



**EUROPEAN COMMISSION**  
Information Society and Media Directorate-General  
ICT addressing Societal Challenges  
**The Director**

Brussels, 10 February 2012  
INFSO H1/JA/as  
Ares (2012)

**REGISTERED A.R.**

**Copy per E-mail to:**

**Subject: Formal written request to rectify a situation of breach of substantial contractual obligations under Article II.38.1 b) of grant agreement**

**Our reference: Our letter dated 24/01/2012 with reference Ares(2012)79696**

**Your reference: letter sent by e-mail dated 30/01/2012 Ares (2012)143963**

Dear ,

We hereby acknowledge receipt of your letter sent by e-mail dated 30/01/2012 in response to our letter dated 24/01/2012 with reference Ares(2012)79696 informing you of the suspension of grant agreement and requesting you to provide the Commission with a number of clarifications.

We would like to ask you to send us this letter again, printed on letterhead, duly dated and co-signed by you, acting as Legal Entity Authorised Representative, and by a director of .

After careful analysis of your aforementioned letter, we would like to comment as follows.

According to your response, and yourself, the key staff who would coordinate the project, are employed by You also indicate that is a wholly owned subsidiary of

First, we would like to point out that this statement is in contradiction with the information you declared in the SME's check list signed by according to which does not have any downstream linked partner enterprises.

Second, we understand that the work under the project is not going to be carried out by but by as has neither the expertise nor the staff required to do so. In addition, coordination tasks set out in Article II.2.3 of the grant agreement would not be carried out by but implemented by , acting as a subcontractor to the coordinator.

It must be noted that the Commission was neither informed nor requested to approve the above.

Article II.7.2 of the grant agreement reads as follows:

*Where it is necessary for the beneficiaries to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:*

- subcontracts may only cover the execution of a limited part of the project;
- recourse to the award of subcontracts must be duly justified in Annex I having regard to the nature of the project and what is necessary for its implementation;
- recourse to the award of subcontracts by a beneficiary may not affect the rights and obligations of the beneficiaries regarding background and foreground;
- Annex I must indicate the tasks to be subcontracted and an estimation of the costs;

*Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment (...).*

Article II.2.3 of the grant agreement forbids the subcontracting of the tasks listed in that Article.

has breached the above substantial obligations contained in the grant agreement for the following reasons:

- 1) The award of the subcontract is not duly justified in Annex I
- 2) Annex I to the grant agreement does not indicate the tasks to be subcontracted
- 3) Annex I to the grant agreement does not indicate an estimation of the costs

4) The subcontract has not been awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment

5) The tasks you intend to subcontract cannot be subcontracted

In view of the above, the Commission requests you under Article II.38.1 b) of the grant agreement to provide your observations within a period of thirty days of receipt of this letter.

In the absence of any satisfactory solution, the Commission will be entitled to terminate your participation in the grant agreement in accordance with the provisions of its Article II.38.1 b).

In the meantime, the project remains suspended as announced in our letter dated 24/01/2012 with reference Ares(2012)79696. You are requested to inform the other beneficiaries accordingly. I remind you that no costs can be charged to the project during the suspension period.

Yours sincerely,

Paul Timmers

Cc:





**EUROPEAN COMMISSION**

Directorate-General for Communications Networks, Content and Technology

Sustainable and Secure Society  
The Director

Brussels, 28.9.2012  
CNECT/H5/IH/ ARES(2012)

**Subject:** Suspension of project [REDACTED] for non-fulfilment of obligations under grant agreement [REDACTED] written request to rectify the situation

Dear [REDACTED]

I refer to the phone of [REDACTED] from the 11/09/2012 with Mr Dimitrios Axiotis and the email of the project officer, Ms Irmgard Heiber, from 24/09/2012.

The Commission considers that the consortium is not fulfilling its obligations according to the above-mentioned grant agreement for the following reasons:

- The [REDACTED] grant agreement came into force as of 27/06/2012 and the start date of the project was set at 01/10/2012 as laid down in Article 3 of the signed grant agreement.
- We were informed by [REDACTED] as of 11/09/2012 that [REDACTED] ([REDACTED]), refused to accede to the grant agreement.
- 
- The refusal of [REDACTED] to accede to the grant agreement is causing a cascade of consequences for the other partners involved in this trial, thus leading to the inability of the consortium to perform it, as both vehicles and infrastructure for testing were to be provided by [REDACTED]
- We consider the tasks allocated to [REDACTED] as necessary to ensure that the project is carried out in accordance with the terms and conditions of this grant agreement as requested by Article II.4.b) of the signed grant agreement.

In accordance with Article II.8.3 of the grant agreement the Commission has decided to suspend the project for 3 months. Suspension will take effect 10 days after the receipt of this letter. Please note that pursuant to Article II.8.4 of the grant agreement during the period of suspension no costs may be charged to the project for carrying out any part of the project that has been suspended.

The work under the project may be reinstated under the following conditions:

The suspension of project may be lifted once the Commission has explicitly agreed to the continuation of the project and, as appropriate, any necessary modification, including the extension of the duration of the project, has been identified by means of a written amendment. However the Commission could decide to terminate the project under Article II.38.1 b). The present letter constitutes the "written request to the consortium to remedy the situation within a period of 30 days" mentioned in this Article.

In addition, we would like to refer to Article II.36.5 of the signed grant agreements which reads as follows: *"the amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant [...]"*.

Please acknowledge receipt of this letter and inform the rest of the members of the consortium of its content.

en suppléance de Paul Timmers  
Directeur

Yours sincerely,

Paul Timmers  
Director  
Authorised representative of  
Robert Madelin  
Director General

c.c.:

Dimitrios Axiotis, Irmgard Heiber, Colette Maloney, Andra  
Moldovan, Gregory van Caenegem, Morten Fjalland, Javier Calvo



Brussels,  
INFSO H01 - LG/ASM  
Ares (2011)

**REGISTERED WITH ACKNOWLEDGEMENT OF RECEIPT**

**Subject: Suspension of Project**

**Your letter dated 29/04/2011 requesting suspension of the project, Ref. Ares (2011) 483770**

**Our letter dated 24/05/2011, Ref. Ares (2011) 569225**

Dear

I refer to the above mentioned letters regarding the suspension of the project **as of 01 May 2011**. I note your indication that **has** decided to end its participation in the **,** meaning that the consortium is in need of appointing a new co-ordinator. Also, you indicated that the likely date for the restart of the project was 01 June 2011. To date we have not received a concrete proposal on how the consortium will address the situation and I have to inform you that as a result the project **remains suspended**.

In order to see a way ahead, the consortium is requested to come forward, **by 11 July 2011**, with a proposal for a new co-ordinator and a date on which the project can restart. As you are aware, **has** shown interest in taking over the role of the co-ordinator.

For the time being, **remains** the contractual co-ordinator of the project and is responsible for submitting the above mentioned proposal to the Commission by 11 July 2011.

Please note that pursuant to Article II.8.4 of the grant agreement, during the period of suspension no costs may be charged to the project for carrying out any part of the project that has been suspended.

The suspension of project may be lifted once the Commission has explicitly agreed, in writing, to the continuation of the project and, as appropriate, any necessary modification, including the change of co-ordinator and extension of the duration of the project, has been

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.  
Office: BU31 7/66. Telephone: direct line (32-2) 2986207. Fax: (32-2) 2960181

Email: [Loukianos.GATZOUKIS@ec.europa.eu](mailto:Loukianos.GATZOUKIS@ec.europa.eu)

identified by means of a written amendment. Should this not be the case, the project will remain suspended until further notice from the Commission.

Please acknowledge receipt of this letter and inform the rest of the members of the consortium of its content.

Yours sincerely,

Paul TIMMERS  
Director,  
Authorised representative of  
ROBERT MADELIN  
Director General

c.c.: Mr Van Puymbroeck, Mr Loukianos Gatzoulis



Brussels, 24 January 2012  
H/JA Ares(2012)

jaakko.aarnio@ec.europa.eu

The grant agreement was therefore signed as of 16/12/2011 by , acting as project coordinator.

The Commission has recently been informed that the was not properly informed of this change of coordinator and that, according to the , was acting outside of his authority in assigning the coordination of the grant agreement to a third party, . Moreover, the ascertains that the above statements made in order to justify the change of coordinator are untrue.

As a consequence of the above and in accordance with Article II.8.3 of the grant agreement the Commission has decided to suspend the project. Suspension will take effect upon reception of this letter. shall inform the project beneficiaries accordingly and communicate them that the starting date of the project is postponed.

is requested not to distribute any funding to the beneficiaries until the Commission gives its written consent to do so.

Please note that pursuant to Article II.8.4 of the grant agreement during the period of suspension no costs may be charged for carrying out any part of the project.

Within one week of reception of this letter is requested to answer the following questions and provide the European Commission with the following clarifications:

- 1) Description of the legal entity , its core business and previous experience in EU project coordination;
- 2) comments on the allegations according to which the statements justifying the change of coordinator are untrue;
- 3) comments on the allegations according to which was acting outside of his authority in assigning the coordination of the agreement to a third party,
- 4) To your knowledge, is there a personal and/or financial conflict of interests which would not allow you and/or to decide on the swift of coordination of from to
- 5) Detail of the employment relationships between and and .
- 6) What is the role of in the implementation of the grant agreement?
- 7) What is the relationship between and

The work under the project may start only when the Commission has explicitly agreed in writing to do so.

Yours sincerely,

Paul Timmers

Cc:

Cc: Peteris Zilgalvis, Morten Fjalland; Angelina Sanchez Munoz; Jaakko Aarnio; Javier Calvo; Gisele Roesems-Kerremans; Gregory van Caenegem; Freddy Dezeure





EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Sustainable and Secure Society  
The Director

Brussels,  
CNECT/H/PT/ ARES(2013)

**Subject: Suspension of project for non-fulfilment of obligations  
under grant agreement written request to rectify the  
situation**

Dear ,

I refer to the exchange of emails between of and on 13.02.2013  
and on 27.02.2013 and 06.03.2013.

The Commission considers that the consortium is not fulfilling its obligations according to the above-mentioned grant agreement for the following reasons:

- The grant agreement came into force as of 12.11.2012 and the start date of the project was set at 01.11.2012 as laid down in Article 3 of the signed grant agreement.
- We were informed by as of 13.02.2013 that wished to withdraw from the project.
- Referring to DoW - Annex I to the signed grant agreement -, has a major role in the project with an effort of 70MMs; they are leading WP , they are participating in WP , WP , WP , WP and WP that have already started while they also participate in WP , WP and WP that will be starting in April 2013.
- The Commission is of the opinion that the withdrawal of might cause a cascade of consequences for the other partners involved in aforementioned WPs, and thus leading to the inability of the consortium to perform the work foreseen.
- The Commission considers the tasks allocated to as necessary to ensure that the project is carried out in accordance with the terms and conditions of this grant agreement as requested by Article II.4.b) of the signed grant agreement.
- As of today and although requested, the Commission has not yet obtained any concrete clarifications on how the consortium will continue carrying out the work under the project and how the tasks initially allocated to will be redistributed

within the consortium or allocated to a new beneficiary by an amendment to the grant agreement to be submitted to the Commission for acceptance.

In accordance with Article II.8.3 of the grant agreement the Commission has decided to suspend the project for 1 month. Suspension will take effect 10 days after the receipt of this letter. Please note that pursuant to Article II.8.4 of the grant agreement during the period of suspension no costs may be charged to the project for carrying out any part of the project that has been suspended.

The work under the project may be reinstated under the following conditions:

- The consortium is requested to come up with a proposal on how to alleviate the withdrawal of            from            . This may be performed by seeking an internal or external replacement that can fully undertake the tasks allocated to            in the initial Description of Work, and by modifying the Description of Work accordingly to be submitted to the Commission for acceptance.

The suspension of project may be lifted once the Commission has explicitly agreed to the continuation of the project and, as appropriate, any necessary modification, including the extension of the duration of the project, has been identified by means of a written amendment. However the Commission could decide to terminate the project under Article II.38.1 b). The present letter constitutes the "written request to the consortium to remedy the situation within a period of 30 days" mentioned in this Article.

In addition, we would like to refer to Article II.36.5 of the signed grant agreements which reads as follows: *"the amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant [...]"*.

Please acknowledge receipt of this letter and inform the rest of the members of the consortium of its content.

Yours sincerely,

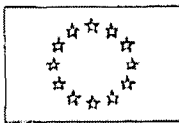
Paul Timmers  
Authorised representative of  
Robert Madelin,  
Director General

c.c.:                      Dimitrios Axiotis, Wolfgang Hoefs, Colette Maloney, Andra  
Moldovan, CNECT.H5

B.c.c.: Gregory van Caenegem, Morten Fjalland, CNECT.H6







EUROPEAN COMMISSION  
Information Society and Media Directorate-General  
ICT addressing Societal Challenges  
The Director

Ref. Ares(2011)569225 - 25/05/2011

Brussels, 24 MAY 2011  
INFO H01 - LG/ASM  
Ares (2011)

**REGISTERED WITH ACKNOWLEDGEMENT OF RECEIPT**

**Subject: Suspension of Project**  
**Your letter dated 29/04/2011 requesting suspension of the project**  
**Ref. Ares (2011) 483770**

Dear

We refer to your letter of 29<sup>th</sup> April 2011, requesting the Commission to suspend the above-mentioned project as of 1<sup>st</sup> May 2011 for the following circumstances:

Based on the information provided by the consortium, the Commission hereby confirms its agreement as to the suspension of the project for exceptional circumstances rendering its execution excessively difficult or uneconomic with effect of 1 May 2011 in accordance with Article II.8.2 of the above-mentioned grant agreement.

Please note that pursuant to Article II.8.4 of the grant agreement during the period of suspension no costs may be charged to the project for carrying out any part of the project that has been suspended.

The suspension of project may be lifted once the Commission has explicitly agreed to the continuation of the project and, as appropriate, any necessary modification, including the extension of the duration of the project, has been identified by means of a written amendment. Accordingly, the Commission has to agree in written on the continuation of the work under

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.  
Office: BU31 7/66. Telephone: direct line (32-2) 2986207. Fax: (32-2) 2960181

Email: [Loukianos.GATZOULIS@ec.europa.eu](mailto:Loukianos.GATZOULIS@ec.europa.eu)

the project from 1 June 2011 as you propose. Should this not be the case, the project will remain suspended until further notice from the Commission.

Please acknowledge receipt of this letter and inform the rest of the members of the consortium of its content.

Yours sincerely,

Paul TIMMERS  
Director,  
Authorised representative of  
ROBERT MADELIN  
Director General

c.c.: Mr Van Puymbroeck, Mr Loukianos Gatzoulis