

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE EUROPEAN COMMISSION WORK PROGRAMME PRIORITIES FOR SCRUTINY

PRIORITIES CONTINUING FROM LAST YEAR

Directives on public procurement

In December 2011, as announced in the Single Market Act, the Commission adopted its proposals on public procurement. Over 2,500 amendments were submitted during the European Parliament's Internal Market and Consumer Protection Committee's consideration of the proposals. The Committee's report was expected to be submitted to the Parliament in January 2013 with a vote of the plenary expected in April 2013. The proposal requires the agreement of the European Parliament and the Council of Ministers.

The Scottish Government intends to bring forward its own legislation in the shape of a public procurement bill, which will implement the EU Directives. It is understood that the Scottish Government's Bill is likely to be introduced later this year.

Committee Agreed Action

The Committee agreed to keep a watching brief on the outcome of the European institutions consideration of the Directives ahead of scrutinising the Scottish Government's public procurement bill.

Safeguarding Europe's Water Resources (EU water blueprint)

In 2000, the Water Framework Directive (WFD) established a legal basis to protect and restore clean water across Europe and to ensure its long-term, sustainable use. The general objective of the WFD is to get all water – for example, lakes, rivers, streams and groundwater aquifers – into a healthy state by 2015. But the achievement of EU water policy goals is threatened by a number of old and emerging challenges.

In November 2012, the European Commission published its proposals for a Water Resources Blueprint. The Blueprint to Safeguard Europe's Water Resources is the EU's policy response to the continuing challenge of delivering the EU's water policy goals. The Water Blueprint proposals are the result of a process that involved extensive public and stakeholder consultations.

The "Blueprint" outlines actions that concentrate on better implementation of current water legislation, integration of water policy objectives into other policies, and filling the gaps in particular as regards water quantity and efficiency. The objective is to ensure that a sufficient quantity of good quality water is available for people's needs, the economy and the environment throughout the EU.

Committee Agreed Action

This was a priority for the Committee last year as a result of its relevance to the Water Resources (Scotland) Bill. The Committee is currently scrutinising the Water Resources (Scotland) Bill at Stage 2 and will consider the implications of the Blueprint during their on-going consideration of the Bill.

Review of State aid Guidelines for broadband networks

In September 2012, the Committee submitted its report on broadband infrastructure to the European Commission to feed in to the Commission's review of state aid guidelines for broadband networks. In December 2012, the European Commission adopted in principle the new EU Guidelines for the application of state aid rules in relation to the rapid deployment of broadband networks. Formal adoption is expected in January 2013. These changes focus on the following principles and priorities¹:

- Technological neutrality: the new guidelines take into account technological advances, acknowledging that super-fast (Next Generation Access) networks can be based on different technological platforms.
- Ultra-fast broadband networks: to help achieve the Digital Agenda objective of delivering very fast connections (of more than 100 Mbps) to half of European households by 2020, the revised guidelines will allow public funding also in urban areas but subject to very strict conditions to ensure a pro-competitive outcome.
- Step change to connectivity: to protect private investors, the guidelines require that any public investment must fulfil a so-called "step change": publicly financed infrastructure can only be allowed if it provides a substantial improvement over existing networks and not only a marginal improvement in citizens' connectivity.
- Reinforcement of open access: when a network is realised with taxpayers' money, it is fair that the consumers benefit from a truly open network where competition is ensured.
- Transparency: new provisions regarding the publication of documents, a centralised data base for existing infrastructure and ex post reporting obligations to the Commission have been introduced.

Committee Agreed Action

The Committee will monitor the progress of the Commission's proposals through the European legislative process. The Committee will also write to the Scottish Government asking for details on its engagement with this proposal at EU and UK level.

¹ http://europa.eu/rapid/press-release_IP-12-1424_en.htm

NEW PRIORITIES

Proposal 1

Reducing the costs of broadband infrastructure deployment

Following the 2012 [consultation](#) on broadband infrastructure the European Commission will propose a regulation which would reduce the cost of deploying high-speed broadband networks across the EU. This would incentivise investment in line with Digital Agenda high speed internet targets. The Regulation would mainly set out rights and obligations directly applicable to telecom operators and other utilities (e.g. water, energy, railways).

The Committee submitted its Report on broadband infrastructure to the Commission in response to the broadband infrastructure consultation.

Committee Agreed Action

As the European Commission has already consulted on the rollout of broadband infrastructure, the Committee's ability to influence is likely to be limited. However, given the Committee's previous engagement on broadband, the Committee will, in its letter to the Scottish Government on the on-going priority of the review of State aid Guidelines for broadband network, ask for details on its engagement with this proposal at EU and UK level.

Proposal 2

Initiative on E-invoicing in the field of public Procurement

This initiative would eliminate the fragmentation of the Internal Market by promoting the use of B2G e-invoicing in the public sector and enhancing the interoperability of national e-invoicing systems. It would help to reduce the operating costs of enterprises and the procurement costs of public authorities by fostering the automation of procedures related to invoicing.

An initiative promoting the use of e-invoicing in public procurement would be consistent with the overall Commission policy on e-invoicing and would contribute to achieving the objectives of several existing Commission initiatives, in particular the Digital Agenda for Europe.

The Commission recently adopted Communication on "A strategy for e-procurement", (COM(2012)179)5, which states that "the ultimate goal is "straight through e-procurement" with all phases of the procedure from notification (e-notification) to payment (e-payment) being conducted electronically;

According to the European Commission:

"This initiative would eliminate the fragmentation of the Single Market by promoting the use of e-invoicing in public procurement and enhancing the interoperability of national e-invoicing systems. It would help to reduce the operating costs of enterprises and the procurement costs of public authorities by fostering the

automation of procedures related to invoicing, and would facilitate cross-border invoicing transactions.”²

Committee Agreed Action

The Committee will have consideration of the move to e-procurement when they consider the Scottish Government’s public procurement bill.

Proposal 3

Action Plan on Wireless Communications for a Connected Europe

The aim of the non-legislative Communication is to lay down an action plan to meet the challenges the EU is facing in the coming years with regard to dynamic market developments and exponential traffic growth in wireless services.

Policy objectives include accelerating the roll-out of wireless broadband networks, fostering shared spectrum use, exploitation of EU R&D results on wireless communications and enhancing global spectrum harmonisation.

Committee Agreed Action

The Committee will request further information once the Action Plan is published which is expected before Summer 2013.

Proposal 4

State aid Modernisation: General block exemption Regulation (GBER)

In June 2012 the European Commission announced it was going to undertake a review and modernisation of its state aid policy framework.

Regulation No 994/98 enables the European Commission to adopt so-called Block Exemption Regulations for State aid. These enabling regulations allow the Commission to declare specific categories of State aid as compatible with the Treaty if they fulfil certain conditions, thus exempting them from the requirement of prior notification and Commission approval.

The enabling Regulation allowed the Commission to then introduce Regulation 800/2008. This Regulation authorises aid in favour of SMEs, research, innovation, regional development, training, employment, risk capital and environmental protection aid. The Regulation also introduces aid measures promoting entrepreneurship, such as aid for young innovative businesses, aid for newly created small businesses in assisted regions, and measures tackling problems like difficulties in access to finance faced by female entrepreneurs.

As well as encouraging Member States to focus on aid that will be of real benefit to job creation and competitiveness, the Regulation reduces the administrative burden for the public sector, the beneficiaries and the Commission .

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http://ec.europa.eu/governance/impact/planned_ia/docs/2013_markt_015_e_invoicing_public_procurement_en.pdf

In December 2012, the Commission published proposals to amend the enabling Regulation (994/98) to allow a greater range of General Block Exemptions when that requires to be renewed at the end of 2013.

The proposed extension of the Enabling Regulation (994/98) would allow the Commission to exempt certain categories of aid from prior notification to the Commission. The Commission proposes to allow the adoption of such exemptions for aid to culture, aid for compensating damages caused by natural disasters, aid for innovation, aid for forestry, aid to compensate the damage caused by adverse weather conditions in fisheries, aid for amateur sports, as well as certain types of aid for transport and for broadband infrastructure³.

The proposed amendment requires the approval of the Council and the Commission hope to finalise this before the end of 2013 in line with its other state aid initiatives.

Amendment of the GBER is expected during 2013, the Commission is likely to publish proposals in the latter half of 2013 which aim to build on the block exemptions outlined in the 2008 Regulation as a result of the changes made to the enabling Regulation.

Committee Agreed Action

The Committee will write to the Scottish Government and ask for an update on how it is engaging with the State Aid modernisation agenda at both EU and UK level.

In addition, the Committee will request a briefing from SPICe on developments in the State Aid framework.

Proposal 5

State aid modernisation in key sectors

In June 2012 the European Commission announced it was going to undertake a review and modernisation of its state aid policy framework.

Further details of the proposal were contained in remarks by Joaquín Almunia, Vice President of the European Commission responsible for Competition Policy in June 2012⁴. The Commissioner stated that modernisation would involve the streamlining of state aid controls along with a review of the state aid guidelines which cover a number of policy sectors including national regional aid, broadband, aviation and the rescue and restructuring of non-financial firms. These revisions aim to support the EU's strategy for economic growth, to quicken decision making.

The Commission is aiming to have a new set of amended Regulations in place by the end of 2013.

³ http://europa.eu/rapid/press-release_MEMO-12-936_en.htm

⁴ http://europa.eu/rapid/press-release_SPEECH-12-424_en.htm

Committee Agreed Action

The Committee will write to the Scottish Government and ask for an update on how it is engaging with the State Aid modernisation agenda at both EU and UK level.

The Committee will also request a briefing from SPICe on developments in the State Aid framework.

PROPOSALS NOT IDENTIFIED AS PRIORITIES BUT WHICH ONGOING THE COMMITTEE WILL KEEP A WATCHING BRIEF

Proposal 6

A Blue Belt for a single market for maritime transport

To reduce the administrative burden for intra-EU maritime transport to a level that is comparable to that of other transport modes by avoiding multiple controls (including customs). The proposal will be supported by modern ICT technologies, which permit the reliable tracking of ships and cargo with a sufficient level of certainty when shipping operates within the Single Market.

According to the European Commission:

“Approximately 40% of Single Market goods are transported via short sea shipping between EU ports. Today, vessels travelling between EU ports are deemed to have left the EU Customs Territory. As a result, under normal procedures, ships delivering cargo from one Member State to another must still go through the same complex administrative formalities as ships arriving from overseas ports.

Therefore, even though administrative simplified procedures for maritime transport have already been introduced by EU legislation, vessels travelling between EU ports still encounter a significant number of complex procedures which put intra-EU shipping at a disadvantage in comparison to other transport modes.

In order to establish a true internal market for goods carried by ships, within its wider efforts to boost marine and maritime growth¹⁵, the Commission will table a "Blue Belt" package with legislative and non-legislative initiatives to reduce the administrative burden for intra-EU maritime transport to a level that is comparable to that of other transport modes (air, rail, road). This will be supported by modern ICT technologies, which permit the reliable tracking of ships and cargo with a sufficient level of certainty when shipping operates within the Single Market.”⁵

Proposal 7

Framework on the future EU ports' policy

This proposal is carried over from the Commission's 2011 Work Programme. It was also identified as a Committee priority last year.

⁵ http://ec.europa.eu/internal_market/smact/docs/single-market-act2_en.pdf

The European Commission held a Ports Policy Conference in September 2012 to agree a new Ports Policy Package which will be launched in 2013 and will involve a mixture of legislative and non-legislative measures.

Competition between and within ports is increasing for a number of reasons, highlighting factors that distort trade flows between Member States:

The 2013 Work Programme suggests that the future ports policy will aim to enhance the efficiency and overall quality of port services and address the obligations of Member States regarding the sound planning of ports and hinterland connections. In addition, the proposals are likely to aim to ensure that there is no distortion in the single market by addressing⁶:

- liberalisation of the internal market;
- technological changes (application of information technology, standardisation of loading units);
- development of the trans-European network, which provides users and operators with greater choice in an intermodal environment.
- The need for a Community framework to ensure the principle of free and fair competition.

Proposal 8

Internal Road Market - Access to the road haulage market and access to occupation of road transport operator

The initiative will set out to improve the economic and environmental efficiency of road freight transport by further lifting the restrictions to cabotage (meaning the national carriage of goods for hire or reward carried out by non-resident hauliers on a temporary basis in a host Member State). It will create a more even playing field by including provisions to apply social rules of the host country in the case of long stay of drivers and provisions for a more uniform enforcement.

The proposals will follow on from the report of the findings of a high level group on

The High Level Group concluded that:

“The creation of a Single European Transport Area will bring substantial benefits to Member States in terms of market efficiency, thereby enhancing industrial growth. The enhancement of such industrial growth through improved efficiency in the logistics chain is considered vital to meet both the present needs of the Union with respect to the current downturn in economic activity and the continuing and long term needs of the Union with respect to its economic development and competitiveness in the face of fast increasing global competition.

⁶ http://ec.europa.eu/transport/modes/maritime/ports_en.htm

The Report recommends a gradual and continuous opening up of the road haulage market with appropriate regulatory measures. We were asked specifically to take into account the views and concerns of the different stakeholders and our proposals seek to achieve an acceptable balance between the different views and concerns in such a manner and to such an extent as to allow continual progress in market opening and the eventual achievement of a Single European Transport Area. The proposal is for a system that is entirely flexible with respect to the speed of change thus allowing the process to be accelerated or not according to circumstances at any particular time.”⁷

⁷ <http://ec.europa.eu/transport/modes/road/doc/2012-06-high-level-group-report-final-report.pdf>