPP, PL)

- Presentation by the Commission

The Commission representative presented the proposal on the reduction of national emissions of certain atmospheric pollutants as well as the proposal on the limitation of emissions of certain pollutants into the air from medium combustion plants adopted on 18 December 2013.

- The rapporteur on the first proposal, Mr GIEREK (S&D, PL) considered that it was a very important directive but that it should put much more emphasis on nanoparticles.
- The rapporteur on the second proposal, Mr FEDERLEY (Greens/EFA, SE), supported both proposals given their importance for the health and environment. He wondered about their compatibility with EU climate and energy policies.
- Ms VIRKKUNEN (EPP, FI) asked about the impact and the costs of this package on agriculture and about its flexibility to take into account the different Member states' situations.
- Mr REUL (EPP, DE) agreed with the objective of both proposals but questioned their economic viability and the need regulate at this level of detail. Mr FOX (ECR, UK) shared similar concerns, raising the risks of industry relocation and the need for flexibility for Member States to reach targets.

- Ms KUMPULA-NATRI (S&D, FI) highlighted the costs and impact of air pollution on health, and the need to develop renewables.
- Ms RIVASI (Greens/EFA, FR) stressed the serious health and environment impacts of air pollution and considered that the Commission proposals could have gone further, notably by covering mercury. She was pleased that the second proposal would introduce necessary standards for biomass plants.

The Commission representative replied that the proposals has been the subject of a long and consultation and preparation process with industry and agricultural sectors. She added that the Commission had looked at the macro-economic effects of the proposals and had used the most advanced modelling tools. She added that the Commission had tried to minimize the costs and had not received negative reactions from the industry. She stressed the complementarity of the proposals with the climate and energy package and added that a future Commission proposal should cover mercury.

Next meetings

- 5 November 2014, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
- 6 November 2014, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)
