

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0007/2003

23 January 2003

REPORT

on the proposal for a Council decision on adopting a multi-annual programme (2003-2005) for the monitoring of eEurope, dissemination of good practices and the improvement of network and information security (MODINIS) (COM(2002) 425 – C5-0425/2002 – 2002/0187(CNS))

Committee on Industry, External Trade, Research and Energy

Rapporteur: Imelda Mary Read

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
DRAFT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT	14
OPINION OF THE COMMITTEE ON BUDGETS	18
OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS	25

PROCEDURAL PAGE

By letter of 19 September 2002 the Council consulted Parliament, pursuant to Article 157(3) of the EC Treaty, on the proposal for a Council decision on adopting a multi-annual programme (2003-2005) for the monitoring of eEurope, dissemination of good practices and the improvement of network and information security (MODINIS) (COM(2002) 425 – 2002/0187(CNS)).

At the sitting of 9 October 2002 the President of Parliament announced that he had referred this proposal to the Committee on Industry, External Trade, Research and Energy as the committee responsible and the Committee on Budgets, the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs and the Committee on Culture, Youth, Education, the Media and Sport for their opinions (C5-0425/2002).

The Committee on Industry, External Trade, Research and Energy had appointed Imelda Mary Read rapporteur at its meeting of 27 August 2002.

It considered the Commission proposal and the draft report at its meetings of 8 October 2002, 25 November 2002 and 22 January 2003.

At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Carlos Westendorp y Cabeza, chairman; Peter Michael Mombaur, Yves Piétrasanta and Jaime Valdivielso de Cué vice-chairmen; Imelda Mary Read, rapporteur; Per-Arne Arvidsson (for Bashir Khanbhai), Sir Robert Atkins, María del Pilar Ayuso González (for Marjo Matikainen-Kallström), Bastiaan Belder (for Yves Butel), Guido Bodrato, Marco Cappato, Massimo Carraro, Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Willy C.E.H. De Clercq, Concepció Ferrer, Christos Folias (for W.G. van Velzen), Per Gahrton (for Caroline Lucas), Neena Gill (for Luis Berenguer Fuster), Norbert Glante, Michel Hansenne, Roger Helmer (for Konrad K. Schwaiger), Hans Karlsson, Efstratios Korakas (for Konstantinos Alyssandrakis, pursuant to Rule 153(2)), Dimitrios Koulourianos (for Roseline Vachetta), Werner Langen, Rolf Linkohr, Erika Mann, Eryl Margaret McNally, Elizabeth Montfort, Angelika Niebler, Giuseppe Nisticò (for Umberto Scapagnini), Seán Ó Neachtain, Reino Paasilinna, Paolo Pastorelli, Elly Plooij-van Gorsel, Samuli Pohjamo (for Colette Flesch), John Purvis, Godelieve Quisthoudt-Rowohl, Bernhard Rapkay (for Olga Zrihen Zaari), Mechtild Rothe, Christian Foldberg Røvsing, Paul Rübig, Gilles Savary (for Harlem Désir), Esko Olavi Seppänen, Gary Titley, Claude Turmes, Alejo Vidal-Quadras Roca and Myrsini Zorba.

The opinions of the Committee on Budgets and the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs are attached; the Committee on Culture, Youth, Education, the Media and Sport decided on 10 September 2002 not to deliver an opinion.

The report was tabled on 23 January 2003.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council decision on adopting a multi-annual programme (2003-2005) for the monitoring of eEurope, dissemination of good practices and the improvement of network and information security (MODINIS) (COM(2002) 425 – C5-0425/2002 – 2002/0187(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2002) 425¹),
 - having been consulted by the Council pursuant to Article 157(3) of the EC Treaty (C5-0425/2002),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, External Trade, Research and Energy and the opinions of the Committee on Budgets and the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs (A5-0007/2003),
1. Approves the Commission proposal as amended;
 2. Considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 3 of the Financial Perspective without restricting other policies;
 3. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 4. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 5. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
 6. Instructs its President to forward its position to the Council and Commission.

¹ OJ C 291E, 26.11.2002, p. 243.

Amendment 1
Recital 6

(6) The Council Resolution of 30 May 2001-eEurope Action Plan: Information and Network Security and the Council Resolution of 6 December 2001 on "a common approach and specific actions in the area of network and information security" called upon Member-States to launch specific actions to enhance the security of electronic communication networks and information systems. **It** further welcomed the intentions of the Commission to develop amongst others a strategy for a more stable and secure operation of the Internet infrastructure and to make a proposal for the establishment of a cyber-security task force.

(6) The Council Resolution of 30 May 2001-eEurope Action Plan: Information and Network Security and the Council Resolution of 6 December 2001 on "a common approach and specific actions in the area of network and information security" **and the European Parliament resolution of 22 October 2002 entitled "Network and Information Security: Proposal for a European policy"** called upon *Member States* to launch specific actions to enhance the security of electronic communication networks and information systems. **The Council and the European Parliament** further welcomed the intentions of the Commission to develop amongst others a strategy for a more stable and secure operation of the Internet infrastructure and to make a proposal for the establishment of a cyber-security task force.

Justification

Parliament has on several occasions expressed its position in favour of dealing with network security at European level.

Amendment 2
Recital 6 a (new)

(6a) The eEurope 2005 Action Plan, endorsed by the Seville European Council on 21/22 June 2002, proposed the establishment of a cyber security task force to become a centre of competence on security questions.

Justification

Self explanatory.

Amendment 3
Recital 7, paragraph 2

The Information Society gradually reorganises the nature of economic and social activity and has important cross-sectoral effects in areas of activity to date independent. The measures necessary for its implementation should take into account the economic and social cohesion of the Community and the risks associated with **a two-tier society** as well as the efficient functioning of the Internal market.

The Information Society gradually reorganises the nature of economic and social activity and has important cross-sectoral effects in areas of activity to date independent. The measures necessary for its implementation should take into account the economic and social cohesion of the Community and the risks associated with **digital exclusion** as well as the efficient functioning of the Internal market.

Justification

The term digital exclusion offers a clearer definition of the intention of this paragraph.

Amendment 4
Recital 7, paragraph 2 a (new)

The European Union and Member States actions in the field of the Information Society aim to further promote the participation of disadvantaged groups - women, disabled people, elderly people and unemployed people- in the Information Society.

Justification

Progress in the Information Society field can offer new opportunities to people in these groups, who in the past have often been unable to take advantage of developments in information and communication technologies.

Amendment 5
Recital 13 a (new)

(13a) The monitoring of Member States

performances and the comparison of these performances with the best in the world, as well as the exchange of experiences in the field of good practices will benefit from the co-operation with countries of the European Economic Area and the associated countries of central and Eastern Europe, Cyprus, Malta and Turkey.

Justification

Self explanatory

Amendment 6
Recital 13 b (new)

(13b) Co-operation with the associated countries of Central and Eastern Europe, Cyprus, Malta and Turkey in the field of the analysis of economic and societal consequences of Information society will diminish the risks of digital divide after the enlargement of the European Union to the candidate countries.

Justification

Self explanatory

Amendment 7
Recital 13 c (new)

(13c) On 16 June 2001 the "Europe Plus 2003 Action Plan" was launched in Gothenburg, where the Heads of Government of the EU candidate countries embraced the challenges of the knowledge-based economy.

To enable comparison of data for monitoring and benchmarking between

eEurope and eEurope +2003, the candidate countries have agreed to use the same indicators that have been selected and agreed by the EU-15 for eEurope.

As far as possible, the relevant institutions of the candidate countries (notably the statistical offices) engaged themselves to work closely with those of the EU Member States with the aim to develop a common methodology.

Justification

Self explanatory

Amendment 8 Recital 14

Since the measures necessary for the implementation of this Decision are **management** measures within the meaning of the Article 2 of the Council Decision 1999/468/EC of 28 June 1999 laying down the procedures of implementing powers conferred on the Commission, they should be adopted by use of the **management** procedure provided for in the Article 4 of that Decision¹⁴.

¹⁴ Council Decision 1999/468/EC, laying down the procedures for the exercise of implementation powers conferred to the Commission OJ L 184, 17.7.1999, p.23.

Since the measures necessary for the implementation of this Decision are **advisory** measures within the meaning of the Article 2 of the Council Decision 1999/468/EC of 28 June 1999 laying down the procedures of implementing powers conferred on the Commission, they should be adopted by use of the **advisory** procedure provided for in the Article 3 of that Decision¹⁴.

¹⁴ Council Decision 1999/468/EC, laying down the procedures for the exercise of implementation powers conferred to the Commission OJ L 184, 17.7.1999, p.23.

Justification

The advisory committee would be a better alternative for the committee structure in order to improve the implementation and facilitate administration.

Amendment 9 Article 1(a)

The programme has the following

The programme has the following

objectives:

a) to monitor performance of and within Member States and to compare them with the best in the world and carry out appropriate policy conclusions by using, where possible, official statistics;

objectives:

a) to monitor performance of and within Member States and to compare them with the best in the world and carry out appropriate policy conclusions by using, where possible, official statistics, ***inviting the Member States to provide the most up-to-date possible statistics;***

Justification

The limits of comparative analysis lie in the difficulty of obtaining reliable statistics. The Member States should provide these in efficient and timely fashion.

Amendment 10 Article 1, point c)

c) to analyse the economic and societal consequences of the Information Society with the view to appropriate policy responses particularly in terms of industrial competitiveness and cohesion;

c) to analyse the economic and societal consequences of the Information Society with the view to appropriate policy responses particularly in terms of industrial competitiveness and cohesion ***as well as in terms of social inclusion in order to eliminate the risks of digital divide and in terms of the smooth running of the internal market, for example in the areas of e-commerce and the development of on-line services;***

Justification

The degree to which all members of society are able to participate in the Information Society must be addressed when examining its societal consequences.

Amendment 11 Article 1, point d)

d) to enhance national and European efforts for improving network and information security and to foster the

d) to prepare for the establishment of the cyber security task force, as foreseen in the eEurope 2005 Action Plan, with a view to improving network and information

development of broadband rollout.

security, and to foster the development of broadband rollout.

Justification

This amendment adds focus to this particular objective, taking into account the proposals for a cyber security task force contained in the eEurope 2005 Action Plan. Work done under the MODINIS programme on network and information security should be closely linked to the establishment of this task force.

Amendment 12 Article 2, point e)

e) financing surveys, studies, workshops ***in the area of network and information security (e.g. security mechanisms and their interoperability, network reliability and protection, advanced cryptography, privacy and security in wireless communications), in particular on existing or emerging threats and also with the view to prepare the activities of the networks security task-force;***

e) ***preparation for the establishment of the cyber-security task-force, as foreseen in the eEurope 2005 Action Plan, through, inter alia, financing surveys, studies, workshops on subjects including security mechanisms and their interoperability, network reliability and protection, advanced cryptography, privacy and security in wireless communications;***

Justification

This is complementary to Amendment 8. It takes into account the future establishment of a cyber security task force, as proposed under the eEurope 2005 Action Plan.

Amendment 13 Article 6

1. The Commission shall be assisted by a Committee composed of ***representatives of the Member States*** and chaired by the representative of the Commission.

2. Where reference is made to this paragraph, the ***management*** procedure laid down in ***Article 4*** of Decision

1. The Commission shall be assisted by a Committee composed of ***one representative from each Member State*** and chaired by the representative of the Commission.

Representatives of the candidate countries as well as of other participant countries can participate in committee proceedings as observers in case they are concerned by a specific point on the agenda.

2. Where reference is made to this paragraph, the ***advisory*** procedure laid down in ***Article 3*** of Decision

1999/468/EC shall apply in compliance with Article 7(3) thereof.

3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at three months

1999/468/EC shall apply in compliance with Article 7(3) thereof

Deletion

Justification

The advisory committee would be a better alternative for the committee structure in order to improve the implementation and facilitate administration. Member States should have one representative each in order to facilitate the decision-making of the committee. The representation of the candidate countries should be made possible whenever there is a point in the agenda concerning their country.

Amendment 14 Article 7, paragraph 4

4. At the end of the programme, the Commission will submit to the European Parliament, to the Council and to the Economic and Social Committee an evaluation report on the results obtained in implementing the actions referred in the article 2.

4. At the end of the programme, the Commission will submit to the European Parliament, to the Council and to the Economic and Social Committee an evaluation report on the results obtained in implementing the actions referred in the article 2. ***Annually, when the Commission presents the preliminary draft budget, it shall forward to the budgetary authority the results of quantitative and qualitative evaluation based on the annual implementation plan and performance indicators.***

Justification

The Commission has undertaken to present and follow-up annual implementation plans.

Amendment 15 Article 7 a (new)

Article 7a

1. The Programme may be opened, within the framework of their respective agreements with the European Community, to participation of countries of the European Economic Area and the associated countries of Central and Eastern Europe, Cyprus, Malta and Turkey.

2. In the course of implementing this

Decision, co-operation with EEA countries as well as with associated countries of Central and Eastern Europe, Cyprus, Malta and Turkey shall be encouraged.

Justification

Wide participation in the programme will enhance its ability to meet its objectives. Candidate countries should have the opportunity to join the programme following enlargement of the European Union.

EXPLANATORY STATEMENT

Contents of the Commission's proposal

In 1998, the PROMISE programme was created to promote the information society in Europe. This coincided with the *eEurope* 2002 action plan, which set 64 targets to be achieved by the end of 2002 under the umbrella of three overall objectives: cheaper, faster and secure Internet, investment in people and skills and the stimulation of Internet use.

Since the Lisbon European Council of 23 and 24 March 2000 that defined the so-called Lisbon strategy and set the objective for Europe to become the most competitive and dynamic knowledge-based economy in the world, a strong impetus has been given to the development of the Information Society.

The Feira European Council on 19 and 20 June 2000 endorsed the *eEurope* 2002 Action Plan containing specific measures, initiatives and proposals addressed to the European Institutions, Member States and the private sector.

The *eEurope* 2002 Action Plan and the PROMISE programme will expire by the end of 2002. However, the objective of the Lisbon European Council extends to 2010. Therefore, the European Council can be expected to continue supporting the transformation towards the Information Society beyond 2002.

Following the request of the Barcelona European Council, the Commission adopted a new *eEurope* 2005 Action Plan presented to Seville European Council. The objective of *eEurope* 2005 is to stimulate secure services, applications and content, based on a widely available broadband infrastructure.

The key to achieve these objectives is the creation of a favourable environment for the private investors and to facilitate the adjustment of industry to the knowledge-based economy.

MODINIS aims to create a legal basis for the continuation of monitoring activities of the *eEurope* Action plan from 2003 to 2005 and dissemination of best practices. In addition the draft Decision allows for the launch of preparatory actions for the development of a European policy in the area of Network and Information security. The programme will be financed with a budget of €25m.

The objectives of MODINIS are:

- to monitor performance of and within Member States and to compare them with the best in the world and carry out appropriate policies by using where possible official statistics, which have evolved considerably in this sector over the past few years;
- to support efforts made by Member States in the framework of *eEurope* at national or regional level by analysis of *eEurope* specific good practices and by developing mechanisms to exchange experiences;

- to analyse the economic and societal consequences of the Information Society with a view to appropriate policy responses, particularly in terms of industrial competitiveness and cohesion;
- to enhance national and European efforts for improving network and information security and to foster the development of broadband rollout.

The following types of actions are going to be financed in order to reach the goals set out in the programme:

- data collection and analysis concerning a revised set of benchmarking indicators;
- studies to identify good practices in Europe;
- workshops and studies to analyse the adjustment of industry to the structural change generated by digital technologies and the transformation of society;
- support of the Information Society Forum consisting of web-based experts representing a broad range of interests advising the Commission on challenges for the development of the Information Society;
- support of targeted conferences, seminars or workshops in order to promote co-operation and exchange of experiences and good practices between interested parties and Member States;
- financing of specific surveys, studies and expertise gathering activities in the area of network and information security (e.g. security mechanisms and their interoperability, network reliability and protection, advanced cryptography, confidentiality and security in wireless communications), in particular on existing or emerging threats and also with a view to prepare the activities of the network security task force.

Rapporteur's position

The rapporteur thinks that there is a need for better co-ordination on legislative and non-legislative initiatives aiming to develop the Information Society. Co-operation between the European Parliament, Commission and national regulators has begun and has to be continued to explore the best solutions to make the Information Society a successful opportunity for all citizens.

She believes MODINIS is a consistent instrument in order to make progress in the field of Information Society as it contributes to the development of new ICT and to the implementation of eEurope and the Lisbon strategy.

One of the major concerns for the rapporteur is related to unbalanced benefits from the ICT developments within the European Union.

One critical issue relates to broadband rollout and unbundling of the local loop. There is a real risk that ICT development could lead to only sporadic economic regeneration. The rapporteur points out that many rural regions of the EU already suffer from structural disadvantages in comparison to large urban areas. It is very important that all regions benefit from new and existing technologies. For this reason she welcomes that MODINIS will also focus on dissemination of good practices in the area of broadband rollout.

The Commission, as well as the European Parliament, has been very vigilant in the development of broadband rollout, as well as on local loop unbundling and particularly on the unreasonably high prices of leased lines. The rapporteur believes that differential pricing mechanisms are having a serious adverse affect on rural areas and areas on the edges of the EU, and that this issue needs to be addressed both by European institutions and Member States.

One of the Rapporteur's major concerns is therefore how the Commission envisages that the implementation of MODINIS will be linked to the other aspects of the Commission's work, including how existing networks, interconnections and access generally are maintained and encouraged at a rate that enables all regions to progress but does not widen the gap between poorer and more prosperous areas. Prosperous areas should not be held back but as much as possible should be done to enable disadvantaged areas to catch up.

Social impact of Information society: digital divide and exclusion

The rapporteur believes that clear indications should be given in the decision relating to the fight against a digital divide.

She therefore tables some amendments aiming in particular to recall the activities undertaken by the EU institutions and the Member States in order to achieve an Information Society for all that includes the less advantaged groups of the society. Her concern is that these groups can all benefit from the advantages offered by the Information society.

The rapporteur notes that in the past some groups have lost out in the ICT field. She refers to women, who have traditionally not benefited from the same skills as men concerning the use of the ICT; to disabled people, whose disabilities have made it harder for them to participate in the information society; to elderly people, who have to be made familiar with new information and communication technologies; to unemployed people, who have to get ICT skills in order to go back to or enter the labour market.

International co-operation

In its explanatory memorandum, the Commission foresees the involvement of EEA as well as of candidate countries in the implementation of the programme. Nevertheless, the proposal does not foresee any form of co-operation between the EU Member States and these countries. The rapporteur thinks this co-operation is needed in order to enlarge the terms of exchange of experiences.

Moreover, she believes that co-operation with candidate countries is needed in the analysis of the socio-economic impact of Information society. It is urgent to involve the future members of the EU in this exercise. If risks of a digital divide already exist between different areas of the Union, it is undeniable that these risks will become even more serious after the accession of the new members. It is therefore urgent to lead this analysis in co-operation with the future Member States in order to prevent the digital gap from exacerbating social and economical exclusion.

As for candidate countries, the rapporteur also tables an amendment that recalls the endorsement of the Action plan "eEurope + 2003" by the candidate countries. These countries

have engaged themselves to take into account the same benchmarking indicators as those foreseen by eEurope 2002. The rapporteur believes that a specification is needed with reference to their participation in the MODINIS programme as from 1st January 2004.

Security issues

The rapporteur agrees with the objectives of enhancement of national and European efforts for improving network and information security. Security mechanisms and their interoperability, network reliability and protection, advanced cryptography, privacy and security in wireless communications should be clearly identified as sectors in which the EU should focus its attention. She tables an amendment specifying the security issues for which surveys, studies and workshops should be financed.

She calls for the rapid launching of the "cyber security task force" foreseen in eEurope 2005 Action plan and for an efficient inter-linkage with the MODINIS Programme. The above mentioned actions will prepare the ground for the future work of the task-force.

Budget

The rapporteur agrees with the budget foreseen for financing the programme. She is aware that there is an attempt to limit the amount of 25ME coming from some Member States. She believes this amount is needed for the actions to be implemented in order to achieve the objectives of MODINIS.

FINANCIAL IMPACT

Total financial impact on Part B - (over the entire programming period)

Financial intervention

Commitments in € million (to the 3rd decimal place)

Breakdown	Year 2003	2004	2005		Total		
Action 1	2.700	2.600	2.900		8.200		
Action 2	2.000	2.500	2.500		7.000		
Action 3	0.800	0.800	0.900		2.500		
Action 4	2.500	2.100	2.700		7.300		
TOTAL	8.000	8.000	9.000		25.000		

18 December 2002

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Industry, External Trade, Research and Energy

on the proposal for a Council decision on adopting a multi-annual programme (2003-2005) for the monitoring of eEurope, dissemination of good practices and the improvement of network and information security (MODINIS)
(COM(2002) 425 – C5-0425/2002 – 2002/0187(CNS))

Draftsman: Ioannis Averoff

PROCEDURE

The Committee on Budgets appointed Ioannis Averoff draftsman at its meeting of 12 September 2002.

It considered the draft opinion at its meeting of 9 December 2002.

At the last meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn, chairman; Anne Elisabet Jensen, vice-chairman; Ioannis Averoff, draftsman; Joan Colom i Naval, Manuel António dos Santos, Bárbara Dührkop Dührkop, James E.M. Elles, Salvador Garriga Polledo, Neena Gill, Anne-Karin Glase (for Den Dover), Catherine Guy-Quint, Jutta D. Haug, Wilfried Kuckelkorn, Joaquim Piscarreta, Guido Podestà, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

SHORT JUSTIFICATION

The proposed multi-annual programme MODINIS for the monitoring of the eEurope 2005 Action Plan, dissemination of good practices and improvement of network and information security would replace the PROMISE programme for the promotion of the information society in Europe (1998-2002), which will expire by the end of 2002. The Commission proposes that the financial support programme MODINIS should be adopted to accompany national efforts for the transformation of Europe into a knowledge-based economy, an objective set by the Lisbon European Council in 2000. The duration of the programme will be 3 years (2003-2005) with a budget of EUR 25 million.

The MODINIS programme will contribute to the Lisbon strategy, which requires continued efforts in the area of e-economy. One of the objectives of the programme is to monitor performance of and within Member States and compare them against the best in the world by using where possible official statistics (*Action 1*), and, consequently, carry out appropriate policies. The programme aims at supporting efforts made by Member States in the framework of eEurope at national or regional level by identifying eEurope specific good practices and by developing mechanisms to exchange experiences (*Action 2*). There is a need to analyse the economic and societal consequences of the Information Society with a view to appropriate policy responses, particularly in terms of competitiveness and cohesion (*Action 3*).

In addition, the MODINIS programme will enhance national and European efforts for improving network and information security and foster the development of broadband rollout (*Action 4*). It is increasingly recognised that widely available broadband infrastructure and broadband connections are central to the economic development as they significantly increase the speed and the quality of Internet access enabling the full scope of multimedia applications and increasing networks efficiency.

In order to achieve these objectives, the programme will finance data collection and analysis concerning benchmarking indicators; studies to identify good practices; targeted conferences, seminars or workshops; specific surveys, studies and expertise gathering activities in the area of network and information security.

The action plan eEurope does not, in itself, contain specific actions in the international field, but it has implications for the Union's external policy. The eEurope+ Action Plan for the candidate countries, prepared with the assistance of the European Commission and presented by the Heads of State and Government of the candidate countries at the Gothenburg European Summit on the 16 June 2001, mirrors the priority objectives and targets of eEurope but provides for actions which tackle the specific situation of the candidate countries. Its funding comes from national budgets, private sector, international financial institutions and the PHARE programme.

CONCLUSION

Financial framework - inclusion of the candidate countries in the programme

The programme MODINIS aims primarily to monitor the action plan eEurope 2005, not to finance its projects, which will be financed by a range of means (i.e. by re-focusing existing programmes, by eTEN and IDA programmes, by the eContent programme, etc.). In view of the objectives of MODINIS, the proposed financial envelope of EUR 25 million for 3 years is

significantly increased compared to the current programme PROMISE, which had a financial envelope of EUR 25 million for 5 years. It should also be pointed out that even if the candidate countries were not explicitly included, the PROMISE programme has, inter alia, undertaken measures for the exchange of information with third countries on questions linked with the Information Society and additionally to allow for legal entities from third countries and international organisations to participate in projects. It should also be mentioned that according to the indicative breakdown of expenditure, a 13% share was aimed at the international actions under the PROMISE programme. This perspective does not appear so clearly in the MODINIS programme.

Nevertheless, the forthcoming enlargement will bring along new challenges as regards the objective for the Union to become the most competitive and knowledge-based economy in the world. Therefore, the MODINIS programme should be extended to include the candidate countries to accompany the efforts undertaken in the framework of eEurope+ and to monitor it. Collaboration should also be developed with other neighbouring countries. Your rapporteur would like a special attention to be drawn to the countries in the Balkans, including Rumania and Bulgaria, due to their enormous needs in the field of information society. The proposed financial envelope should then be appropriate in this respect. As a result, your draftsman proposes to open up the programme for candidate countries and other neighbouring countries. (Amendment 5)

Your draftsman estimates that the financial framework proposed for the MODINIS programme is compatible with the expenditure ceiling of heading 3. (Amendment 1 to the legislative resolution)

Evaluation

Your draftsman considers it necessary that the Commission annually evaluates the programme, and forwards the results of the evaluation to the budgetary authority when presenting the Preliminary Draft Budget. (Amendment 4)

Comitology

The draftsman proposes to change the Commission proposal in order for the advisory procedure to apply. This would allow for the programme to be effectively implemented by acceleration the decision-making procedures. (Amendments 2 and 3)

Budgetary Information - B5-331 - Information Society

Commitments

<i>million €</i>	2003	2004	2005	Total
MODINIS	8	8	9	25
<i>PROMISE*</i>	5,1	5,2	5,3	15,6

** if PROMISE programme had been continued at the average annual level for the period 1998-2002 (adjusted for an inflation rate of 2 %)*

Breakdown €	2003	2004	2005	Total
Action 1	2 700 000	2 600 000	2 900 000	8 200 000
Action 2	2 000 000	2 500 000	2 500 000	7 000 000
Action 3	800 000	800 000	900 000	2 500 000
Action 4	2 500 000	2 100 000	2 700 000	7 300 000
Total	8 000 000	8 000 000	9 000 000	25 000 000

Payments

million €	2003	2004	2005	2006
MODINIS	3	7,5	9,5	5

The Committee on Budgets calls on the Committee on Industry, External Trade, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

AMENDMENT TO THE LEGISLATIVE RESOLUTION

Amendment 1

[The European Parliament]

Considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 3 of the Financial Perspective without restricting other policies;

Justification

The amount proposed for the specific programme shall be compatible with the expenditure ceilings under the financial perspective. If, in the course of the adoption of the decision, other amounts were to be proposed by the legislative authority, the budgetary authority would need to be consulted again. In this case, the Committee on Budgets would re-examine the impact on the ceiling under the current financial perspective, according to the declaration of 20 July 2000.

AMENDMENTS TO THE LEGISLATIVE TEXT

Text proposed by the Commission¹

Amendments by Parliament

Amendment 2 Recital 14

Since the measures necessary for the implementation of this Decision are ***management*** measures within the meaning of the Article 2 of the Council Decision 1999/468/EC of 28 June 1999 laying down the procedures of implementing powers conferred on the Commission, they should

Since the measures necessary for the implementation of this Decision are ***advisory*** measures within the meaning of the Article 2 of the Council Decision 1999/468/EC of 28 June 1999 laying down the procedures of implementing powers conferred on the Commission, they should

¹ OJ C Not yet published.

be adopted by use of the **management** procedure provided for in the Article 4 of that Decision¹⁴.

¹⁴ Council Decision 1999/468/EC, laying down the procedures for the exercise of implementation powers conferred to the Commission OJ L 184, 17.7.1999, p.23.

be adopted by use of the **advisory** procedure provided for in the Article 3 of that Decision¹⁴.

¹⁴ Council Decision 1999/468/EC, laying down the procedures for the exercise of implementation powers conferred to the Commission OJ L 184, 17.7.1999, p.23.

Justification

The advisory committee would be a better alternative for the committee structure in order to improve the implementation and facilitate administration.

Amendment 3 Article 6

1. The Commission shall be assisted by a Committee composed of **representatives of the Member States** and chaired by the representative of the Commission.

2. Where reference is made to this paragraph, the **management** procedure laid down in **Article 4** of Decision 1999/468/EC shall apply in compliance with Article 7(3) thereof.

3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be set at three months

1. The Commission shall be assisted by a Committee composed of **one representative from each Member State** and chaired by the representative of the Commission.

Representatives of the candidate countries as well as of other participant countries can participate in committee proceedings as observers in case they are concerned by a specific point on the agenda.

2. Where reference is made to this paragraph, the **advisory** procedure laid down in **Article 3** of Decision 1999/468/EC shall apply in compliance with Article 7(3) thereof

Deletion

Justification

The advisory committee would be a better alternative for the committee structure in order to improve the implementation and facilitate administration. Member States should have one representative each in order to facilitate the decision-making of the committee. The representation of the candidate countries should be made possible whenever there is a point in the agenda concerning their country.

Amendment 4 Article 7, paragraph 4

4. At the end of the programme, the

4. At the end of the programme, the

Commission will submit to the European Parliament, to the Council and to the Economic and Social Committee an evaluation report on the results obtained in implementing the actions referred in the article 2.

Commission will submit to the European Parliament, to the Council and to the Economic and Social Committee an evaluation report on the results obtained in implementing the actions referred in the article 2. ***Annually, when the Commission presents the Preliminary Draft Budget, it shall forward to the budgetary authority the results of quantitative and qualitative evaluation based on the annual implementation plan and performance indicators.***

Justification

The Commission has undertaken to present and follow-up annual implementation plans.

Amendment 5
Article 7a (new)

1. The programme will be open, within the framework of their respective agreements with the European Community, to participation by countries of the European Economic Area and the associated countries of central and eastern Europe, Cyprus, Malta and Turkey.

2. In the course of implementing this Decision, co-operation with other non-member countries and with international organisations or bodies, as appropriate, shall be encouraged.

Justification

It is crucial to include the candidate countries in the programme. The proposed size of the financial envelope allows for integrating the candidate countries as well as other neighbouring and close-by countries.

22 January 2003

OPINION OF THE COMMITTEE ON CITIZENS' FREEDOMS AND RIGHTS, JUSTICE AND HOME AFFAIRS

for the Committee on Industry, External Trade, Research and Energy

on the proposal for a Council decision adopting a multiannual programme (2003-2005) for the monitoring of eEurope, dissemination of good practices and the improvement of network and information security (MODINIS)
(COM(2002) 425 – C5-0425/2002 – 2002/0187(CNS))

Draftsman: Elena Ornella Paciotti

PROCEDURE

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Elena Ornella Paciotti draftsman at its meeting of 2 October 2002.

It considered the draft opinion at its meeting of 21 January 2003

At the latter/last meeting it adopted the following amendments unanimously.

The following were present for the vote: Jorge Salvador Hernández Mollar, chairman; Robert J.E. Evans, vice-chairman; Giacomo Santini, vice-chairman; Elena Ornella Paciotti, draftsman; Niall Andrews, Alima Boumediene-Thiery, Giuseppe Brienza, Kathalijne Maria Buitenweg (for Pierre Jonckheer), Mogens N.J. Camre (for José Ribeiro e Castro), Marco Cappato (for Mario Borghezio), Michael Cashman, Carmen Cerdeira Morterero, Carlos Coelho, Gérard M.J. Deprez, Francesco Fiori (for Marcello Dell'Utri, pursuant to Rule 153(2)), Michael Gahler (for Christian Ulrik von Boetticher, pursuant to Rule 153(2)), Roger Helmer (for Thierry Cornillet, pursuant to Rule 153(2)), Anna Karamanou (for Martine Roure), Margot Keßler, Eva Klamt, Alain Krivine (for Ilka Schröder), Jean Lambert (for Heide Rühle), Baroness Sarah Ludford, Lucio Manisco (for Giuseppe Di Lello Finuoli), Manuel Medina Ortega (for Sérgio Sousa Pinto), Peter Michael Mombaur (for Charlotte Cederschiöld, pursuant to Rule 153(2)), Hartmut Nassauer, Paolo Pastorelli (for Marcelino Oreja Arburúa), Hubert Pirker, José Javier Pomés Ruiz (for Timothy Kirkhope, pursuant to Rule 153(2)), Bernd Posselt, Olle Schmidt (for Bill Newton Dunn), Ingo Schmitt (for Mary Elizabeth Banotti), Ole Sørensen (for Francesco Rutelli), Patsy Sørensen, The Earl of Stockton (for The Lord Bethell), Joke Swiebel, Anna Terrón i Cusí and Maurizio Turco.

SHORT JUSTIFICATION

Parliament had already expressed its appreciation of the Commission's approach to network security, in its resolution of 22 October 2002 entitled 'Network and Information Security: Proposal for a European policy'. This resolution set out the main problems and the possible solutions at European level for the area of network security.

The MODINIS monitoring programme is particularly important in view of its role of verifying that the Member States adapt the measures required for the achievement of the eEurope objectives.

The draftsman has laid stress on two main points: the indicators, and awareness-raising among the agents concerned (service providers and users).

At European level, there is a need for a serious and concrete comparative analysis of network security risks and the means of dealing with them in the Member States. This will facilitate the task of the Community's legislators, in terms of providing instruments to improve market efficiency, security and access to network services.

In the network communications sector, there is always the risk that the legislators will arrive too late on the scene and will not manage to keep up with technological innovations and the new problems which inevitably raise their heads: hence the importance of the risk prevention and prospective analysis factors.

Another key factor is awareness-raising. It is clear from research carried out in various Member States that either users tend to be insufficiently aware of the risk factors, or else excessive fears deter potential users from going on-line. Meanwhile, service providers are not investing sufficiently in the security aspect, and the prices of services do not reflect costs. Greater awareness of both risks and benefits would help facilitate a more coherent functioning of the market, a more rational supply/demand relationship, and, as a result, improved network security as such.

AMENDMENTS

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs calls on the Committee on Industry, External Trade, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

Amendment 1 Citation 4 a (new)

Having regard to the proposal for a European Parliament and Council decision amending Decision No 276/1999/EC adopting a multiannual Community action plan on promoting safer use of the Internet by combating illegal and harmful content on global networks,

Justification

The European Parliament and Council decision on promoting the safer use of the Internet should be mentioned.

Amendment 2 Recital 6

(6) The Council Resolution of 30 May 2001-eEurope Action Plan: Information and Network Security and the Council Resolution of 6 December 2001 on "a common approach and specific actions in the area of network and information security" called upon Member-States to launch specific actions to enhance the security of electronic communication networks and information systems. ***It*** further welcomed the intentions of the Commission to develop amongst others a strategy for a more stable and secure

(6) The Council Resolution of 30 May 2001-eEurope Action Plan: Information and Network Security and the Council Resolution of 6 December 2001 on "a common approach and specific actions in the area of network and information security" ***and the European Parliament resolution of 22 October 2002 entitled "Network and Information Security: Proposal for a European policy"*** called upon *Member States* to launch specific actions to enhance the security of electronic communication networks and

¹ OJ C 291, 26.11.2002, p. 243.

operation of the Internet infrastructure and to make a proposal for the establishment of a cyber-security task force.

information systems. ***The Council and the European Parliament*** further welcomed the intentions of the Commission to develop amongst others a strategy for a more stable and secure operation of the Internet infrastructure and to make a proposal for the establishment of a cyber-security task force.

Justification

Parliament has on several occasions expressed its position in favour of dealing with network security at European level.

Amendment 3 Article 1(a)

The programme has the following objectives:

a) to monitor performance of and within Member States and to compare them with the best in the world and carry out appropriate policy conclusions by using, where possible, official statistics;

The programme has the following objectives:

a) to monitor performance of and within Member States and to compare them with the best in the world and carry out appropriate policy ***and legal*** conclusions by using, where possible, official statistics, ***inviting the Member States to provide the most up-to-date possible statistics***;

Justification

The limits of comparative analysis lie in the difficulty of obtaining reliable statistics. The Member States should provide these in efficient and timely fashion.

Amendment 4 Article 1(c)

c) to analyse the economic and societal

c) to analyse the economic and societal

consequences of the Information Society with the view to appropriate policy responses particularly in terms of industrial competitiveness and cohesion;

consequences of the Information Society with the view to appropriate policy responses particularly in terms of industrial competitiveness and cohesion **and the smooth running of the internal market, for example in the areas of e-commerce and the development of on-line services;**

Justification

The priority at European level should be to ensure the smooth running of the internal market.

Amendment 5

Article 1, subparagraph 2, point (d)

(d) to enhance national and European efforts for improving network and information security and to foster the development of broadband rollout.

(d) to enhance national and European efforts for improving network and information security **with a view to ensuring secure access and protection of the confidentiality of personal data when accessing on-line public services**, and to foster the development of broadband rollout.

Justification

On-line public services offer the citizen considerable value added. The Community's legislators have a duty to ensure security, protection of personal data, and equality of access throughout the EU.

Amendment 6

Article 2, point (a)

(a) a) data collection and analysis on the basis of a new set of benchmarking indicators including regional indicators where appropriate. A special focus should be laid on data related to the key targets of the eEurope 2005 Action plan;

a) data collection and analysis on the basis of a new set of benchmarking indicators including regional indicators where appropriate. **Future indicators should provide, inter alia, data on network security and integrity, ease of public access and availability in case of interruption, network incidents and data protection.** A special focus should be laid on data related to the key targets of the eEurope 2005 Action plan;

Justification

The definition of clear and precise indicators is a vital step in the process of dissemination of good practices. Such indicators should be taken into account by the network security task force.

Amendment 7 Article 2(c)

c) support of targeted conferences, seminars or workshops in order to promote co-operation and exchange of experiences and good practices in the sense of the common framework of complementary interaction as defined in the article 1;

c) support of targeted conferences, seminars or workshops in order to promote co-operation and exchange of experiences and good practices ***among specialised private and public professionals*** in the sense of the common framework of complementary interaction as defined in *Article 1*;

Justification

The activities mentioned should be targeted first and foremost at specialist operators. It is also important to bring the public and private sectors together so that they can identify common problems and agree on solutions.

Amendment 8 Article 2, point (e)

e) financing surveys, studies, workshops in the area of network and information security (e.g. security mechanisms and their interoperability, network reliability and protection, advanced cryptography, privacy and security in wireless communications), in particular on existing or emerging threats and also with the view to prepare the activities of the networks security task-force;

e) financing surveys, studies, workshops in the area of network and information security (e.g. ***analysis of existing and future security-related risks***, security mechanisms and their interoperability, network reliability and protection, ***development of alternative operating systems***, advanced cryptography, privacy and security in wireless communications), in particular on existing or emerging threats and also with the view to prepare the activities of the networks security task-force;

Justification

Risk prevention is crucial in an area like network security. At the same time, the objective of risk prevention and limitation for network security requires the development of alternative operating systems so as to ensure the availability of a choice of systems and counteract the current trend towards the creation of de facto monopolies.

Amendment 9
Article 2, point (f)

f) support the enhancement of national and European efforts for improving network and information security and the development of broadband rollout through workshops, meetings and exchange of experiences.

f) support the enhancement of national and European efforts for improving network and information security and the development of broadband rollout through workshops, meetings and exchange of experiences, ***and having regard to the proposal for a European Parliament and Council decision amending Decision No 276/1999/EC adopting a multiannual Community action plan on promoting safer use of the Internet by combating illegal and harmful content on global networks.***

Or. en

Justification

The European Parliament and Council decision on promoting the safer use of the Internet should be mentioned.

Amendment 10
Article 2(fa) (new)

fa) financing information and awareness-raising campaigns aimed at the public and at service providers, on the subject of network security.

Justification

One of the most serious problems related to network security is the lack of clear information, both on risks and on potential forms of secure network use. Awareness needs to be raised, among both service providers and end-users: choices must be made taking account of the essential security factor.

Amendment 11
Article 3(a)

a) the award of contracts for the execution of tasks relating to surveys, exploratory studies, detailed studies on specific fields, demonstration actions of limited size including workshops **and** conferences;

a) the award of contracts for the execution of tasks relating to surveys, exploratory studies, detailed studies on specific fields, demonstration actions of limited size including workshops, conferences **and awareness-raising campaigns**;

Justification

Cf. Amendment 10.