**SCENE SETTER**

- This is the first meeting with Mr De Benedicts, who is the chair of the Security Business Unit at ASD. He will be accompanied by Mr Burkard Schmitt (who has been working from 2007 to 2014 for DG MARKT, mainly on defence matters).

List the planned topics of discussion with keywords:
- *Special modalities and access to Intellectual Property Rights in research projects*
- *Security Industry Policy*
- *Proposals for flagship projects made by EOS*

**MEETING OBJECTIVES**

List the meeting objectives in short bullet points:
- *To launch a fresh start in the relations with ASD.*
Security Research and Industry

Special modalities and access to Intellectual Property Rights in research projects

- We believe that the negotiations between the Commission, the Member States and Industry on the special modalities have led to a compromise that could be acceptable for all involved actors.
- For each of the topics an individual solution was found which should guarantee that the competitiveness of the European Industry is not harmed, while simultaneously safeguarding the interests of Member States and end-users.
- It is regrettable that the relations between the Commission and ASD underwent a tense period last year because of this issue.
- I would encourage you to reopen the dialogue with the unit in charge of security research.
- We need to rebuild a mutual confidence and look for a pragmatic approach to implement the solution.

Security Industry Policy

- We are making good progress on the actions laid out in the 2012 Communication. We expect to launch the
proposals for the harmonisation of certification procedures for alarm systems and airport screening equipment early this year.

- We are also currently thinking about possible future initiatives to support the competitiveness of the Security Industry and would be open for suggestions you might have on this matter.

Proposals for flagship projects made by EOS

- I would like to underline that a fruitful cooperation with industry is a key aspect for the implementation of EU security policy.
- We are grateful for the contribution of industry in filling the technological gaps of our end-users.
- The experience, capabilities and knowledge of the industry will play its part in the definition of research priorities
- I recall, however that the development of security research policy remains a competence of the EU institutions.
BACKGROUND

Special modalities

EU funding may go to finance close-to-the-market research, leading to the creation of a market-ready solution. This may create a situation in which there is only one provider of a solution in a particular application, a so-called lock-in situation. When there is a limited market where customers are public authorities, as it is often the case in the area of security, EC should prevent the EU taxpayer, who is already contributing to the research costs from paying again by contributing to the cost of the resulting products, that is from paying several times for the same work, the same technology.

Furthermore, when the EU contributes financially to a project aimed at designing transnational or interoperable technical solutions to issues of pan-European interest, this contribution should benefit Europe beyond the specific Member States involved in the project. The aim of the Commission was to ensure special access rights for Member States thus maximising the value for the European taxpayer. Four topics, which fit these criteria, were identified in of the current version of the 2015 Work Programme of the “Secure societies” challenge.

Some industry representatives in ASD feared however that these special access rights could endanger their intellectual property rights and thus hamper their competitiveness. Industry representatives as well as MEP Ehler complained on this matter at Commissioner level.

In order to solve this issue the Commission services consulted with Member States (through an Expert Working Group of the Programme Committee of the Horizon 2020 "Secure societies …" challenge), with industry (through ad-hoc meetings with representatives of ASD, of EOS, and with individual experts), with relevant EU Agencies (EDA, FRONTEX, EUROPOL), and with legal advisors specialized in Horizon 2020 instruments.

Unfortunately, the discussions with ASD ended April 2014. We have contacted them on several occasions without any feedback from their side. It should be noted in this context that ASD underwent a considerable reorganisation last year, which led to a vacuum of several months. The visit of Mr De Benedicti should be seen as an opportunity for a fresh start to rebuild a constructive dialogue with ASD.

We believe that an acceptable solution has been found which should not harm the interests of Industry.
Security Industrial Policy

The current security industrial policy was presented in COM(2012)417. It identified three policy concerns: **overcoming market fragmentation, reducing the gap from research to market and better integration of the societal dimension.** To address these concerns, it set out eight actions all of which are either concluded or in progress.

COM(2012)417 estimated the EU security market at around €30 bn. However, more recent studies indicate that this might be a substantial under-estimation, which underlines the importance of the sector; which has a market that is growing faster than the wider European economy.

The reaction from the Industry and the Member States to the Communication was generally very positive. The main trade associations AeroSpace and Defence (ASD) and the European Organisation for Security (EOS) have both publicly stated their support. The Council and the European Economic and Social Committee have also expressed their support to our initiatives through Conclusions and Opinions.

**Ideas for 2015-2020**

The arrival of a new college provides an opportunity to reflect on the next steps in security industrial policy. The three policy concerns set out in COM(2012)417 remain relevant. A further concern, or rather ambition, can be added – of expanding the market for security products and services. For convenience, the better integration of the societal dimension can be addressed under this ambition.

The next steps regarding the security industry policy would be embedded in the context of a broader initiative of DG HOME in 2015. This would be followed by a **legislative proposal in 2016.**

**Proposals for flagship projects made by EOS**