



2022/0032(COD)

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AMENDMENTS

7 - 49

Draft opinion

Karlo Ressler

(PE734.234v01-00)

Establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act)

Proposal for a regulation

(COM(2022)0046 – C9-0039/2022 – 2022/0032(COD))

AM_Com_LegOpinion

Amendment 7

David Cormand

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) This framework pursues two objectives. The first objective is to ensure the conditions necessary for the competitiveness and innovation capacity of the Union and to ensure the adjustment of the industry to structural changes due to fast innovation cycles and the need for sustainability. The second objective, separate and complementary to the first one, is to improve the functioning of the internal market by laying down a uniform Union legal framework for increasing the Union's resilience and security of supply in the field of semiconductor technologies.

Amendment

(3) This framework pursues two objectives. The first objective is to ensure the conditions necessary for the competitiveness and innovation capacity of the Union, ***always aiming at achieving the objectives of the green transition***, and to ensure the adjustment of the industry to structural changes due to fast innovation cycles and the need for sustainability. The second objective, separate and complementary to the first one, is to improve the functioning of the internal market by laying down a uniform Union legal framework for increasing the Union's resilience and security of supply in the field of semiconductor technologies.

Or. en

Amendment 8

Eva Kaili

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) Member States are primarily responsible for sustaining a strong Union industrial, competitive, sustainable and innovative base. However, the nature and scale of the innovation challenge in the semiconductor sector requires action to be taken collaboratively at Union level.

Amendment

(9) Member States are primarily responsible for sustaining a strong Union industrial, competitive, sustainable and innovative base. However, the nature and scale of the innovation challenge in the semiconductor sector requires action to be taken collaboratively at Union level, ***while also aiming to boost the industrial capacities in Member States where the research, design and production of***

semiconductors is underdeveloped.

Or. en

Amendment 9

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) As the Chips Initiative was introduced after the adoption of the current 2021-2027 MFF, its implementation should not lead to a reduction of funding in other priority programmes, namely Horizon Europe and Digital Europe. Consequently any earmarking from those programmes to the Chips initiative should be compensated by alternative means, such as decommitments under Article 15(3) of the Financial Regulation, to full extent. Furthermore, to ensure stable funding of the initiative, the funding of the Chips Act should be prioritised in the mid-term review of the MFF.

Or. en

Amendment 10

Angelika Winzig

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) In order to counter the emerging territorial distortion triggered by imbalances in economic means for investments in the semiconductor ecosystem between Member States and to enable the further development and

regional diffusion of the semiconductor ecosystem also in smaller Member States, an instrument should be established to create a financial balancing mechanism.

Or. en

Justification

Economically stronger Member States have the opportunity to make large investments in companies based in their own country or to get new companies to settle in their own territory. Such a subsidy race should be avoided. The instrument should be used in such a way, that smaller Member States with less financial capabilities for co-financing of projects on the national level have the opportunity to gain a financial balance through financing measures on EU level. This will be necessary to counter structural disadvantages between the Member States. This measure would also be in correspondence with Article 4 – paragraph 2 – point b – point 2 a (new) of the draft report, which reads “(b) operational objective 2: enhancing existing and developing new advanced pilot lines. This operational objective shall be achieved through: (2a new) aiming to ensure geographical balance and an adequate representation of different Member States;”

Amendment 11

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) The Horizon Europe Framework programme established by Regulation (EU) 2021/695 of the European Parliament and of the Council⁵¹ (Horizon Europe) – the Framework Programme for Research and Innovation, has the objective to strengthen the European research area (ERA), encouraging it to become more competitive, including in its industry, while promoting all research and innovation (R&I) activities to deliver on the Union's strategic priorities and commitments, which ultimately aim to promote peace, the Union's values and the well-being of its peoples. As a major priority of the Union, the total financial resources allocated to the programme should not be reduced and the reduction of the financial resources of the

Amendment

(10) The Horizon Europe Framework programme established by Regulation (EU) 2021/695 of the European Parliament and of the Council⁵¹ (Horizon Europe) – the Framework Programme for Research and Innovation, has the objective to strengthen the European research area (ERA), encouraging it to become more competitive, including in its industry, while promoting all research and innovation (R&I) activities to deliver on the Union's strategic priorities and commitments, which ultimately aim to promote peace, the Union's values and the well-being of its peoples. As a major priority of the Union, the total financial resources allocated to the programme should not be reduced and the reduction of the financial resources of the

programme, aimed to reinforce the financial envelope of the Digital Europe programme with the aim of contributing to the Chips initiative, should be compensated by another source. Consequently, without prejudice to the institutional prerogatives of the European Parliament and of the Council, an amount of commitment appropriations equivalent to the reduction should be made available to Horizon Europe over the period 2023-2027, resulting from total or partial non-implementation of projects belonging to that programme or its predecessor, as provided for in Article 15(3) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵² (the Financial Regulation). This amount will be in addition to the EUR 0.5 billion (in 2018 prices) already mentioned in the Joint Declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme.

⁵¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013. (OJ L 170, 12.5.2021, p. 1).

⁵² Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

programme, aimed to reinforce the financial envelope of the Digital Europe programme with the aim of contributing to the Chips initiative, should be **fully** compensated by another source.

Consequently, without prejudice to the institutional prerogatives of the European Parliament and of the Council, an amount of commitment appropriations equivalent to the reduction should be made available to Horizon Europe over the period 2023-2027, resulting from total or partial non-implementation of projects belonging to that programme or its predecessor, as provided for in Article 15(3) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁵² (the Financial Regulation). This amount will be in addition to the EUR 0.5 billion (in 2018 prices) already mentioned in the Joint Declaration by the European Parliament, the Council and the Commission on the re-use of decommitted funds in relation to the research programme.

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⁵² Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

Amendment 12**Eva Kaili****Proposal for a regulation****Recital 11***Text proposed by the Commission*

(11) In order to equip the Union with the semiconductor technology research and innovation capacities needed to maintain its research and industrial investments at a leading edge, and bridge the current gap between research and development and manufacturing, the Union and its Member States should better coordinate their efforts and co-invest. To achieve this, the Union and Member States, should take into consideration the twin digital and green transition goals. The Initiative throughout all components and actions, to the extent possible, should mainstream and maximise the benefits of application of semiconductor technologies as powerful enablers for the sustainability transition that can lead to new products and more efficient, effective, clean and durable use of resources, including energy and materials necessary for production and the whole lifecycle use of semiconductors.

Amendment

(11) In order to equip the Union with the semiconductor technology research and innovation capacities needed to maintain its research and industrial investments at a leading edge, and bridge the current gap between research and development and manufacturing, the Union and its Member States should better coordinate their efforts and co-invest, ***while aiming to boost the research capacities of Member States that do not have the ability to benefit from the industrial manufacturing of chips and their components, so that Member States can equally benefit from such long-term investments***. To achieve this, the Union and Member States, should take into consideration the twin digital and green transition goals. The Initiative throughout all components and actions, to the extent possible, should mainstream and maximise the benefits of application of semiconductor technologies as powerful enablers for the sustainability transition that can lead to new products and more efficient, effective, clean and durable use of resources, including energy and materials necessary for production and the whole lifecycle use of semiconductors.

Amendment 13**David Cormand**

on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 11

Text proposed by the Commission

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Or. en

Amendment 14
David Cormand
on behalf of the Verts/ALE Group

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) In order to achieve a circular economy, and to make the Union more resilient in its supply chain, this Initiative

should foster investment in the recycling of rare metals and materials to turn e-waste into a resource.

Or. en

Amendment 15

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) In order to achieve its general objective, and address both the supply and demand side challenges of the current semiconductor ecosystem, the Initiative should include five main components. First, to reinforce Europe's design capacity, the Initiative should support actions to build a virtual platform that is available across the Union. The platform should connect the communities of design houses, SMEs and start-ups, intellectual property and tool suppliers, with research and technology organisations to provide virtual prototype solutions based on co-development of technology. Second, in order to strengthen the security and resilience of supply and reducing the Union's dependency on third country production, the Initiative should support development and access to pilot lines. The pilot lines should provide for the industry a facility to test, experiment and validate semiconductor technologies and system design concepts at the higher technology readiness levels beyond level 3 but under level 8 while reducing environmental impacts as much as possible. Union investments along Member States investment and with the private sector in pilot lines is necessary to address the existing structural challenge and market failure where such facilities are not available in the Union hindering innovation

Amendment

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potential and global competitiveness of the Union. Third, in order to enable investments in alternative technologies, such as quantum technologies, conducive to the development of the semiconductors sector, the Initiative should support actions including on design libraries for quantum chips, pilot lines for building quantum chips and testing and experimentation facilities for quantum components. Fourth, in order to promote the use of the semiconductor technologies, to provide access to design and pilot line facilities, and to address skills gaps across the Union, the Initiative should support establishment of the competence centres on semiconductors in each Member State. Access to publicly funded infrastructure, such as pilot and testing facilities, and to the competence network, should be open to a wide range of users and must be granted on a transparent and non-discriminatory basis and on market terms (or cost plus reasonable margin basis) for large undertakings, while SMEs can benefit from preferential access or reduced prices. Such access, including for international research and commercial partners, can lead to broader cross-fertilisation and gains in know-how and excellence, while contributing to cost recovery. Fifth, The Commission should set-up a dedicated semiconductor investment facility support (as part of the investment facilitation activities described collectively as the ‘Chips Fund’) proposing both equity and debt solutions, including a blending facility under the InvestEU Fund established by Regulation (EU) 2021/523 of the European Parliament and Council⁵³, in close cooperation with the European Investment Bank Group and together with other implementing partners such as national promotional banks and institutions. The ‘Chips Fund’ activities should support the development of a dynamic and resilient semiconductor ecosystem by providing opportunities for increased availability of funds to support the growth of start-ups

available in the Union hindering innovation potential and global competitiveness of the Union. Third, in order to enable investments in alternative technologies, such as quantum technologies, conducive to the development of the semiconductors sector, the Initiative should support actions including on design libraries for quantum chips, pilot lines for building quantum chips and testing and experimentation facilities for quantum components. Fourth, in order to promote the use of the semiconductor technologies, to provide access to design and pilot line facilities, and to address skills gaps across the Union, the Initiative should support establishment of the competence centres on semiconductors in each Member State. Access to publicly funded infrastructure, such as pilot and testing facilities, and to the competence network, should be open to a wide range of users and must be granted on a transparent and non-discriminatory basis and on market terms (or cost plus reasonable margin basis) for large undertakings, while SMEs can benefit from preferential access or reduced prices. Such access, including for international research and commercial partners, can lead to broader cross-fertilisation and gains in know-how and excellence, while contributing to cost recovery. Fifth, The Commission should set-up a dedicated semiconductor investment facility support (as part of the investment facilitation activities described collectively as the ‘Chips Fund’) proposing both equity and debt solutions, including a blending facility under the InvestEU Fund established by Regulation (EU) 2021/523 of the European Parliament and Council⁵³, in close cooperation with the European Investment Bank Group and together with other implementing partners such as national promotional banks and institutions. The ‘Chips Fund’ activities should support the development of a dynamic and resilient semiconductor ecosystem by providing opportunities for increased availability of

and SMEs as well as investments across the value chain, including for other companies in the semiconductor value chains. In this context, the European Innovation Council will provide further dedicated support through grants and equity investments to high risk, market creating innovators.

funds to support the growth of start-ups and SMEs as well as investments across the value chain, including for other companies in the semiconductor value chains. In this context, the European Innovation Council will provide further dedicated support through grants and equity investments to high risk, market creating innovators.

⁵³ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

⁵³ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

Or. en

Amendment 16

Eva Kaili

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) With a view to accelerating implementation of the actions of the Initiative, it is necessary to provide an option of implementing some of the Initiative actions, in particular on pilot lines, through a new legal instrument, the European Chips Infrastructure Consortium (ECIC). The ECIC should have legal personality. This means that when applying for the actions to be funded by the Initiative, the ECIC itself, and not individual entities forming the ECIC, can be the applicant. The main aim of the ECIC should be to encourage effective and structural collaboration between legal entities, including Research and Technology Organizations. For this reason, the ECIC has to involve the participation of at least three legal entities from three Member States and be operated as a public-

Amendment

(16) With a view to accelerating implementation of the actions of the Initiative, it is necessary to provide an option of implementing some of the Initiative actions, in particular on pilot lines, through a new legal instrument, the European Chips Infrastructure Consortium (ECIC). The ECIC should have legal personality ***which should be defined by the Commission within 3 months of the adoption of the Chips Act***. This means that when applying for the actions to be funded by the Initiative, the ECIC itself, and not individual entities forming the ECIC, can be the applicant. The main aim of the ECIC should be to encourage effective and structural collaboration between legal entities, including Research and Technology Organizations. For this reason, the ECIC has to involve the participation of

private sector consortium for a specific action. The setting up of ECIC should not involve the actual setting up of a new Union body and should not be targeted at one specific action under the Initiative. It should address the gap in the Union's toolbox to combine funding from Member States, the Union budget and private investment for the purposes of implementing actions of the Initiative. In particular, strong synergies can be attained through combined development of the different pilot lines in an ECIC, pooling the Union's contribution with the collective resources of the Member States and other participants. The budget of the ECIC that would be made available by Member States and private sector participants over its projected period of operation should respect the timeframes of the actions implemented under this Initiative. The Commission should not be directly a party in the Consortium.

at least three legal entities from three Member States and be operated as a public-private sector consortium for a specific action. The setting up of ECIC should not involve the actual setting up of a new Union body and should not be targeted at one specific action under the Initiative. It should address the gap in the Union's toolbox to combine funding from Member States, the Union budget and private investment for the purposes of implementing actions of the Initiative. In particular, strong synergies can be attained through combined development of the different pilot lines in an ECIC, pooling the Union's contribution with the collective resources of the Member States and other participants. The budget of the ECIC that would be made available by Member States and private sector participants over its projected period of operation should respect the timeframes of the actions implemented under this Initiative. The Commission should not be directly a party in the Consortium.

Or. en

Amendment 17

Ilan De Basso

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) In light of their importance for ensuring the security of supply and enabling a resilient semiconductor ecosystem, Integrated Production Facilities and Open EU Foundries **should** be considered to ***be in the public*** interest. Ensuring the security of supply of semiconductors is important also for digitalisation that enables the green transition of many other sectors. To contribute towards security of supply of

Amendment

(25) In light of their importance for ensuring the security of supply and enabling a resilient semiconductor ecosystem, Integrated Production Facilities and Open EU Foundries **could** be considered to ***provide services of general*** interest. Ensuring the security of supply of semiconductors is important also for digitalisation that enables the green transition of many other sectors. To contribute towards security of supply of

semiconductors in the Union, Member States may apply support schemes and provide for administrative support in national permit granting procedures. ***This is without prejudice to the competence of the Commission in the field of State aid under Article 107 and 108 of the Treaty, where relevant.*** Member States should support the set-up of Integrated Production Facilities and Open EU Foundries in accordance with Union law.

semiconductors in the Union, Member States may apply support schemes and provide for administrative support in national permit granting procedures, ***to extent that such support schemes are compatible with applicable state aid rules.*** Member States should support the set-up of Integrated Production Facilities and Open EU Foundries in accordance with Union law.

Or. en

Justification

Provisions on state aid will directly affect the implementation of the Chips for Europe Initiative and its EU budget contribution. Exemptions from state aid rules should remain exceptional and be based on objective and precise criteria, applied in a non-discriminatory and proportionate manner. Otherwise, we run the risk of creating a subsidies race within the Union. In addition, the term "services of general interest" has a solid basis in EU competition law as well as the Treaties, whereas it is difficult to define any precise pan-EU "public" interest that is valid for all Member States. The direct reference to the Treaties is unprecedented and disproportionate.

Amendment 18

Ilan De Basso

Proposal for a regulation

Recital 26

Text proposed by the Commission

(26) It is necessary that Integrated Production Facilities and Open EU Foundries are set-up as quickly as possible, while keeping the administrative burden to a minimum. For that reason, Member States should treat applications related to the planning, construction and operation of Integrated Production Facilities and Open EU Foundries in the most rapid manner possible. They should appoint an authority which will facilitate and coordinate the permit granting processes and appoint a coordinator, serving as a single point of contact for the project. ***Moreover, where***

Amendment

(26) It is necessary that Integrated Production Facilities and Open EU Foundries are set-up as quickly as possible, while keeping the administrative burden to a minimum. For that reason, Member States should treat applications related to the planning, construction and operation of Integrated Production Facilities and Open EU Foundries in the most rapid manner possible. They should appoint an authority which will facilitate and coordinate the permit granting processes and appoint a coordinator, serving as a single point of contact for the project.

necessary for granting a derogation under Council Directive 92/43/EEC⁵⁶ and Directive 2000/60/EC of the European Parliament and Council⁵⁷, the establishment and operation of these facilities may be considered as being of overriding public interest within the meaning of the aforementioned legal texts, provided that the remaining other conditions set out in these provisions are fulfilled.

⁵⁶ *Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.*

⁵⁷ *Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.*

Or. en

Justification

Semiconductor manufacturing uses many hazardous chemicals. The existing EU safeguards concerning environmental and freshwater protection should be applied in order to ensure good governance and prudent use of EU resources.

Amendment 19

David Cormand

on behalf of the Verts/ALE Group

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) The internal market would greatly benefit from common standards for green, trusted and secure chips. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on

Amendment

(27) The internal market would greatly benefit from common standards for green, trusted and secure chips. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on

the features of the underlying technology. To that end, the Union should develop reference certification procedures and require the industry to jointly develop such procedures for specific sectors and technologies with potential high social impact.

the features of the underlying technology. To that end, the Union should develop reference certification procedures and require the industry to jointly develop such procedures for specific sectors and technologies with potential high social impact. ***Device durability, interoperability and sustainability of underlying infrastructure are key prerequisites to ensure that efficiency gains are not cancelled out by short renewal cycles***

Or. en

Amendment 20

Eva Kaili

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) The internal market would greatly benefit from common standards for green, trusted and secure chips. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on the features of the underlying technology. To that end, the Union should develop reference certification procedures and require the industry to jointly develop such procedures for specific sectors and technologies with potential high social impact.

Amendment

(27) The internal market would greatly benefit from common standards for green, trusted and secure chips. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on the features of the underlying technology. To that end, the Union should develop reference certification procedures ***to ensure the development and implementation of green and cybersecurity credentials in line with international standards*** and require the industry to jointly develop such procedures for specific sectors and technologies with potential high social impact.

Or. en

Amendment 21

Ilan De Basso

Proposal for a regulation
Recital 45

Text proposed by the Commission

(45) Appropriate, effective and proportionate measures **should** be identified and implemented when the crisis stage is activated without prejudice to possible continued international engagement with relevant partners with the view to mitigating the evolving crisis situation. Where appropriate, the Commission **should** request information from undertakings along the semiconductor supply chain. Furthermore, the Commission should be able to, **where necessary and proportionate**, oblige Integrated Production Facilities and Open EU Foundries to accept and prioritise an order of the production of crisis-relevant products, **and to act as a central purchasing body when mandated by Member States**. The Commission could limit the measures to certain critical sectors. In addition, the European Semiconductor Board may advise on the necessity of introducing an export control regime pursuant to Regulation (EU) 2015/479 of the European Parliament and of the Council⁶⁰. The European Semiconductor Board may also assess and advise on further appropriate and effective measures. The use of all these emergency measures should be proportionate and restricted to what is necessary to address the significant disturbances at stake insofar as this is in the best interest of the Union. The Commission should regularly inform the European Parliament and the Council of the measures taken and the underlying reasons. The Commission may, after consulting with the Board, issue further guidance on the implementation and use of the emergency measures.

Amendment

(45) Appropriate, effective and proportionate measures **that do not exceed what is necessary to rectify the immediate crisis could** be identified and implemented when the crisis stage is activated without prejudice to possible continued international engagement with relevant partners with the view to mitigating the evolving crisis situation. Where appropriate, the Commission **could** request information from undertakings along the semiconductor supply chain. Furthermore, the Commission should be able to **act as a central purchasing body when mandated by Member States. In extraordinary circumstances and as a last resort, the Commission may** oblige Integrated Production Facilities and Open EU Foundries to accept and prioritise an order of the production of crisis-relevant products, **in such cases where it is necessary and proportionate to ensure the basic operation of critical sectors. Before enacting any such decision, the Commission should consult the European Semiconductor Board. Furthermore, the Commission should consult the European Semiconductor Board on the proportionality of all proposed emergency actions and** could limit the measures to certain critical sectors. In addition, the European Semiconductor Board may advise on the necessity of introducing an export control regime pursuant to Regulation (EU) 2015/479 of the European Parliament and of the Council⁶⁰. The European Semiconductor Board may also assess and advise on further appropriate and effective measures. The use of all these emergency measures should be proportionate and restricted to what is necessary to address the significant disturbances at stake insofar as this is in

the best interest of the Union. The Commission should regularly inform the European Parliament and the Council of the measures taken and the underlying reasons. The Commission may, after consulting with the Board, issue further guidance on the implementation and use of the emergency measures.

⁶⁰ Regulation (EU) 2015/479 of the European Parliament and of the Council of 11 March 2015 on common rules for exports (OJ L 83, 27.3.2015, p. 34).

⁶⁰ Regulation (EU) 2015/479 of the European Parliament and of the Council of 11 March 2015 on common rules for exports (OJ L 83, 27.3.2015, p. 34).

Or. en

Amendment 22

Ilan De Basso

Proposal for a regulation

Recital 48

Text proposed by the Commission

(48) In order to ensure that critical sectors can continue to operate in a time of crisis and when necessary and proportionate for this purpose, Integrated Production Facilities and Open EU Foundries could be obliged by the Commission to accept and prioritise orders of crisis-relevant products. This obligation may also be extended to semiconductor manufacturing facilities which have accepted such possibility in the context of receiving public support. The decision on a priority rated order should be taken in accordance with all applicable Union legal obligations, having regard to the circumstances of the case. The priority rating obligation should take precedence over any performance obligation under private or public law while it should have regard for the legitimate aims of the undertakings and the cost and effort required for any change in production

Amendment

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sequence. Undertakings may be subject to penalties if they fail to comply with the obligation for priority rated orders.

sequence. Undertakings may be subject to penalties if they fail to comply with the obligation for priority rated orders. ***Priority rated orders should be used as a last resort and only to ensure the basic operation of all or certain critical sectors, meaning a minimum level of required production.***

Or. en

Justification

Priority rated orders, where they are justified, should not be used to maintain business-as-usual operations of critical sectors. They should only be used as a last resort, to ensure basic operations or a minimum level of required production. This ensures that EU investments and budget contributions serve their intended purpose.

Amendment 23

Ilan De Basso

Proposal for a regulation

Recital 52 a (new)

Text proposed by the Commission

Amendment

(52 a) Priority rated orders should be continually assessed by the European Semiconductor Board, with a particular view to their effects on all economic sectors and Member States. If the Board finds that enacted decisions are disproportionate or do more harm than good, they can recommend the Commission to limit the scope of, or fully discontinue, enacted decisions.

Or. en

Justification

In order to ensure good governance, efficient use of EU resources and the proportionality of market-distorting effects, priority rated orders should be continually assessed by Member States. The European Semiconductor Board should also have the explicit right to initiate limiting or discontinuing a priority rated order after such a decision has been taken.

Amendment 24
Eva Kaili

Proposal for a regulation
Recital 55

Text proposed by the Commission

(55) In order to facilitate a smooth, effective and harmonised implementation of this Regulation, cooperation and the exchange of information, the European Semiconductor Board should be established. The European Semiconductor Board should provide advice to and assist the Commission on specific questions. These should include providing advice on the Chips for Europe Initiative to the Public Authorities Board of the Chips Joint Undertaking; exchanging information on the functioning of the Integrated Production Facilities and Open EU Foundries; discussing and preparing the identification of specific sectors and technologies with potential high social impact and respective security significance in need of certification for trusted products and addressing coordinated monitoring and crisis response. Furthermore, the European Semiconductor Board should ensure the consistent application of this Regulation, facilitate cooperation between Member States as well as exchange of information on issues relating to this Regulation. The European Semiconductor Board should support the Commission in international cooperation in line with international obligations, including in information gathering and crisis assessment. In addition, the European Semiconductor Board should coordinate, cooperate and exchange information with other Union crisis response and crisis preparedness structures with a view to ensure a coherent and coordinated Union approach as regards crisis response and crisis preparedness measures for semiconductor crises.

Amendment

(55) In order to facilitate a smooth, effective and harmonised implementation of this Regulation, cooperation and the exchange of information, the European Semiconductor Board should be established. The European Semiconductor Board should provide advice to and assist the Commission on specific questions. These should include providing advice on the Chips for Europe Initiative to the Public Authorities Board of the Chips Joint Undertaking; exchanging information on the functioning of the Integrated Production Facilities and Open EU Foundries; discussing and preparing the identification of specific sectors and technologies with potential high social impact and respective security significance in need of certification for trusted products and addressing coordinated monitoring and crisis response. Furthermore, the European Semiconductor Board should ensure the consistent application of this Regulation, facilitate cooperation between Member States as well as exchange of information on issues relating to this Regulation. The European Semiconductor Board should support the Commission in international cooperation in line with international obligations, including in information gathering and crisis assessment. In addition, the European Semiconductor Board should coordinate, cooperate and exchange information with other Union crisis response and crisis preparedness structures with a view to ensure a coherent and coordinated Union approach as regards crisis response and crisis preparedness measures for semiconductor crises. ***The European Semiconductor Board should cooperate closely with the Commission in***

identifying specific critical services, system and products in the semiconductor supply chain, and in accordance with Article 19 of Directive [proposal NIS 2], consult the Commission in order to carry out a coordinated security risk assessment of the semiconductor supply chain aiming to enhance the resilience of the supply chain, the integrated security of components along the supply chain, and enable the achievement of strategic objectives in establishing a secure and robust semiconductor ecosystem in the Union.

Or. en

Amendment 25

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

1. The general objective of the Initiative is to support large-scale technological capacity building and innovation throughout the Union to enable development and deployment of cutting-edge and next generation semiconductor and quantum technologies that will reinforce the Union advanced design, systems integration and chips production capabilities, as well as contribute to the achievement of the twin digital and green transition.

Amendment

1. The general objective of the Initiative is to support large-scale technological capacity building and innovation throughout the Union **and the semiconductor value chain** to enable development and deployment of cutting-edge and next generation semiconductor and quantum technologies that will reinforce the Union advanced design, systems integration and chips production capabilities, as well as contribute to the achievement of the twin digital and green transition, **improving the sustainability, reducing the environmental impact of next generation chips and strengthening the circular economy processes, and address security needs by enabling secure and resilient designs that defend against cybersecurity threats.**

Or. en

Amendment 26
Eva Kaili

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The general objective of the Initiative is to support large-scale technological capacity building and innovation throughout the Union to enable development and deployment of cutting-edge and next generation semiconductor and quantum technologies that will reinforce the Union advanced design, systems integration and chips production capabilities, as well as contribute to the achievement of the twin digital and green transition.

Amendment

1. The general objective of the Initiative is to support large-scale technological capacity building and innovation throughout the Union to enable development and deployment of cutting-edge and next generation semiconductor and quantum technologies that will reinforce the Union advanced design, systems integration and chips production capabilities, as well as contribute to the achievement of the twin digital and green transition ***by improving their sustainability and their ability to protect against cybersecurity threats by developing green and cybersecurity credentials, in line with international standards and taking into account best practices.***

Or. en

Amendment 27
Mauri Pekkarinen, Nils Torvalds, Olivier Chastel

Proposal for a regulation
Article 4 – paragraph 2 – point a – point 2

Text proposed by the Commission

(2) upgrading the design capacity with ongoing innovative developments, such as processor architectures based on the open-source ***Reduced*** Instruction Set ***Computer Architecture (RISC-V)***;

Amendment

(2) upgrading the design capacity with ongoing innovative developments, such as processor architectures based on the open-source Instruction Set ***Architectures (e.g. RISC-V) and architectures that are built on "security by design"***;

Or. en

Amendment 28

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel

Proposal for a regulation

Article 4 – paragraph 2 – point b – introductory part

Text proposed by the Commission

(b) enhancing existing and developing new advanced pilot lines. This operational objective shall be achieved through:

Amendment

(b) enhancing existing and developing new advanced pilot lines, ***ensuring broad geographical coverage***. This operational objective shall be achieved through:

Or. en

Amendment 29

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Article 4 – paragraph 2 – point d – point 1

Text proposed by the Commission

(1) strengthen capacities and offer a wide range of expertise to the stakeholders, including end-user SMEs and start-ups, facilitating access to and effective use of the above capacities and facilities;

Amendment

(1) strengthen ***skills, knowledge and*** capacities and offer a wide range of expertise to the stakeholders, including end-user SMEs and start-ups, facilitating access to and effective use of the above capacities and facilities;

Or. en

Amendment 30

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Article 4 – paragraph 2 – point d – point 2

Text proposed by the Commission

(2) address the skills shortage, attracting and mobilising new talent and supporting the emergence of a suitably skilled workforce for strengthening the

Amendment

(2) address the skills shortage, ***training***, attracting and mobilising new talent and supporting the emergence of a suitably skilled workforce for

semiconductor sector, including via reskilling and upskilling of workers.

strengthening the semiconductor sector, including via reskilling and upskilling of workers ***and by enhancing collaboration between the academia and industry.***

Or. en

Amendment 31

Mauri Pekkarinen, Nils Torvalds, Olivier Chastel, Moritz Körner

Proposal for a regulation

Article 4 – paragraph 2 – point e – point 3

Text proposed by the Commission

(3) accelerating investment in the field of semiconductor manufacturing technologies and chip design and to leveraging funding from both the public and the private sectors, while increasing the security of supply for the whole semiconductor value chain.

Amendment

(3) accelerating investment in the field of semiconductor manufacturing technologies and chip design and to leveraging funding from both the public and the private sectors, while increasing the security of supply ***and protection of intellectual property*** for the whole semiconductor value chain.

Or. en

Amendment 32

Angelika Winzig

Proposal for a regulation

Article 6 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. The Commission shall ensure that the allocation of funding from Union programmes is geographically balanced, taking into account the spending capacity of each Member State.

Or. en

Amendment 33

Proposal for a regulation
Article 8 – paragraph 3

Text proposed by the Commission

3. Member States shall designate candidate competence centres in accordance with its national procedures, administrative and institutional structures through an open and competitive process. The Commission shall, by means of implementing acts, set the procedure for establishing competence centres, including selection criteria, and further tasks and functions of the centres with respect to the implementation of the actions under the Initiative, the procedure for establishing the network as well to adopt decisions on the selection of entities forming the network. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 33(2).

Amendment

3. Member States shall designate candidate competence centres in accordance with its national procedures, administrative and institutional structures through an open and competitive process. The Commission shall, by means of implementing acts, set the procedure for establishing competence centres, including selection criteria, and further tasks and functions of the centres with respect to the implementation of the actions under the Initiative, the procedure for establishing the network as well to adopt decisions on the selection of entities forming the network, ***taking into account the need to have the entire Union's semiconductor value chain represented.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 33(2). ***The network shall avoid fragmentation of activities and duplication of efforts.***

Or. en

Amendment 34
Mauri Pekkarinen, Nils Torvalds, Olivier Chastel

Proposal for a regulation
Article 8 – paragraph 4

Text proposed by the Commission

4. The network shall have substantial overall autonomy to lay down its organisation, composition and working methods. However, the organisation, composition and working methods of the network shall be in accordance with and contribute to the aims and objectives of this

Amendment

4. The network shall have substantial overall autonomy to lay down its organisation, composition and working methods. However, the organisation, composition and working methods of the network shall ***represent the Union's entire semiconductor value chain, from***

Regulation and the Initiative.

materials to chip design, and be in accordance with and contribute to the aims and objectives of this Regulation and the Initiative.

Or. en

Amendment 35

Ilan De Basso

Proposal for a regulation

Article 13 – title

Text proposed by the Commission

Amendment

Public interest and public support

Public support

Or. en

Amendment 36

Ilan De Basso

Proposal for a regulation

Article 13 – paragraph 1

Text proposed by the Commission

Amendment

1. Integrated Production Facilities and Open EU Foundries ***shall*** be considered to contribute to the security of supply of semiconductors in the Union and therefore to ***be in the public*** interest.

1. Integrated Production Facilities and Open EU Foundries ***may*** be considered to contribute to the security of supply of semiconductors in the Union and therefore to ***provide services of general*** interest.

Or. en

Justification

Provisions on state aid will directly affect the implementation of the Chips for Europe Initiative and its EU budget contribution. Exemptions from state aid rules should remain exceptional and be based on objective and precise criteria, applied in a non-discriminatory and proportionate manner. Services of general interest has a solid basis in EU competition law as well as the Treaties, while "public interest" has a dubious legal basis. Furthermore, it is difficult to define any precise pan-EU "public" interest that is valid for all Member States.

Amendment 37
Ilan De Basso

Proposal for a regulation
Article 13 – paragraph 2

Text proposed by the Commission

2. In order to reach security of supply in the Union, Member States may, ***without prejudice to Articles 107 and 108 of the Treaty***, apply support schemes and provide for administrative support to Integrated Production Facilities and Open EU Foundries in accordance with Article 14.

Amendment

2. In order to reach security of supply in the Union, Member States may, ***to the extent that they are compatible with applicable state aid rules***, apply support schemes and provide for administrative support to Integrated Production Facilities and Open EU Foundries in accordance with Article 14.

Or. en

Justification

Including a direct reference to the prohibition against state aid in the Treaties is unprecedented and disproportionate. In order to safeguard the efficient use of public and EU funds and the integrity of the single market, state aid should be granted only in exceptional circumstances and in accordance with applicable legislation.

Amendment 38
Ilan De Basso

Proposal for a regulation
Article 14 – paragraph 3

Text proposed by the Commission

3. ***The security of supply of semiconductors may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1)(c) of Directive 92/43/EEC and of overriding public interest within the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of Integrated Production Facilities and Open EU Foundries may be considered of overriding public interest, provided that the remaining other conditions set out in***

Amendment

deleted

these provisions are fulfilled.

Or. en

Justification

Semiconductor manufacturing uses many hazardous chemicals. The existing EU safeguards concerning environmental and freshwater protection should be applied in order to ensure good governance and prudent use of EU resources in full respect of environmental standards.

Amendment 39

David Cormand

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 14 – paragraph 3

Text proposed by the Commission

Amendment

3. *The security of supply of semiconductors may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1)(c) of Directive 92/43/EEC and of overriding public interest within the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of Integrated Production Facilities and Open EU Foundries may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.* ***deleted***

Or. en

Amendment 40

Ilan De Basso

Proposal for a regulation

Article 18 – paragraph 2

Text proposed by the Commission

Amendment

2. Where an assessment of the **2. Where an assessment of the**

Commission provides concrete, serious, and reliable evidence of a semiconductor crisis, the Commission may activate the crisis stage by means of implementing acts in accordance with Article 33(2). The duration of the activation shall be specified in the implementing act. *Where, in view of the scope and gravity of the semiconductor crisis, duly justified imperative grounds of urgency so require, the procedure provided for in Article 33(3) shall apply to implementing acts adopted pursuant to this Article.*

Commission provides concrete, serious, and reliable evidence of a semiconductor crisis, the Commission may activate the crisis stage by means of implementing acts in accordance with Article 33(2). The duration of the activation shall be specified in the implementing act.

Or. en

Justification

To ensure good governance and prudent use of EU resources, while considering the powerful crisis measures proposed in Articles 20-22, the ordinary and full examination procedure should be used for implementing acts. An urgency procedure would furthermore be inconsistent with the requirements that "concrete, serious, and reliable evidence" should constitute the basis for any crisis assessment and subsequent action.

Amendment 41 **Ilan De Basso**

Proposal for a regulation **Article 19 – paragraph 1**

Text proposed by the Commission

1. Where the crisis stage is activated and where appropriate in order to address the semiconductor crisis in the Union, the Commission *shall* take the measure provided for in Article 20 under the conditions laid down therein. In addition, the Commission may take the measures provided for in Article 21 or Article 22, or both, under the conditions laid down therein.

Amendment

1. Where the crisis stage is activated and where appropriate in order to address the semiconductor crisis in the Union, the Commission *may* take the measure provided for in Article 20 under the conditions laid down therein. In addition, the Commission may take the measures provided for in Article 21 or Article 22, or both, under the conditions laid down therein.

Or. en

Amendment 42
Ilan De Basso

Proposal for a regulation
Article 19 – paragraph 2

Text proposed by the Commission

2. The Commission **may, after consulting** the European Semiconductor Board, limit the measures provided for in Articles 21 and 22 to certain critical sectors the operation of which is disturbed or under threat of disturbance on account of the semiconductor crisis.

Amendment

2. The Commission **shall consult** the European Semiconductor Board **on the proportionality of the actions proposed and may** limit the measures provided for in Articles 21 and 22 to certain critical sectors the operation of which is disturbed or under threat of disturbance on account of the semiconductor crisis.

Or. en

Justification

In order to ensure good governance and prudent use of EU resources, once the crisis stage is activated, the Commission should consult the European Semiconductor Board on the measures it wishes to take, with a view to whether the actions proposed are proportionate.

Amendment 43
Ilan De Basso

Proposal for a regulation
Article 19 – paragraph 4

Text proposed by the Commission

4. The use of the measures referred to in paragraph 1 shall be proportionate and restricted to what is necessary for addressing serious disruptions of vital societal functions or economic activities in the Union **and** must be in the best interest of the Union. The use of these measures shall avoid placing disproportionate administrative burden on SMEs.

Amendment

4. The use of the measures referred to in paragraph 1 shall be proportionate and restricted to what is necessary for addressing serious disruptions of vital societal functions or economic activities in the Union. **Measures** must be in the best interest of the Union **and shall not disproportionately favour any one or group of Member States**. The use of these measures shall avoid placing disproportionate administrative burden on SMEs.

Or. en

Justification

The crisis stage may be approved by qualified majority vote in the Council. We need to make sure that any measures adopted do not threaten to disproportionately disrupt economic sectors in Member States that see risks in moving forward with emergency measures.

Amendment 44

Ilan De Basso

Proposal for a regulation

Article 20 – paragraph 1

Text proposed by the Commission

1. The Commission ***shall***, after consulting the European Semiconductor Board, request representative organisations of undertakings or, if necessary, individual undertakings operating along the semiconductor supply chain to inform the Commission about their production capabilities, production capacities, current primary disruptions and provide other existing data necessary to assess the nature of the semiconductor crisis or to identify and assess potential mitigation or emergency measures at national or Union level.

Amendment

1. The Commission ***may***, after consulting the European Semiconductor Board, request representative organisations of undertakings or, if necessary, individual undertakings operating along the semiconductor supply chain to inform the Commission about their production capabilities, production capacities, current primary disruptions and provide other existing data necessary to assess the nature of the semiconductor crisis or to identify and assess potential mitigation or emergency measures at national or Union level.

Or. en

Amendment 45

Ilan De Basso

Proposal for a regulation

Article 21 – paragraph 1

Text proposed by the Commission

1. Where necessary and proportionate to ensure the operation of all or certain critical sectors, the Commission may oblige Integrated Production Facilities and Open EU Foundries to accept and prioritise an order of crisis-relevant products ('priority rated order'). ***The obligation***

Amendment

1. ***In extraordinary circumstances***, where necessary and proportionate to ensure the ***basic*** operation of all or certain critical sectors, the Commission may oblige Integrated Production Facilities and Open EU Foundries to accept and prioritise an order of crisis-relevant products

shall take precedence over any performance obligation under private or public law.

(‘priority rated order’).

Or. en

Justification

To ensure prudent and efficient use of EU resources, priority rated orders should only be used as a last resort, when a crisis cannot be alleviated by other means. We should also clarify that this exceptional measure should only ensure the basic operation of applicable sectors, not business as usual. Furthermore, the blanket exemption from any other legal obligation under private or public law is not legally certain and should be removed. We need to ensure ample safeguards so that priority rated orders are used in a proportionate and prudent manner.

Amendment 46
Ilan De Basso

Proposal for a regulation
Article 21 – paragraph 3

Text proposed by the Commission

3. When a semiconductor undertaking established in the Union is subject to a third country priority rated order measure, it shall inform the Commission. Should that obligation significantly impact the operation of certain critical sectors, the Commission may oblige that undertaking to accept and prioritise orders of crisis relevant products in line with paragraph 4, 5 and 6.

Amendment

3. When a semiconductor undertaking established in the Union is subject to a third country priority rated order measure, it shall inform the Commission. Should that obligation significantly impact the operation of certain critical sectors, the Commission may oblige that undertaking, ***where necessary, proportionate and as a last resort measure***, to accept and prioritise orders of crisis relevant products in line with paragraph 4, 5 and 6.

Or. en

Amendment 47
Ilan De Basso

Proposal for a regulation
Article 21 – paragraph 4

Text proposed by the Commission

4. The obligations under paragraph 1, 2 and 3 shall be enacted by the Commission via decision. The decision shall be taken in accordance with all applicable Union legal obligations, having regard to the circumstances of the case, including the principles of necessity and proportionality. The decision shall in particular have regard for the legitimate aims of the undertaking concerned and the cost and effort required for any change in production sequence. In its decision, the Commission shall state the legal basis of the priority rated order, fix the time-limit within which the order is to be performed, and, where applicable, specify the product and quantity, and state the penalties provided for in Article 28 for non-compliance with the obligation. The priority rated order shall be placed at fair and reasonable price.

Amendment

4. The obligations under paragraph 1, 2 and 3 shall be enacted by the Commission via **decision. Before taking such a decision, the Commission shall consult the European Semiconductor Board. The European Semiconductor Board may advise the Commission on the necessity and proportionality of the** decision. The decision shall be taken in accordance with all applicable Union legal obligations, having regard to the **advice of the European Semiconductor Board and** circumstances of the case, including the principles of necessity and proportionality. The decision shall in particular have regard for the legitimate aims of the undertaking concerned and the cost and effort required for any change in production sequence. In its decision, the Commission shall state the legal basis of the priority rated order, fix the time-limit within which the order is to be performed, and, where applicable, specify the product and quantity, and state the penalties provided for in Article 28 for non-compliance with the obligation. The priority rated order shall be placed at fair and reasonable price.

Or. en

Justification

The European Semiconductor Board should be consulted before any decision is enacted by the Commission. This is to ensure efficient use of EU resources and that a priority rated order is necessary and proportionate. These safeguards are important to ensure proper implementation of the proposal.

Amendment 48

Ilan De Basso

Proposal for a regulation

Article 21 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. The European Semiconductor Board shall continuously assess and advise the Commission on whether decisions enacted under this Article are appropriate and effective. The European Semiconductor Board may recommend the Commission to limit or cancel enacted decisions.

Or. en

Justification

Priority rated orders should be continually assessed with a view to their effects on all economic sectors and Member States. If the Board finds that enacted decisions are disproportionate or do more harm than good, they may recommend the Commission to limit the scope of, or fully discontinue enacted decisions.

Amendment 49

David Cormand

on behalf of the Verts/ALE Group

Proposal for a regulation

Article 22 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6 a. A high degree of transparency shall be applied to all joint procurement activities and related purchase agreements; The European Court of Auditors shall have full access to all relevant documents and communications to provide accurate annual scrutiny of signed contracts and public investment.

Or. en