Draft opinion
Eva Maydell
(PE732.593v01-00)

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))
Amendment 147
Eva Kaili

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) A framework for increasing the Union’s resilience in the field of semiconductor technologies should be established, stimulating investment, strengthening the capabilities of the Union’s semiconductor supply chain, and increasing cooperation among the Member States and the Commission.

Amendment

(2) A framework for increasing the Union’s resilience in the field of semiconductor technologies should be established, stimulating investment, strengthening the capabilities of the Union’s semiconductor supply chain, increasing cooperation among the Member States and the Commission, as well as between the EU and like-minded democracies, and strengthening cooperation between the European semiconductor industry and international partners, so as to develop a competitive and sovereign industrial strategy in semiconductor production to decrease the EU’s reliance on third countries and prevent future crises and shortages.

Or. en

Amendment 148
Michiel Hoogeveen

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

(2 a) An impact assessment for the funding for the establishment of a framework of measures for strengthening Europe’s semiconductor ecosystem should be performed, given the difficulties faced by regular citizens in uncertain times as well as the general complexity of EU funds;

Amendment

Or. en
Amendment 149
Marc Angel, Alfred Sant, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Recital 4

_text proposed by the Commission_

(4) It is necessary to take measures to build capacity and strengthen the Union’s semiconductor sector in line with Article 173(3) of the Treaty. These measures do not entail the harmonisation of national laws and regulations. In this regard, the Union should reinforce the competitiveness and resilience of the semiconductor technological and industrial base, whilst strengthening the innovation capacity of its semiconductor sector, reducing dependence on a limited number of third country companies and geographies, and strengthening its capacity to design and produce advanced components. The Chips for Europe Initiative (the ‘Initiative’) should support these aims by bridging the gap between Europe’s advanced research and innovation capabilities and their sustainable industrial exploitation. It should promote capacity building to enable design, production and systems integration in next generation semiconductor technologies, enhance collaboration among key players across the Union, strengthening Europe's semiconductor supply and value chains, serving key industrial sectors and creating new markets.

_or. en_

Amendment 150
Markus Ferber
Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) The achievement of these objectives will be supported by a governance mechanism. At Union level, this Regulation establishes a European Semiconductor Board, composed of representatives of the Member States and chaired by the Commission. The European Semiconductor Board will provide advice to and assist the Commission on specific questions, including the consistent application of this Regulation, facilitating cooperation among Member States and exchanging information on issues relating to this Regulation. The European Semiconductor Board should hold separate meetings for its tasks under the different chapters of this Regulation. The different meetings may include different compositions of the high-level representatives and the Commission may establish subgroups.

Amendment 151
Engin Eroglu, Linea Søgaard-Lidell

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. The Union shall also ensure that the sector does not develop monopolistic structures.
Amendment 152
Marc Angel, Alfred Sant, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

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 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 Council, 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 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. 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 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. While the Initiative is established for the duration of the MFF 2021-2027, due consideration should be given to supporting the EU’s semiconductor ecosystem in the future as the strengthening of the EU’s semiconductor ecosystem will require a long-term and sustained effort.

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Or. en

Amendment 153
Marc Angel, Alfred Sant, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Recital 12 a (new)

*Text proposed by the Commission*

(12 a) To foster the emergence of a qualified workforce necessary to support a strengthened European semiconductor ecosystem in all its dimensions, programmes and initiatives to mobilise and attract new talent, including from third countries, as well as to reskill and
upskill the existing working force, should be promoted, all while keeping in mind the gender gap in European industries and ensuring decent working conditions. The steps needed to strengthen the connection between the industrial ecosystem, Research & Innovation and the educational system, as well as the educational needs, could be explored jointly with the Alliance on Microprocessors and Semiconductors.

Amendment 154
Markus Ferber
Proposal for a regulation
Recital 14

Text proposed by the Commission
(14) Support from the Initiative should be used to address market failures or sub-optimal investment situations in a proportionate manner, and actions should not duplicate or crowd out private financing or distort competition in the internal market. Actions should have a clear added value for the Union.

Amendment
(14) The capital intensity and complexity of the semiconductor industry might lead to underinvestment in strategically relevant sectors. Support from the Initiative should be used to address market failures or sub-optimal investment situations in a proportionate manner, and actions should not duplicate or crowd out private financing or distort competition in the internal market. All actions should have a clear added value for the Union and be subject to strong competition safeguards to prevent market distortions.

Amendment 155
Alfred Sant
Proposal for a regulation
Recital 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-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. 

With a view to ensure better involvement of all industrial players in these private-public partnerships, ECICs should seek to have a diverse composition, including the participation of
of small and medium sized companies.

Amendment 156
Marc Angel, Elisabetta Gualmini, Jonás Fernández, Eva Kaili

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to encourage the establishment of the necessary manufacturing and related design capabilities, and thereby ensure the security of supply in the Union, public support may be appropriate. In that respect, it is necessary to set out the criteria for facilitating the implementation of specific projects that contribute to achieving the objectives of this Regulation and distinguish between two types of facilities, namely: Integrated Production Facilities and Open EU Foundries.

Amendment

(18) In order to encourage the establishment of the necessary manufacturing and related design capabilities, and thereby ensure the security of supply in the Union, private investment in these facilities will likely require public support. In that respect, it is necessary to set out the criteria for facilitating the implementation of specific projects that contribute to achieving the objectives of this Regulation and distinguish between two types of facilities, namely: Integrated Production Facilities and Open EU Foundries. Strong safeguards should be laid down for these public support schemes to ensure that they are necessary, appropriate and proportionate, without undue competition distortions, and that its benefits will be shared widely and without discrimination across the Union’s economy.

Amendment 157
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) Integrated Production Facilities and Open EU Foundries should provide

Amendment

(19) Integrated Production Facilities and Open EU Foundries should provide
semiconductor manufacturing capabilities that are “first-of-a-kind” in the Union and contribute to the security of supply and to a resilient ecosystem in the internal market. The qualifying factor for the production of a first-of-a-kind facility could be with regard to the technology node, substrate material, such as silicon carbide and gallium nitride, and other product innovation that can offer better performance, process technology or energy and environmental performance. A facility of a comparable capability on an industrial scale should not yet substantively be present or committed to be built within the Union, excluding facilities for research and development or small-scale production sites.

Amendment 158
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili
Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) In order to qualify as Integrated Production Facilities or Open EU Foundries, the establishment and operation of the facility should have a clear positive impact on the semiconductor value chain in the Union, in particular with regard to providing a resilient supply of semiconductors to users on the internal market. The impact on several Member States, including cohesion objectives, should be considered as one of the indicators of a clear positive impact of an Integrated Production Facility and Open

Amendment

(21) In order to qualify as Integrated Production Facilities or Open EU Foundries, the establishment and operation of the facility should have a clear positive impact on the semiconductor value chain in the Union, in particular with regard to providing a resilient supply of semiconductors to users on the internal market and, where appropriate, the global market. The qualifying factor for the production of a first-of-a-kind facility could be with regard to the technology node, substrate material, such as silicon carbide and gallium nitride, and other product innovation that can offer better performance, process technology or energy and environmental performance. In terms of environmental performance, gains or innovative elements can include a quantifiable reduction of the amount of energy, water or chemicals used, or an increase in the recyclability of materials. A facility of a comparable capability on an industrial scale should not yet substantively be present or committed to be built within the Union, excluding facilities for research and development or small-scale production sites.
EU Foundry on the semiconductor value chain in the Union.

impact of an Integrated Production Facility and Open EU Foundry on the semiconductor value chain in the Union. 

*They should equally contribute to the reinforcement of a qualified workforce and the green transition. The Commission should issue guidance to assess these positive impacts.*

Amendment 159
Michiel Hoogeveen
Proposal for a regulation
Recital 22

*Text proposed by the Commission*

(22) It is important that Integrated Production Facilities and Open EU Foundries are not subject to extraterritorial application of public service obligations imposed by third countries that could undermine their ability to use their infrastructure, software, services, facilities, assets, resources, intellectual property or knowhow needed to fulfil the obligation on priority rated orders under this Regulation, *which they would have to guarantee.*

*Amendment*

(22) It is important that Integrated Production Facilities and Open EU Foundries are not subject to extraterritorial application of public service obligations imposed by third countries that could undermine their ability to use their infrastructure, software, services, facilities, assets, resources, intellectual property or knowhow needed to fulfil the obligation on priority rated orders under this Regulation.

Amendment 160
Michiel Hoogeveen
Proposal for a regulation
Recital 23

*Text proposed by the Commission*

(23) In light of the fast development of semiconductor technologies and to strengthen the future industrial competitiveness of the Union, Integrated Production Facilities and Open EU

*Amendment*

(23) In light of the fast development of semiconductor technologies and to strengthen the future industrial competitiveness of the Union, Integrated Production Facilities and Open EU
Foundries should commit to continued and efficient investment into the next generations of semiconductors, including by testing and experimenting new developments through priority access to the pilot lines set up by the Chips for Europe Initiative, without prejudice to effective access by others.

Amendment 161
Michiel Hoogeveen
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 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 162
Michiel Hoogeveen
Proposal for a regulation
Recital 28

Text proposed by the Commission

(28) In light of this, the Commission, in

Amendment

(28) In light of this, the Commission, in
consultation with the European Semiconductor Board, should prepare the ground for a certification of **green**, trusted and secure chips and embedded systems that rely on or make extensive use of semiconductor technologies. In particular, they should discuss and identify the relevant sectors and products in need of such certification.

Amendment 163
Marcel Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Recital 29

**Text proposed by the Commission**

(29) In light of the structural *deficiencies* of the semiconductor supply chain and the resulting risk of future shortages, this Regulation provides instruments for a coordinated approach to monitoring and effectively tackling possible market disruptions.

**Amendment**

(29) In light of the structural *vulnerabilities* of the semiconductor supply chain and the resulting risk of future shortages, this Regulation provides instruments for a coordinated approach to monitoring and effectively tackling possible market disruptions.

Amendment 164
Marcel Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández

Proposal for a regulation
Recital 30

**Text proposed by the Commission**

(30) Due to the complex, quickly evolving and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring is necessary to increase the ability to mitigate risks that may negatively affect the supply of semiconductors. **Member States** should monitor the semiconductor

**Amendment**

(30) Due to the complex, quickly evolving and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring is necessary to increase the ability to mitigate risks that may negatively affect the supply of semiconductors to the semiconductor supply chain itself or to
value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings.

critical sectors. The Commission, assisted by national authorities, should monitor the semiconductor value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings. The Commission should adequately justify its requests for information to the addressed actors of the semiconductor value chain.

Amendment 165
Michiel Hoogeveen

Proposal for a regulation
Recital 30

Text proposed by the Commission

(30) Due to the complex, quickly evolving and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring is necessary to increase the ability to mitigate risks that may negatively affect the supply of semiconductors. Member States should monitor the semiconductor value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings.

Amendment

(30) Due to the complex, quickly evolving and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring is necessary to increase the ability to mitigate risks that may negatively affect the supply of semiconductors. Member States in close cooperation with industry stakeholders across the entire semiconductor ecosystem should monitor the semiconductor value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings.

Amendment 166
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández
Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission  Amendment
(30 a) Without prejudice to the budgetary procedure, the Commission should dispose of the necessary human, financial and technical resources to effectively conduct the monitoring of the semiconductor supply chain.

Amendment 167
Michiel Hoogeveen

Proposal for a regulation
Recital 32 a (new)

Text proposed by the Commission  Amendment
(32 a) The European Semiconductor Board should seek to examine other market forces and events central to the operation of the semiconductor industry, such as energy prices and energy shortages. Where appropriate, recommendations for remedying the situation should be provided, particularly those proposing innovative technological solutions and responses to economic difficulties.

Amendment 168
Marc Angel, Elisabetta Gualmini, Aurore Lalucq

Proposal for a regulation
Recital 34

Text proposed by the Commission  Amendment
(34) **Member States** should alert the Commission if relevant factors indicate a
potential semiconductor crisis. In order to ensure a coordinated response to address such crises, the Commission should upon the alert by a Member State or through other sources, including information from international partners, convene an extraordinary meeting of the European Semiconductor Board for assessing the need to activate the crisis stage and for discussing whether it may be appropriate, necessary and proportionate for Member States to carry out coordinated joint procurement. The Commission should engage in consultations and cooperation with relevant third countries with a view to addressing any disruptions in the international supply chain, in compliance with international obligations and without prejudice to procedural requirements under the Treaty on international agreements.

Amendment 169
Alfred Sant
Proposal for a regulation
Recital 35

Text proposed by the Commission

(35) As part of the monitoring, national competent authorities should also do a mapping of undertakings operating in the Union along the semiconductor supply chain established in their national territory and notify this information to the Commission.

Amendment

(35) As part of the monitoring, national competent authorities should also do a mapping of key undertakings operating in the Union along the semiconductor supply chain established in their national territory and notify this information to the Commission.

Amendment 170
Marc Angel, Elisabetta Gualmini, Aurore Lalucq
Proposal for a regulation
Recital 37

Text proposed by the Commission

(37) In order to forecast and prepare for future disruptions of the different stages of the semiconductor value chain in the Union, the Commission should, assisted by the European Semiconductor Board, identify early warning indicators in the Union risk assessment. Such indicators could include the availability of raw materials, intermediate products and human capital needed for manufacturing semiconductors, or appropriate manufacturing equipment, the forecasted demand for semiconductors on the Union and global markets, price surges exceeding normal price fluctuation, the effect of accidents, attacks, natural disasters or other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade related measures, and the effect of business closures, delocalisations or acquisitions of key market actors. Member States should monitor these early warning indicators.

Amendment

(37) In order to forecast and prepare for future disruptions of the different stages of the semiconductor value chain in the Union, the Commission should, after consultation with the European Semiconductor Board and relevant industry stakeholders, identify early warning indicators in the Union risk assessment. These early warning indicators should be used to assess and monitor the availability and integrity of the services and goods provided by the key market actors. Such indicators could include the availability of raw materials, intermediate products and human capital needed for manufacturing semiconductors, or appropriate manufacturing equipment, the forecasted demand for semiconductors on the Union and global markets, price surges exceeding normal price fluctuation, the effect of accidents, attacks, natural disasters or other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade related measures, and the effect of business closures, delocalisations or acquisitions of key market actors. The Commission should monitor these early warning indicators. The European Semiconductor Board should be able to request a revision of the early warning indicators from the Commission.

Amendment 171
Markus Ferber

Proposal for a regulation
Recital 38

Text proposed by the Commission

(38) A number of undertakings deleted

Amendment
providing semiconductor services or goods are assumed to be essential for an effective semiconductor supply chain in the Union’s semiconductor ecosystem, due to the number of Union undertakings relying on their products, their Union or global market share, their importance to ensure a sufficient level of supply or the possible impact of the disruption of supply of their products or services. The Member States should identify those key market actors in their territory.

Amendment 172
Markus Ferber
Proposal for a regulation
Recital 42

Text proposed by the Commission

(42) The semiconductor crisis stage should be triggered in the presence of concrete, serious, and reliable evidence of such a crisis. A semiconductor crisis occurs in case of serious disruptions to the supply of semiconductors leading to significant shortages which entail significant delays and negative effects on one or more important economic sectors in the Union, either directly or through ripple effects of the shortage, given that the Union’s industrial sectors represent a strong user base of semiconductors. Alternatively or in addition, a semiconductor crisis also occurs when serious disruptions of the supply of semiconductors lead to significant shortages which prevent the supply, repair and maintenance of essential products used by critical sectors, for instance medical and diagnostic equipment.
Amendment 173
Aurore Lalucq, Marc Angel

Proposal for a regulation
Recital 42 a (new)

Text proposed by the Commission

(42a) Production of and access to semiconductors is a vital issue for the development and industrial future of the European Union. An effort should therefore be made to use them exclusively for strategic development sectors rather than for needlessly semiconductor-intensive activities. In the crypto-asset sector, for example, proof-of-work mining technology, which is extremely energy- and semiconductor-intensive, ought be replaced by what is far more efficient proof-of-stake technology.

Or. fr

Amendment 174
Markus Ferber

Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) In order to ensure an agile and effective response to such a semiconductor crisis, the Commission should be empowered to activate the crisis stage by means of an implementing acts and for a predetermined duration period, taking into account the opinion of the European Semiconductor Board. The Commission should assess the need for prolongation and prolong the duration of the crisis stage for a predetermined period, should such a necessity be ascertained, taking into account the opinion of the European Semiconductor Board.
Amendment 175
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili
Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) In order to ensure an agile and effective response to such a semiconductor crisis, the Commission should be empowered to activate the crisis stage by means of an implementing acts and for a predetermined duration period, taking into account the opinion of the European Semiconductor Board. The Commission should assess the need for prolongation and prolong the duration of the crisis stage for a predetermined period, should such a necessity be ascertained, taking into account the opinion of the European Semiconductor Board.

Amendment

(43) In order to ensure an agile and effective response to such a semiconductor crisis, the Commission should be empowered to activate the crisis stage by means of an implementing act with a defined scope and for a predetermined duration period, taking into account the opinion of the European Semiconductor Board. The Commission should assess the need for prolongation and prolong the duration of the crisis stage for a predetermined period, should such a necessity be ascertained, taking into account the opinion of the European Semiconductor Board.

Amendment 176
Markus Ferber
Proposal for a regulation
Recital 44

Text proposed by the Commission

(44) Close cooperation between the Commission and the Member States and coordination of any national measures taken with regard to the semiconductor supply chain is indispensable during the crisis stage with a view to addressing disruptions with the necessary coherence, resiliency and effectiveness. To this end, the European Semiconductor Board should hold extraordinary meetings as

Amendment
deleted
necessary. Any measures taken should be strictly limited to the duration period of the crisis stage.

Or. en

Amendment 177
Markus Ferber

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 Council[6]. 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.

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Or. en

Amendment 178
Markus Ferber
Proposal for a regulation
Recital 48

_text proposed by the Commission_ Amendment

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

Or. en

Amendment 179
Michiel Hoogeveen
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 sequence. Undertakings may be subject to penalties if they fail to comply with the obligation for priority rated orders.

Amendment

(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.

Or. en

Amendment 180
Markus Ferber
Proposal for a regulation
Recital 49

Text proposed by the Commission

(49) The undertaking concerned should be obliged to accept and prioritise a priority rated order. In exceptional and duly justified cases, the undertaking could request the Commission to review the imposed obligation. This applies either where the facility is unable to fulfil the order even if prioritised, be it due to insufficient production capability or production capacity, or because this would place an unreasonable economic burden and entail particular hardship on the facility.

Amendment 181
Michiel Hoogeveen

Proposal for a regulation
Recital 49

Text proposed by the Commission

(49) The undertaking concerned should be obliged to accept and prioritise a priority rated order. In exceptional and duly justified cases, the undertaking could request the Commission to review the imposed obligation. This applies either where the facility is unable to fulfil the order even if prioritised, be it due to insufficient production capability or production capacity, or because this would place an unreasonable economic burden and entail particular hardship on the facility.

Amendment 182
Markus Ferber
Proposal for a regulation  
Recital 50

Text proposed by the Commission

(50) Under the exceptional circumstance that an undertaking operating along the semiconductor supply chain in the Union receives a priority rated order request from a third country, it should inform the Commission of this request, so as to inform an assessment of whether, if there is a significant impact on the security of supply to critical sectors, and the other requirements of necessity, proportionality and legality are satisfied in the circumstances of the case, the Commission should likewise enact a priority rated order obligation.

Amendment

deleted

Or. en

Amendment 183  
Michiel Hoogeveen

Proposal for a regulation  
Recital 50

Text proposed by the Commission

(50) Under the exceptional circumstance that an undertaking operating along the semiconductor supply chain in the Union receives a priority rated order request from a third country, it should inform the Commission of this request, so as to inform an assessment of whether, if there is a significant impact on the security of supply to critical sectors, and the other requirements of necessity, proportionality and legality are satisfied in the circumstances of the case, the Commission should likewise enact a priority rated order obligation.

Amendment

(50) Under the exceptional circumstance that an undertaking operating along the semiconductor supply chain in the Union receives a priority rated order request from a third country, it may inform the Commission of this request. This may trigger the Commission to undergo an assessment of whether there is a significant impact on the security of supply to critical sectors, as well as whether the other requirements of necessity, proportionality and legality are met to enact a priority order obligation.

Or. en
Amendment 184
Michiel Hoogeveen

Proposal for a regulation
Recital 51

Text proposed by the Commission

(51) In light of the importance to ensure the security of supply to critical sectors that perform vital societal functions, compliance with the obligation to perform a priority rated order should not entail liability for damages towards third parties for any breach of contractual obligations that may result from the necessary temporary changes of the operational processes of the concerned manufacturer, limited to the extent the violation of contractual obligations was necessary for compliance with the mandated prioritisation. Undertakings potentially within scope of a priority rated order should anticipate this possibility in the conditions of their commercial contracts. Without prejudice to the applicability of other provisions, the liability for defective products, as provided for by Council Directive 85/374/EEC of 25 July 1985, is not affected by this liability exemption.


Amendment

(51) In light of the importance to ensure the security of supply to critical sectors that perform vital societal functions, compliance with the obligation to perform a priority rated order should not entail liability for damages towards third parties for any breach of contractual obligations that may result from the necessary temporary changes of the operational processes of the concerned manufacturer, limited to the extent the violation of contractual obligations was necessary for compliance with the mandated prioritisation. Undertakings falling within the scope of potentially being asked to fulfil a priority rated order should anticipate this possibility in the conditions of their commercial contracts. Without prejudice to the applicability of other provisions, the liability for defective products, as provided for by Council Directive 85/374/EEC of 25 July 1985, is not affected by this liability exemption.


Or. en

Amendment 185
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Recital 53

Text proposed by the Commission

(53) When the crisis stage is activated, two or more Member States could mandate the Commission to aggregate demand and act on their behalf for their public procurement in the public interest, in accordance with existing Union rules and procedures, leveraging its purchasing power. The mandate could authorise the Commission to enter into agreements concerning the purchase of crisis-relevant products for certain critical sectors. The Commission should assess for each request the utility, necessity and proportionality in consultation with the Board. Where it intends to not follow the request, it should inform the concerned Member States and the Board and give its reasons. Furthermore, the participating Member States should be entitled to appoint representatives to provide guidance and advice during the procurement procedures and in the negotiation of the purchasing agreements. The deployment and use of purchased products should remain within the remit of the participating Member States.

Amendment

(53) When the crisis stage is activated, two or more Member States could mandate the Commission to aggregate demand and act on their behalf for their public procurement in the public interest, in accordance with existing Union rules and procedures, leveraging its purchasing power. The mandate could authorise the Commission to enter into agreements concerning the purchase of crisis-relevant products for the critical sectors identified in the scope of the implementing act triggering the crisis stage. The Commission should assess for each request the utility, necessity and proportionality in consultation with the Board. Where it intends to not follow the request, it should inform the concerned Member States and the Board and give its reasons. Furthermore, the participating Member States should be entitled to appoint representatives to provide guidance and advice during the procurement procedures and in the negotiation of the purchasing agreements. The deployment and use of purchased products should remain within the remit of the participating Member States.

Amendment 186
Alfred Sant

Proposal for a regulation
Article 1 – paragraph 1 – point b

Text proposed by the Commission

(b) setting the criteria to recognise and to support first-of-a-kind Integrated Production Facilities and Open EU Foundries that foster the security of supply of semiconductors in the Union;

Amendment

(b) setting the criteria to recognise and to support first-of-a-kind Integrated Production Facilities and Open EU Foundries that foster the security of supply of semiconductors and the deployment of
novel and innovative semiconductor technologies in the Union;

Amendment 187
Markus Ferber

Proposal for a regulation
Article 1 – paragraph 1 – point c

Text proposed by the Commission

(c) setting up a coordination mechanism between the Member States and the Commission for monitoring the supply of semiconductors and crisis response to semiconductor shortages.

Amendment
deleted

Amendment 188
Markus Ferber

Proposal for a regulation
Article 2 – paragraph 1 – point 10

Text proposed by the Commission

(10) ‘first-of-a-kind facility’ means an industrial facility capable of semiconductor manufacturing, including front-end or back-end, or both, that is not substantively already present or committed to be built within the Union, for instance with regard to the technology node, substrate material, such as silicon carbide and gallium nitride, and other product innovation that can offer better performance, process innovation or energy and environmental performance;

Amendment
(10) ‘first-of-a-kind facility’ means an industrial facility capable of semiconductor manufacturing, including front-end or back-end, or both, that is not substantively already present or committed to be built within the Union, for instance with regard to product or process innovation that can offer substantially better computing or energy consumption performance;
Amendment 189
Alfred Sant

Proposal for a regulation
Article 2 – paragraph 1 – point 10

Text proposed by the Commission

(10) ‘first-of-a-kind facility’ means an industrial facility capable of semiconductor manufacturing, including front-end or back-end, or both, that is not substantively already present or committed to be built within the Union, for instance with regard to the technology node, substrate material, such as silicon carbide and gallium nitride, and other product innovation that can offer better performance, process innovation or energy and environmental performance;

Amendment

(10) ‘first-of-a-kind facility’ means a front-end and back-end semiconductor manufacturing facility, which provides innovation with regard to the manufacturing process or final product, that is not yet substantively present or committed to be built within the Union, and it includes, but is not limited to, innovation that concerns performance, improvements in computing power or in the level of security, safety or reliability, or in energy and environmental performance, or in the use of a new technology node or substrate material, or in the implementation of production processes that lead to efficiency gains;

Justification

On the definition of ‘first-of-a-kind facility’, the terms ‘front’ and ‘end’ should be retained in the text. The focus of “first-of-a-kind facility” should be on innovation. “First-of-a-kind facilities” should also have the possibility to build on an existing technology in the EU, but offer significant improvement or performance. In addition, the impact on the user sectors and its contribution to the security of chips supply should be considered.

Amendment 190
Alfred Sant

Proposal for a regulation
Article 2 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘back-end’ means the packaging, assembly and test of each individual integrated circuit;

Amendment

(13) ‘back-end’ means the bonding, assembly and packaging, as well as the functional and quality test of each individual component coming out from the manufacturing of the semiconductor
product;

Or. en

Justification

This is of strategic importance for industrial operators who are particularly microenterprises and SMEs enterprises, and who find it practically impossible to tap into EU centralised funds due to the issue of the lack of linkages with their European partners that have the experience and capacity.

Amendment 191
Marc Angel, Aurore Lalucq, Jonás Fernández

Proposal for a regulation
Article 2 – paragraph 1 – point 16

Text proposed by the Commission

(16) ‘critical sector’ means any sector referred to in the Annex of the Commission proposal for a Directive of the European Parliament and of the Council on the resilience of critical entities, the defence sector and other activities that are relevant for public safety and security;

Amendment

(16) ‘critical sector’ means any sector or subsector crucial for the maintenance of vital societal functions, notably public health and public safety and security;

Or. en

Amendment 192
Eva Kaili

Proposal for a regulation
Article 2 – paragraph 1 – point 16

Text proposed by the Commission

(16) ‘critical sector’ means any sector referred to in the Annex of the Commission proposal for a Directive of the European Parliament and of the Council on the resilience of critical entities, the defence sector and other activities that are relevant for public safety and security;

Amendment

(16) ‘critical sector’ means any sector referred to in the Annex of the Commission proposal for a Directive of the European Parliament and of the Council on the resilience of critical entities, including types of entities operating within those sectors and not referred thereto, which are crucial for maintaining vital societal
functions and ensuring public safety and security.

Amendment 193
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 2 – paragraph 1 – point 16 a (new)

Text proposed by the Commission

Amendment

(16 a) ‘semiconductor crisis’ means the existence of serious disruptions in the semiconductor supply chain, leading to significant shortages of semiconductors, intermediate products or raw and processed materials, at any link of the semiconductor value chain, which prevent the supply, repair and maintenance of essential products of the semiconductor supply chain itself to the extent that it affects the normal functioning of critical sectors;

Amendment 194
Michiel Hoogeveen

Proposal for a regulation
Article 2 – paragraph 1 – point 17

Text proposed by the Commission

Amendment

(17) ‘crisis-relevant product’ means semiconductors, intermediate products and raw materials required to produce semiconductors or intermediate products, that are affected by the semiconductor crisis or of strategic importance to remedy the semiconductor crisis or economic effects thereof;

(17) ‘crisis-relevant product’ means semiconductors, intermediate products and raw materials required to produce semiconductors or intermediate products, as well as services that are affected by the semiconductor crisis or of strategic importance to remedy the semiconductor crisis or economic effects thereof;
Amendment 195
Alfred Sant
Proposal for a regulation
Article 3 – paragraph 2

*Text proposed by the Commission*

2. The Initiative shall be supported by funding from the Horizon Europe programme and the Digital Europe programme, and in particular Specific Objective 6 thereof, for a maximum indicative amount of EUR 1.65 billion and EUR 1.65 billion respectively. This funding shall be implemented in accordance with Regulation (EU) No 2021/695 and Regulation (EU) No 2021/694.

*Amendment*

2. The Initiative, amongst others, shall be supported by funding from the Horizon Europe programme and the Digital Europe programme, and in particular Specific Objective 6 thereof, for a maximum indicative amount of EUR 1.65 billion and EUR 1.65 billion respectively. This funding shall be implemented in accordance with Regulation (EU) No 2021/695 and Regulation (EU) No 2021/694.

*Or. en*

*Justification*

Beside the Horizon Europe programme and the Digital Europe programme there are also some other EU programmes and also structural and cohesion funds that could provide financing.

Amendment 196
Markus Ferber
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

*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
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 198
Marc Angel, Alfred Sant, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández

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 a social-ecological transition.
achievement of the twin digital and green transition, notably by reducing the environmental impact of next generation chips and contributing to the circular economy, as well as promoting secure and resilient designs capable to counter cybersecurity threats.

Amendment 199
Michiel Hoogeveen

Proposal for a regulation
Article 4 – paragraph 2 – point b – point 3

Text proposed by the Commission
(3) providing support to Integrated Production Facilities and Open EU Foundries through priority access to the new pilot lines.

Amendment
(3) providing support to Integrated Production Facilities and Open EU Foundries through the possibility of priority access to the new pilot lines.

Amendment 200
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 4 – paragraph 2 – point d – introductory part

Text proposed by the Commission
(d) creating a network of competence centres across the Union, in order to

Amendment
(d) creating a network of competence centres across the Union, by creating new or enhancing existing facilities, in order to

Amendment 201
Martin Schirdewan

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 semiconductor sector, including via reskilling and upskilling of workers.

Amendment

(2) address the skills shortage, including via reskilling and upskilling of workers, while ensuring job and social security, employment growth and the highest standards regarding working conditions and labour rights.

Or. en

Amendment 202
Eva Kaili

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 semiconductor sector, including via reskilling and upskilling of workers.

Amendment

(2) address the skills shortage, attracting and mobilising new talent and supporting the emergence of a suitably skilled workforce for strengthening the semiconductor sector, including via reskilling and upskilling of workers, and via providing incentives to workers to address and overcome challenges regarding the acquisition and retention of talent.

Or. en

Amendment 203
Martin Schirdewan

Proposal for a regulation
Article 4 – paragraph 2 – point e – point 1 a (new)

Text proposed by the Commission

(1 a) ensuring social, democratic and ecologically sustainable business operations by linking Union or state support for private companies to the conditions set out in paragraph 2, points

Amendment

(1 a) ensuring social, democratic and ecologically sustainable business operations by linking Union or state support for private companies to the conditions set out in paragraph 2, points
(ea) and (eb), of this Article.

Or. en

Amendment 204
Martin Schirdewan

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

Text proposed by the Commission
(2) providing support to companies facing difficulties in accessing finance, and addressing the need to underpin the economic resilience of the Union and its Member States;

Amendment
(2) providing support to companies facing difficulties in accessing finance, in particular by implementing special support schemes for companies self-managed by workers, and addressing the need to underpin the economic resilience of the Union and its Member States;

Or. en

Amendment 205
Martin Schirdewan

Proposal for a regulation
Article 4 – paragraph 2 – point e a (new)

Text proposed by the Commission
(e a) contributing to the development of an economy based on the principle of zero-emissions and zero-waste. That operational objective shall be achieved through:

(1) favouring companies that are committed to the objective of developing zero-emissions and zero-waste production or services, as far as practicable, in any support scheme provided for by the Union or Member States under this Initiative;

(2) linking a commitment to the objective of developing zero-emissions and zero-waste production or services, as far as practicable, as a precondition to private
companies for receiving any kind of support provided for by the Union or Member States under this Initiative, including for the operation of Integrated Production Facilities and EU Open Foundries;

(3) directing the supply of semiconductor chips towards the demand of industries or companies that, given the technological and organizational limitations, are committed to the principle of zero-emissions and zero-waste production or services;

(4) including well-established civil society organisations dedicated to environmental protection in the decision-making processes of any governing body established to implement this Regulation, including the European Chips Infrastructure Consortium, with powers equal to any other party involved in those processes with distinctive interests as private companies and labour organisations or their representatives.

Or. en

Amendment 206
Martin Schirdewan

Proposal for a regulation
Article 4 – paragraph 2 – point e b (new)

Text proposed by the Commission

Amendment

(e b) contributing to the development of a social and democratic economy. That operational objective shall be achieved through:

(1) linking a commitment to the highest standards for employment protection, working conditions and labour rights, including equal representation and participation rights for workers in all strategic decisions, as a precondition to private companies for receiving any kind of support provided for by the Union or
Member States under this Initiative, including for the operation of Integrated Production Facilities and EU Open Foundries;

(2) including labour organisations or labour representatives in the decision-making processes of any governing body established to implement this Regulation, including the European Chips Infrastructure Consortium and the European Semiconductor Board, with powers equal to any other party involved in those processes with distinctive interests as private companies, or their representatives, and civil society organisations.

Amendment 207
Martin Schirdewan

Proposal for a regulation
Article 7 – paragraph 2 – point c

Text proposed by the Commission

(c) consist of at least three legal entities from at least three Member States and be operated as a public-private sector consortium with the participation of the Member States, and private legal entities;

Amendment

(c) consist of at least three legal entities from at least three Member States and be operated as a public-private sector consortium with the participation on equal terms of the Member States, private legal entities, trade unions as well as works councils and civil society organisations dedicated to the protection of the environment;

Amendment 208
Martin Schirdewan

Proposal for a regulation
Article 7 – paragraph 3 – point a
(a) a request to the Commission to set up the ECIC, including a list of the proposed legal entities, trade unions, works councils and civil society organisations, equally represented on the list, that are forming the ECIC consortium;

Or. en

Amendment 209
Martin Schirdewan

Proposal for a regulation
Article 7 – paragraph 3 – point b

Text proposed by the Commission

(b) the draft Statutes of the ECIC that shall include at least the provisions on: the procedure for setting-up, membership, budget, legal seat, applicable law and jurisdiction, ownership of the results, governance, including decision making procedure and specific role and if applicable voting rights of Member States and the Commission, winding-up, reporting and liability.

Amendment

(b) the draft Statutes of the ECIC that shall include at least the provisions on: the procedure for setting-up, membership, budget, legal seat, applicable law and jurisdiction, ownership of the results, governance, including decision making procedure ensuring equal representation and participation between private entities, workers’ organisations and civil society organisations, and specific role and if applicable voting rights of Member States and the Commission, winding-up, reporting and liability.

Or. en

Amendment 210
Martin Schirdewan

Proposal for a regulation
Article 7 – paragraph 4 – point f a (new)

Text proposed by the Commission

(f a) equal representation and participation of private entities, workers’ organisations and civil society organisations

Amendment

(f a) equal representation and participation of private entities, workers’ organisations and civil society organisations
organisations dedicated to the protection of the environment.

Amendment 211
Alfred Sant

Proposal for a regulation
Article 7 – paragraph 4 – point f a (new)

Text proposed by the Commission

(f a) the composition of the ECIC with regard to facilitating contributions of SMEs.

Justification

There could be merit in introducing a minimum participation requirement of SMEs in the Consortia. This would ensure better involvement of all industrial players in these private-public partnerships.

Amendment 212
Engin Eroglu, Linea Søgaard-Lidell

Proposal for a regulation
Article 7 – paragraph 4 – point f a (new)

Text proposed by the Commission

(f a) the threat that ECIC would pose to a competitive market.

Amendment

Amendment 213
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 8 – paragraph 1
1. For the purpose of implementing actions under the Initiative’s component referred to in Article 5, point (d), a European network of competence centres in semiconductors (the ‘network’) may be established.

Amendment

1. For the purpose of implementing actions under the Initiative’s component referred to in Article 5, point (d), a European network of competence centres in semiconductors (the ‘network’) shall be established.

Amendment 214
Martin Schirdewan

Proposal for a regulation
Article 8 – paragraph 2 – point e

Text proposed by the Commission
(e) developing and managing specific training actions on semiconductor technologies to support the development of the talent pool in the Union.

Amendment
(e) developing and managing specific training actions on semiconductor technologies to support the development of the talent pool in the Union, including targeted programmes to support the skills development of the existing workforce.

Amendment 215
Martin Schirdewan

Proposal for a regulation
Article 8 – paragraph 3 a (new)

Text proposed by the Commission
3 a. Member States shall ensure that the workforce is provided with the highest standards of employment protection and social security during the participation in training measures, including targeted support schemes where appropriate.

Amendment
3 a. Member States shall ensure that the workforce is provided with the highest standards of employment protection and social security during the participation in training measures, including targeted support schemes where appropriate.
Amendment 216
Martin Schirdewan

Proposal for a regulation
Article 10 – paragraph 1

Text proposed by the Commission

1. Integrated Production Facilities are **first-of-a-kind** semiconductor design and manufacturing facilities, including front-end or back-end, or both, in the Union that contribute to the security of supply for the internal market.

Amendment

1. Integrated Production Facilities are **semiconductor design and manufacturing facilities of highest social and ecological standards**, including front-end or back-end, or both, in the Union that contribute to the security of supply for the internal market.

Or. en

Amendment 217
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 10 – paragraph 1

Text proposed by the Commission

1. Integrated Production Facilities are first-of-a-kind semiconductor design and manufacturing facilities, including front-end or back-end, or both, in the Union that contribute to the security of supply for the internal market.

Amendment

1. Integrated Production Facilities are first-of-a-kind semiconductor design and manufacturing facilities, including front-end or back-end, or both, in the Union that contribute to the security of supply for the internal market **and, where appropriate, the global market.**

Or. en

Amendment 218
Martin Schirdewan

Proposal for a regulation
Article 10 – paragraph 2 – point a

Text proposed by the Commission

Amendment
(a) it qualifies as a first-of-a-kind facility;

(b) its establishment and operation have a clear positive impact on the Union’s semiconductor value chain with regard to ensuring the security of supply and increasing qualified workforce;
Proposal for a regulation
Article 10 – paragraph 2 – point c

**Text proposed by the Commission**

(c) it guarantees not to be subject to the extraterritorial application of public service obligations of third countries in a way that may undermine the undertaking’s ability to comply with the obligations set out in Article 21(1) and commits to inform the Commission when such obligation arises;

**Amendment**

(c) it guarantees not to be subject to the extraterritorial application of public service obligations of third countries in a way that may undermine the undertaking’s ability to comply with the obligations set out in Article 21(1) and commits to inform the Commission when such obligation arises;

the European Semiconductor Board and the Commission shall enter into intergovernmental dialogue and consultation through the structures of the European Semiconductor Board in order to facilitate a resolution of any conflicts of interest or inconsistencies within existing contractual obligations.

Or. en

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**Amendment 222**
Michiel Hoogeveen

Proposal for a regulation
Article 10 – paragraph 2 – point d

**Text proposed by the Commission**

(d) it commits to invest in the next generation of chips.

**Amendment**

(d) it commits to invest in the next generation of chips and in projects that are highly ambitious, aimed at developing technologies and processes that go beyond current technology and allow for major improvements in performance, safety and security, in line with the needs and aims of the Union's digital transformation, giving due consideration to ongoing and planned R&D&I activities and projects.

Or. en

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**Amendment 223**
Martin Schirdewan

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Proposal for a regulation  
Article 10 – paragraph 2 – point d a (new)

_text proposed by the Commission_

**Amendment**

(d a) it commits to the objective of developing zero-waste and zero-emissions production as far as practicable given technological and organisational possibilities;

Or. en

Amendment 224  
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation  
Article 10 – paragraph 2 – point d a (new)

_text proposed by the Commission_

**Amendment**

(d a) it commits to invest in talent and skills development, and to respect applicable Union labour law.

Or. en

Amendment 225  
Martin Schirdewan

Proposal for a regulation  
Article 10 – paragraph 2 – point d b (new)

_text proposed by the Commission_

**Amendment**

(d b) it operates with the highest standards regarding labour rights and working conditions, including full respect for the workers’ right of collective action and bargaining.

Or. en
Amendment 226  
Martin Schirdewan

Proposal for a regulation
Article 10 – paragraph 2 – point d c (new)

Text proposed by the Commission

(d c) it operates on the basis of the principle of codetermination granting labour representatives equal decision-making power and the right to veto all strategic decisions, including investment decisions.

Amendment

Or. en

Amendment 227  
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kallì

Proposal for a regulation
Article 10 – paragraph 2 a (new)

Text proposed by the Commission

2 a. The Commission shall issue guidance for the purpose of assessing the positive impact referred to in paragraph 2, point (b), notably with regard to ensuring the security of supply and increasing a qualified workforce, the innovation potential of SMEs, the impact on several Member States, including cohesion objectives, and its contribution to the green transition.

Amendment

Or. en

Amendment 228  
Marc Angel, Elisabetta Gualmini, Aurore Lalucq

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission

Amendment
3. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Integrated Production Facility shall have priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Amendment 229
Michiel Hoogeveen

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission

3. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Integrated Production Facility shall have priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Amendment

3. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Integrated Production Facility may be granted priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Or. en

Amendment 230
Martín Schirdewan

Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

1. Open EU Foundries are first-of-a-kind semiconductor front-end or back-end, or both, manufacturing facilities in the Union that offer production capacity to unrelated undertakings and thereby contribute to the security of supply for the

Amendment

1. Open EU Foundries are semiconductor front-end or back-end, or both, manufacturing facilities of highest social and ecological standards in the Union that offer production capacity to unrelated undertakings and thereby
internal market. contribute to the security of supply for the internal market.

Amendment 231
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

1. Open EU Foundries are first-of-a-kind semiconductor front-end or back-end, or both, manufacturing facilities in the Union that offer production capacity to unrelated undertakings and thereby contribute to the security of supply for the internal market.

Amendment

1. Open EU Foundries are first-of-a-kind semiconductor front-end or back-end, or both, manufacturing facilities in the Union that offer production capacity to unrelated undertakings and thereby contribute to the security of supply for the internal market and, where appropriate, the global market.

Amendment 232
Martin Schirdewan

Proposal for a regulation
Article 11 – paragraph 2 – point a

Text proposed by the Commission

(a) it qualifies as a first-of-a-kind facility;

Amendment

deleted

Or. en

Amendment 233
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 11 – paragraph 2 – point b
(b) its establishment and operation have a clear positive impact on the Union’s semiconductor value chain with regard to ensuring the security of supply and increasing qualified workforce, taking into account in particular the extent to which it offers front-end or back-end, or both, production capacity to undertakings not related to the facility, if there is sufficient demand;

Amendment 234
Martin Schirdewan

Proposal for a regulation
Article 11 – paragraph 2 – point d a (new)

Text proposed by the Commission

(b) its establishment and operation have a clear positive impact on the Union’s semiconductor value chain, taking into account in particular the extent to which it offers front-end or back-end, or both, production capacity to undertakings not related to the facility, if there is sufficient demand;

Amendment

Or. en

Amendment 235
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 11 – paragraph 2 – point d a (new)

Text proposed by the Commission

(d a) it commits to the objective of developing zero-waste and zero-emissions production as far as practicable given technological and organisational possibilities;

Amendment

Or. en

(d a) it commits to invest in talents and skills development, and respect applicable Union labour law.
Amendment 236
Martin Schirdewan

Proposal for a regulation
Article 11 – paragraph 2 – point d b (new)

Text proposed by the Commission

(d b) it operates with the highest standards regarding labour rights and working conditions including full respect for the workers' right of collective action and bargaining.

Or. en

Amendment 237
Martin Schirdewan

Proposal for a regulation
Article 11 – paragraph 2 – point d c (new)

Text proposed by the Commission

(d c) it operates on the basis of the principle of codetermination granting labour representatives equal decision-making power and the right to veto all strategic decisions, including investment decisions.

Or. en

Amendment 238
Marc Angel, Alfred Sant, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 11 – paragraph 2 a (new)

Text proposed by the Commission

2 a. The Commission shall issue guidance for the purpose of assessing the positive impact referred to in paragraph 2, point (b), notably with regard to ensuring...
the security of supply and increasing a qualified workforce, the innovation potential of SMEs, the impact on several Member States, including cohesion objectives, and its contribution to the green transition.

Amendment 239
Marc Angel, Elisabetta Gualmini, Aurore Lalucq

Proposal for a regulation
Article 11 – paragraph 4

Text proposed by the Commission

4. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Open EU Foundry shall have priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Amendment

4. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Open EU Foundry shall have preferential access to the pilot lines set up in accordance with Article 5, point (b). Any such preferential access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Amendment 240
Michiel Hoogeveen

Proposal for a regulation
Article 11 – paragraph 4

Text proposed by the Commission

4. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Open EU Foundry shall have priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.

Amendment

4. For the purpose of investing in the next generation of chips according to paragraph 2, point (d), the Open EU Foundry may be granted priority access to the pilot lines set up in accordance with Article 5, point (b). Any such priority access shall be without prejudice to effective access to the pilot lines by other interested undertakings.
Amendment 241
Martin Schirdewan

Proposal for a regulation
Article 12 – paragraph 2 a (new)

Text proposed by the Commission

2 a. The Commission shall favour applications that are conducive to a more even economic development in the Union, in particular applications that are beneficial to regions affected by deindustrialisation, underemployment or outward migration.

Amendment

Or. en

Amendment 242
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

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

Support schemes shall be used to fill possible funding gaps in the semiconductor ecosystem and shall be necessary, appropriate and proportionate, without undue competition distortions, without duplicating or crowding out private investments, and its benefits shall be shared widely and without discrimination across the Union’s economy.
Amendment 243
Antonio Maria Rinaldi, Marco Zanni, Valentino Grant

Proposal for a regulation
Article 13 – paragraph 2

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>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. <strong>Member States should be able to provide State aid equal to that provided by third countries in the chip production and in the supply chain. All State aid financing initiatives in this field shall be deducted from the deficit calculation.</strong></td>
</tr>
</tbody>
</table>

Or. en

Amendment 244
Martin Schirdewan

Proposal for a regulation
Article 13 – paragraph 2 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 a. An Integrated Production Facility or an Open EU Foundry shall be publicly owned by the local authorities of the region in which it is located, and those local authorities shall have voting rights in all strategic decisions in proportion to the share of direct public funding provided to the Integrated Production Facility or Open EU Foundry in the form of grants or equity investment.</td>
<td>2 a. An Integrated Production Facility or an Open EU Foundry shall be publicly owned by the local authorities of the region in which it is located, and those local authorities shall have voting rights in all strategic decisions in proportion to the share of direct public funding provided to the Integrated Production Facility or Open EU Foundry in the form of grants or equity investment.</td>
</tr>
</tbody>
</table>

Or. en
Amendment 245
Antonio Maria Rinaldi, Marco Zanni, Valentino Grant

Proposal for a regulation
Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. European structural funds may be used to co-finance initiatives authorised under the Chips Act Regulation, and the Member States' part of the co-financing shall be deducted from the deficit calculation.

Or. en

Amendment 246
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 13 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. The Commission shall issue clear guidance on assessing the funding gap with a view to allowing a uniform and fact-based assessment of applications by national competent authorities.

Or. en

Amendment 247
Martin Schirdewan

Proposal for a regulation
Article 13 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2 b. In order to ensure that the public interest is protected, the Commission or any Member State involved is empowered to veto strategic decisions of an Integrated
**Production Facility or an Open EU Foundry that may have a substantial negative impact for local communities or the natural environment, including geographical relocation plans, if it was supported significantly with resources from the Union or a Member State.**

Amendment 248
Eva Kaili

Proposal for a regulation
Article 14 – paragraph 1

*Text proposed by the Commission*

1. Member States shall ensure that administrative applications related to the planning, construction and operation of Integrated Production Facilities and Open EU Foundries are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to these applications.

*Amendment*

1. Member States shall ensure that administrative applications related to the planning, construction and operation of Integrated Production Facilities and Open EU Foundries are processed in an efficient, transparent and timely manner. To that end, all national authorities concerned shall assess applications and provide investors with final and binding information as regards the financial support of their proposal, within six months of their application, to allow them to make adequate risk and investment assessments.

Amendment 249
Michiel Hoogeveen

Proposal for a regulation
Article 14 – paragraph 2 a (new)

*Text proposed by the Commission*

2 a. Through the European Semiconductor Board and in cooperation

*Amendment*
with the Commission, Member States may seek to give recommendations to establish minimum restrictions by public authorities at a national level.

Amendment 250
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili
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 these provisions are fulfilled.

Amendment

3. The provisions of this Regulation shall be without prejudice to achieving the objectives under the European Green Deal.

Amendment 251
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández
Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Member States shall carry out regular monitoring of the semiconductor value chain. In particular, they shall:

Amendment

The Commission, assisted by national competent authorities, shall monitor the semiconductor value chain. In particular, it shall:
Amendment 252
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández

Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall provide relevant findings to the European Semiconductor Board in the form of regular updates.

Amendment

The Commission shall provide relevant findings to the European Semiconductor Board in the form of regular updates.

Or. en

Amendment 253
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández

Proposal for a regulation
Article 15 – paragraph 2

Text proposed by the Commission

2. Member States shall invite the main users of semiconductors and other relevant stakeholders to provide information regarding significant fluctuations in demand and known disruptions of their supply chain. To facilitate the exchange of information, Member States shall provide for a mechanism and administrative set-up for these updates.

Amendment

2. The Commission shall invite the main users of semiconductors and other relevant stakeholders to provide information regarding significant fluctuations in demand and known disruptions of their supply chain.

Or. en

Amendment 254
Martin Schirdewan

Proposal for a regulation
Article 15 – paragraph 2

Text proposed by the Commission

2. Member States shall invite the main users of semiconductors and other relevant

Amendment

2. Member States shall ensure that the main users of semiconductors and other

stakeholders to provide information regarding significant fluctuations in demand and known disruptions of their supply chain. To facilitate the exchange of information, Member States shall provide for a mechanism and administrative set-up for these updates.

relevant stakeholders provide information regarding significant fluctuations in demand and known disruptions of their supply chain. To facilitate the exchange of information, Member States shall provide for a mechanism and administrative set-up for these updates.

Amendment 255  
Eva Kaili

Proposal for a regulation  
Article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. In addition, the Commission and Member States in collaboration with third countries and international partners, shall incentivise the end-customer industries to increase the transparency of their supply chain with the semiconductor industry to anticipate and prevent chip shortages.

Or. en

Amendment 256  
Markus Ferber

Proposal for a regulation  
Article 15 – paragraph 5

Text proposed by the Commission

Amendment

5. Where the Commission becomes aware of a potential semiconductor crisis, a significant fluctuation in demand or has concrete and reliable information of any other risk factor or event materialising, based on an alert by a Member State provided in accordance with paragraph 4, or through other sources, including information from international partners, it shall without undue delay:

deleted
(a) convene an extraordinary meeting of the European Semiconductor Board to coordinate the following actions:

(1) assessing whether the activation of the crisis stage referred to in Article 18 is warranted;

(2) discussing whether it may be appropriate, necessary and proportionate for Member States to jointly purchase semiconductors, intermediate products or raw materials affected or at threat of being affected by a potential semiconductor crisis (‘coordinated procurement’);

(b) enter into consultations or cooperation, on behalf of the Union, with relevant third countries with a view to seeking cooperative solutions to address supply chain disruptions, in compliance with international obligations. This may involve, where appropriate, coordination in relevant international fora.

Or. en

Amendment 257
Markus Ferber

Proposal for a regulation
Article 15 – paragraph 6

Text proposed by the Commission Amendment

6. The coordinated procurement referred to in paragraph 5, point (a)(ii), shall be carried out by Member States in accordance with the rules set out in Article 38 of Directive 2014/24/EU of the European Parliament and of the Council66.

Amendment 258
Markus Ferber

Proposal for a regulation
Article 15 – paragraph 7

Text proposed by the Commission

Amendment

7. National competent authorities designated pursuant to Article 26(1) shall map undertakings operating along the semiconductor supply chain in their national territory, including non-confidential information on the services or goods, and contact information. They shall notify this list and any subsequent update to the Commission. The Commission may issue guidance, after consulting the European Semiconductor Board, to further specify the information to be gathered and define the technical specifications and formats.

Justification

The purpose of this mapping exercise remains unclear.

Amendment 259
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall, after consulting the European Semiconductor Board, assess risks that may disrupt, compromise or negatively affect the supply of semiconductors (Union risk assessment).

1. The Commission shall, after consulting the European Semiconductor Board and relevant industry stakeholders, assess risks that may disrupt, compromise or negatively affect the supply of
In the Union risk assessment, the Commission shall identify early warning indicators and establish early warning indicators.

Amendment 260
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission
2. The Commission shall review the Union risk assessment including the early warning indicators as necessary.

Amendment
2. The Commission shall, on its own initiative or at the request of the European Semiconductor Board, review Union risk assessment including the early warning indicators as necessary.

Amendment 261
Markus Ferber

Proposal for a regulation
Article 17

Key market actors
1. Member States shall identify key market actors along the semiconductor supply chains in their national territory, taking into account the following elements:

(a) the number of other Union undertakings relying on the service or good provided by a market actor;

(b) the Union or global market share of the key market actor in the market for such services or goods;

(c) the importance of a market actor in
maintaining a sufficient level of supply of a service or good in the Union, taking into account the availability of alternative means for the provision of that service or good;

(d) the impact a disruption of supply of the service or good provided by the market actor may have on the Union’s semiconductor supply chain and dependent markets.

2. When monitoring the semiconductor value chain pursuant to Article 15, Member States shall, after consulting the European Semiconductor Board, monitor the availability and integrity of the services or goods which those key market actors provide.

Justification

The purpose of this identification exercise remains unclear.

Amendment 262
Markus Ferber

Proposal for a regulation
Chapter IV – Section 2

Text proposed by the Commission Amended

[...] deleted

Justification

The crisis stage measures represent a disproportionate market intervention.

Amendment 263
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 18 – paragraph 1 – introductory part
1. A semiconductor crisis shall be considered to occur when there are serious disruptions in the supply of semiconductors leading to significant shortages, which:

\[\text{Amendment}\]

1. A semiconductor crisis shall be considered to occur when there are serious disruptions in the semiconductor supply chain, leading to significant shortages of semiconductors, intermediate products or raw and processed materials, at any link of the semiconductor value chain, which prevent the supply, repair and maintenance of essential products of the semiconductor supply chain itself to the extent that it affects the normal functioning of critical sectors:

\[\text{Or. en}\]

\[\text{Amendment 264}\]
Marc Angel, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 18 – paragraph 1 – point a

\[\text{Text proposed by the Commission}\]

(a) entail significant delays or significant negative effects on one or more important economic sectors in the Union, or

\[\text{Amendment}\]

\[\text{deleted}\]

\[\text{Or. en}\]

\[\text{Amendment 265}\]
Marc Angel, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 18 – paragraph 1 – point b

\[\text{Text proposed by the Commission}\]

(b) prevent the supply, repair and maintenance of essential products used by critical sectors.

\[\text{Amendment}\]

\[\text{deleted}\]

\[\text{Or. en}\]
Amendment 266
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández, Eva Kaili

Proposal for a regulation
Article 18 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. After triggering the crisis stage, the Commission and the European Semiconductor Board shall prepare a report, which transparently details the factors leading to the activation of the crisis stage. That report shall be submitted to the European Parliament.

Or. en

Amendment 267
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Eva Kaili

Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission

Amendment

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. When taking those measures, the Commission should duly consider the potential negative impacts on international partners.

Or. en

Amendment 268
Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández

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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. If necessary, after consulting the European Semiconductor Board, the Commission may additionally take the measures provided for in Article 21 or Article 22, or both, under the conditions laid down therein. In case measures provided for in Articles 21 and 22 are used, they shall be limited to the actors of the semiconductor supply chain directly related to the supply of the critical sectors referred to in the scope of the implementing act activating the crisis stage.

Or. en

Amendment 269
Martin Schirdewan

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 and must be in the best interest of the Union. The use of these measures shall avoid adversely affecting workers and placing disproportionate administrative burden on SMEs.

Or. en

Amendment 270
Michiel Hoogeveen
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 shall take precedence over any performance obligation under private or public law.

Amendment

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’). Such an obligation shall not compromise the free market or European companies’ business practices.

Or. en

Amendment 271
Martin Schirdewan

Proposal for a regulation
Article 21 – paragraph 2

Text proposed by the Commission

2. The obligation under paragraph 1 can also be imposed to other semiconductor undertakings which have accepted such possibility in the context of receiving public support.

Amendment

2. The obligation under paragraph 1 can also be imposed to other semiconductor undertakings.

Or. en

Amendment 272
Michiel Hoogeveen

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

Amendment

3. When a semiconductor undertaking established in the Union is subject to a third country priority rated order measure, it may inform the Commission. Should that
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 273
Michiel Hoogeveen

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 consultation with the undertaking concerned. 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 and circumstances of the undertaking concerned, as well as a complete analysis of the cost and effort required to change the production sequence. In its arguments to enact a priority order obligation, the Commission shall state the legal basis for the priority rated order, set a desirable deadline, and, where applicable, specify the product and quantity. The priority rated order shall be placed at fair and reasonable price.

Amendment 274
Michiel Hoogeveen

Proposal for a regulation
Article 21 – paragraph 5 – introductory part
5. The undertaking concerned shall be
obliged to accept and prioritise a priority
rated order. The undertaking may request
the Commission to review the priority
rated order where it considers it to be duly
justified based on one of the following
grounds:

**Amendment 275**
Martin Schirdewan

Proposal for a regulation
Article 21 – paragraph 5 – introductory part

Text proposed by the Commission

5. The undertaking concerned shall be
obliged to accept and prioritise a priority
derated order. The undertaking may request
the Commission to review the priority
derated order where it considers it to be duly
justified based on one of the following
grounds:

**Amendment**

5. The undertaking concerned may
request the Commission to review the
priority rated order on one of the following
grounds:

Or. en

**Amendment 276**
Michiel Hoogeveen

Proposal for a regulation
Article 21 – paragraph 5 – point a

Text proposed by the Commission

(a) if the undertaking is unable to
perform the priority rated order on account
of insufficient production capability or
production capacity, even under
preferential treatment of the order;

**Amendment**

(a) if the undertaking is unable to
perform the priority rated order on account
of insufficient production capability or
production capacity;

Or. en
Amendment 277  
Michiel Hoogeveen

Proposal for a regulation  
Article 21 – paragraph 5 – point b

Text proposed by the Commission

(b) if acceptance of the order would place an unreasonable economic burden and entail particular hardship for the undertaking.

Amendment

(b) if acceptance of the order would place an unreasonable burden and entail particular hardship for the undertaking.

Or. en

Amendment 278  
Martin Schirdewan

Proposal for a regulation  
Article 21 – paragraph 5 – point b

Text proposed by the Commission

(b) if acceptance of the order would place an unreasonable economic burden and entail particular hardship for the undertaking.

Amendment

(b) if acceptance of the order would place an unreasonable economic burden and entail particular hardship for the undertaking or its employees.

Or. en

Amendment 279  
Michiel Hoogeveen

Proposal for a regulation  
Article 21 – paragraph 6

Text proposed by the Commission

6. Where an undertaking is obliged to accept and prioritise a priority rated order, it shall not be liable for any breach of contractual obligations that is required to comply with the priority rated orders. The liability shall be excluded only to the extent the violation of contractual

Amendment

6. Where an undertaking accepts and prioritise a priority rated order, it shall not be liable for any breach of contractual obligations that is required to comply with the priority rated orders. The liability shall be excluded only to the extent that the violation of contractual obligations was
obligations was necessary for compliance with the mandated prioritisation.

<table>
<thead>
<tr>
<th>Amendment 280</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marc Angel, Elisabetta Gualmini, Aurore Lalucq, Jonás Fernández</td>
</tr>
</tbody>
</table>

Proposal for a regulation
Article 22 – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Commission may, upon the request of two or more Member States, establish a mandate to act as a central purchasing body on behalf of the participating Member States (‘participating Member States’) for their public procurement of crisis-relevant products for certain critical sectors (‘common purchasing’).</td>
<td>1. The Commission may, upon the request of two or more Member States, establish a mandate to act as a central purchasing body on behalf of the participating Member States (‘participating Member States’) for their public procurement of crisis-relevant products for the critical sectors referred to in the implementing act activating the crisis stage (‘common purchasing’).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amendment 281</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michiel Hoogeveen</td>
</tr>
</tbody>
</table>

Proposal for a regulation
Article 22 – paragraph 3

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. The Commission shall draw up a proposal for a framework agreement to be signed by the participating Member States. This framework agreement shall organise in detail the common purchasing referred to in paragraph 1.</td>
<td>3. The Commission shall draw up a proposal for a framework agreement to be signed by the participating Member States. This framework agreement shall explain in detail the possibility of common purchasing referred to in paragraph 1, including acceptable justifications for its use and liabilities to be assumed by the Commission.</td>
</tr>
</tbody>
</table>
Amendment 282  
Michiel Hoogeveen  

Proposal for a regulation  
Article 22 – paragraph 4  

**Text proposed by the Commission**

4. Procurement under this Regulation shall be carried out by the Commission in accordance with the rules set out in the Financial Regulation. The Commission may have the ability and responsibility, on behalf of all participating Member States, to enter into contracts with economic operators, including individual producers of crisis-relevant products, concerning the purchase of such products or concerning the advance financing of the production or the development of such products in exchange for a priority right to the result.

**Amendment**

4. Procurement under this Regulation shall be carried out by the Commission in accordance with the rules set out in the Financial Regulation. The Commission may have the ability, on behalf of all participating Member States, to enter into contracts with economic operators, including individual producers of crisis-relevant products, concerning the purchase, the advanced financing of the production or the development of such products in exchange for priority access to the result.

Or. en

Amendment 283  
Martin Schirdewan  

Proposal for a regulation  
Article 22 – paragraph 6 a (new)  

**Text proposed by the Commission**

6 a. The details of the procurement procedures, of the negotiations with the economic operators, including individual producers, and of the concluded contracts shall be made public by the Commission.

**Amendment**

6 a. The details of the procurement procedures, of the negotiations with the economic operators, including individual producers, and of the concluded contracts shall be made public by the Commission.

Or. en

Amendment 284  
Markus Ferber
Proposal for a regulation
Chapter V – Section 1

Text proposed by the Commission
Amendment

[...] deleted

Or. en

Justification

The introduction of a new governance body with unclear responsibilities only creates another layer of bureaucracy.

Amendment 285
Martin Schirdewan

Proposal for a regulation
Article 24 – paragraph 1

Text proposed by the Commission
Amendment

1. The European Semiconductor Board shall be composed of representatives of the Member States and shall be chaired by a representative of the Commission.

1. The European Semiconductor Board shall be composed on equal terms of representatives of the Member States, workers' organisations, private companies and relevant civil society organisations dedicated to environmental protection. The European Semiconductor Board shall be chaired by a representative of the Commission.

Or. en

Amendment 286
Martin Schirdewan

Proposal for a regulation
Article 24 – paragraph 4

Text proposed by the Commission
Amendment

4. The Commission may establish standing or temporary sub-groups for the purpose of examining specific questions. Where appropriate, the Commission may invite organisations representing the

4. The Commission may establish standing or temporary sub-groups for the purpose of examining specific questions. Where appropriate, the Commission may invite organisations representing the
interests of the semiconductor industry, including the Industrial Alliance on Processors and Semiconductor Technologies and users of semiconductors at Union level, to such sub-groups in the capacity of observers. A sub-group including Union Research and Technology Organisations shall be established for the purpose of examining specific aspects on strategic technology directions and reporting on this to the European Semiconductor Board.

Amendment 287
Eva Kaili

Proposal for a regulation
Article 25 – paragraph 4

4. The Commission may appoint observers to take part in the meetings, as appropriate. The Commission may invite experts with specific expertise, including from relevant stakeholder organisations, with respect to a subject matter on the agenda to take part in the meetings of the European Semiconductor Board on an ad hoc basis. The Commission may facilitate exchanges between the European Semiconductor Board and other Union bodies, offices, agencies and advisory groups. The Commission shall invite a representative from the European Parliament as an observer to the European Semiconductor Board. The Commission shall ensure the participation of relevant other Union institutions and bodies as observers to the European Semiconductor Board with respect to meetings concerning Chapter IV on monitoring and crisis response. Observers and experts shall not have voting rights and shall not participate in the formulation of opinions, recommendations or advice of the
Amendment 288
Markus Ferber

Proposal for a regulation
Article 26 – paragraph 2

Text proposed by the Commission

2. Where Member States designates more than one national competent authority, they shall clearly set out the respective responsibilities of the authorities concerned and ensure that they cooperate effectively and efficiently to fulfil their tasks under this Regulation, including with regard to the designation and activities of the national single point of contact referred to in paragraph 3.

Amendment

2. Where a Member State designates more than one national competent authority, it shall clearly set out the respective responsibilities of the authorities concerned and ensure that they cooperate effectively and efficiently to fulfil their tasks under this Regulation, including with regard to the designation and activities of the national single point of contact referred to in paragraph 3.

Amendment 289
Markus Ferber

Proposal for a regulation
Article 27 – paragraph 1

Text proposed by the Commission

1. The Commission and the national competent authorities, their officials, servants and other persons working under the supervision of these authorities as well as officials and civil servants of other authorities of the Member States shall not disclose information acquired or exchanged by them pursuant to this Regulation and of the kind covered by the obligation of professional secrecy. They shall respect the confidentiality of information and data obtained in carrying

Amendment

1. The Commission and the national competent authorities, their officials, servants and other persons working under the supervision of these authorities as well as officials and civil servants of other authorities of the Member States shall not disclose information acquired or exchanged by them pursuant to this Regulation and of the kind covered by the obligation of professional secrecy. They shall at all times respect the confidentiality of information and data obtained in
out their tasks and activities in such a manner as to protect in particular intellectual property rights and sensitive business information or trade secrets. This obligation shall apply to all representatives of Member States, observers, experts and other participants attending meetings of the European Semiconductor Board pursuant to Article 23 and the members of the Committee pursuant to Article 33(1).

carrying out their tasks and activities in such a manner as to protect in particular intellectual property rights and sensitive business information or trade secrets. This obligation shall apply to all representatives of Member States, observers, experts and other participants attending meetings of the European Semiconductor Board pursuant to Article 23 and the members of the Committee pursuant to Article 33(1).

Or. en

Amendment 290
Eva Kaili

Proposal for a regulation
Article 27 – paragraph 2

Text proposed by the Commission

2. The Commission and Member States may exchange, where necessary, confidential information with competent authorities of third countries with which they have agreed on bilateral or multilateral confidentiality arrangements to provide an adequate level of confidentiality.

Amendment

2. The Commission and Member States may exchange, where necessary, confidential information with competent authorities of third countries with which they have agreed on bilateral or multilateral confidentiality arrangements to provide the highest level of confidentiality.

Or. en

Amendment 291
Markus Ferber

Proposal for a regulation
Article 28 – paragraph 2

Text proposed by the Commission

2. Fines imposed in the cases referred to in paragraph 1 (a) and (b) shall not exceed 300 000 EUR.

Amendment

2. Fines imposed in the cases referred to in paragraph 1 (a) and (b) shall not exceed 200 000 EUR.

Or. en
Amendment 292
Markus Ferber

Proposal for a regulation
Article 28 – paragraph 3

Text proposed by the Commission

3. Periodic penalty payments imposed in the cases referred to in paragraph 1 (c) shall not exceed 1.5% of the average daily turnover in the preceding business year for each working day of non-compliance with the obligation pursuant to Article 21 calculated from the date established in the decision.

Amendment

3. Periodic penalty payments imposed in the cases referred to in paragraph 1 (c) shall not exceed 1% of the average daily turnover in the preceding business year for each working day of non-compliance with the obligation pursuant to Article 21 calculated from the date established in the decision.

Or. en

Amendment 293
Markus Ferber

Proposal for a regulation
Article 30 – paragraph 1

Text proposed by the Commission

1. The power of the Commission to enforce decisions taken pursuant to Article 28 shall be subject to a limitation period of three years.

Amendment

1. The power of the Commission to enforce decisions taken pursuant to Article 28 shall be subject to a limitation period of two years.

Or. en

Amendment 294
Markus Ferber

Proposal for a regulation
Article 35 – paragraph 1

Text proposed by the Commission

1. By three years after the date of application of this Regulation and every four years thereafter, the Commission shall

Amendment

1. By three years after the date of application of this Regulation and every four years thereafter, the Commission shall
submit a report on the evaluation and review of this Regulation to the European Parliament and to the Council. The reports shall be made public.

submit a report on the evaluation and review of this Regulation to the European Parliament and to the Council. The evaluation shall in particular focus on the following aspects:

- the effectiveness in contributing to the build-up, strengthening and innovativeness of the European semiconductor ecosystem;
- the effectiveness in contributing to the autonomy of the European economy;
- the impact on competition in the European semiconductor sector;
- the impact on the competitiveness of the European semiconductor sector;
- the appropriateness of the governance structure set out in this Regulation;
- the appropriateness of the market intervention tools set out in this Regulation;
- an analysis if the measures in this Regulation have led to crowding out of private investments;
- an analysis of recent trends in the semiconductor industry and how the provisions of this Regulation fit with overall market trends;
- an assessment on whether the initiative should be continued in the next MFF and, if so, an estimate of the appropriate financial provisions.

The reports shall be made public.