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### Gas Market Position

On 28 January 2014, a meeting was held at the headquarters of CMC Poland Sp. z o.o. at Zawiercie of the Forum of Electricity and Gas Consumers (FOEEiG) aimed at designing position items about the Gas Market.

On 31 January, FOEEiG sent the position letter to URE (national Energy Regulator) with agreed-upon demands of industrial customers regarding the Gas Market under formation.

### Steel Action Plan

4 February 2014 saw the European Parliament adopting in full the resolution on the Action Plan for a Competitive and Sustainable Steel Industry in Europe (Steel Action Plan) wherein the support was expressed for the European Commission's Steel Action Plan as well as proposals were made for additional solutions to improve industrial competitiveness of the steel industry in Europe.

### The Industrial Policy of the European Union the Economic Weimar Triangle Conference

On 6 and 7 February 2014 in Krakow, the Industrial Policy of the European Union the Economic Weimar Triangle Conference was held, organized at the initiative of the Chancellery of the President of the Republic of Poland, with the support by the embassies of France and Germany, and the Ministry of Economy. Conference topics related to issues such as the conditions for effective international economic cooperation and new, clean technologies

which the European industry becomes a driver of. These transformations are intended to improve European competitiveness and, at the same time, stimulate the economy growth and positive developments on the labour market while maintaining high environmental standards.

### Meeting Ministry of Economy about Environmental Footprint

On 17 February this year, at the Ministry of Economy, Polish Steel Association took part in the informative & consultative meeting on the environmental performance of products and organisations. The meeting was chaired by Mrs Grażyna Henclewska, Undersecretary of State at the Ministry of Economy. Deputy Henclewska announced that the European Commission was beginning to develop a uniform methodology for calculating the impact of the products and the organization on the external environment. Currently there are multiple types of environmental assays in use. Information on 'environmental footprint' of products is also differently treated in various reports. The Undersecretary of State stressed that the harmonisation of information on the environmental impact of products is of great importance to consumers.

Again, because of the multiplicity of assays and designation applied in various Member States, companies that plan to obtain the appropriate certifications are forced to conduct multiple measuring routines on manufactured products in each and every country separately, thus lengthening the process and increasing costs.

### Joint Senate's National Economy and Budget and Public Finance Committees Session

The joint Senate's National Economy and Budget and Public Finance Committees Session held on 18 February 2014 examined the situation in the metallurgical sector of Poland. The Committees listened to the speeches of representatives of the Ministry of Economy and representatives of the steel and non-ferrous metals industries. Threats and challenges to international

competitiveness of Polish metallurgical industry were presented. In the opinion of the Committees, there is an urgent need to support the sector. It is necessary to create a multi-faceted policy towards the metals industry. The Committees draw attention to the need for a regulatory framework to allow the metallurgical industry's sustainable development, action to increase the demand for steel, steel producers having an easier access to foreign markets and to ensure a level playing field, securing affordable energy, and mitigate the impact of energy climate and resource policies on the costs of production as well as encouraging innovation, facilitating the restructuring and development of professional skills of steel workers.

### Letter to DG Competition

On 14.02. HIPH sent a letter to the Directorate General for Competition of the European Commission, in which HIPH's position as an organisation of entrepreneurs was included on current consultations regarding the draft Energy and Environmental Aid Guidelines for 2014 to 2020.

In the opinion of Polish Steel Association the overarching principle which should be applied when granting public aid for investments and actions related to environmental protection and which should be explicitly stated in the final version of the Guidelines is the rule of equal access to the above stated aid to all sectors of the economy, including steel as one of the sectors eligible to receive aid based on the Guidelines regardless of reference levels.

The approval and support for the planned aid was emphasised in the form of reductions in relation to the financing of support for electricity from renewable sources.

### Long Rail Project inaugurated at AMP S.A.

On 24.02.2014, ArcelorMittal Poland S.A. officially inaugurated the long rail facility. This is the third such facility in the world which is capable of producing rails to a length of 120 m. The Guest of Honour Janusz Piechociński, Deputy Prime Minister and Minister of Economy, said that now when Europe calls for reindustrialisation, Poland has an industry that can develop and modernize.

### Notification Meeting about Law Energy Act

On 25.02.2014 in Warsaw, a meeting was held on the notification of the proposed legislation to reduce the burden on energy-intensive industries by way of renewable energy source and cogeneration support schemes. The meeting was attended by the representatives of the Ministry of Economy and Anti-Monopoly Office (UOKiK), energy-intensive industries and sectoral associations. The UOKiK representative presented the status of the notification. The first part of the answers to the questions of the European Commission to the system burden

reduction was sent to the Commission on January 7, 2014. The second part being the final stage of the agreement with MoE would be sent by the end of February.

The Commission shall, upon receipt of the response, issue the decision within two months. To accelerate the process of notification, a tripartite meeting between the European Commission, the Polish Government and the industry is considered. Letters shall be sent requesting support of this initiative to the Prime Minister and the Minister of Economy. A representative of CMS Cameron McKenna presented the situation regarding the reduction in support costs of renewable energy in Germany.

### State Aid under the New Financial Programming 2014 to 2020 for the Polish Industry Seminar

On 6 March in Katowice, Polish Steel Association organised the State Aid under the New Financial Programming 2014 to 2020 for the Polish Industry Seminar where representatives of EY, Marshall Office of the Province of Silesia and the JWMS law firm discussed the rules and possibilities of obtaining EU funds for the metallurgical industry for the period 2014 to 2020. For the steel sector as a sensitive sector and one susceptible to economic condition fluctuations, sectoral aid, horizontal aid, Norwegian funds, the Research Fund for Coal and Steel, Horizon 2020, WFO (Provincial Environmental Fund) etc. could be applicable.

Speakers from EY pointed to the limitations in the use of the support for regional and restructuring aid, and to the main funding areas available under the general rules for the steel sector, i.e. environmental protection, research and development, and training. EY specialists also presented operational issues associated with applying for public aid: the eligibility procedure, preparation of the application and document file, and best practices.

The representative of the Silesia Marshall Office provided the participants with the working schedule regarding the draft new Regional Operating Programme, and discussed in detail all priority axes included therein, with a special focus on the topics most relevant to the steel industry.

At the end, JWMS legal advisors pointed to the responsibilities of companies benefiting from support in terms of maintaining the stability of any EU project to avoid any risks that are associated with the violation of such obligations, i.e. reimbursement of the subsidy including interest and entry to the register of banned companies/organisations.

### Events attended:

- Plenary conference of the Refractory Makers Association members, Tomaszowice k/Krakowa (20.02.2014)
- European Breakfast event with MEP Prof. Adam Gierek (28.02.2014), Sosnowiec
- The Initiative - Creativity Entrepreneurship in Our Region Conference at the Zawiercie Municipal Cultural Centre