



ADOPTED TEXT No. 224

« Provisional Act »

# NATIONAL ASSEMBLY

CONSTITUTION DU 4 OCTOBER 1958

SIXTEENTH LEGISLATURE

8 January 2024

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## EUROPEAN RESOLUTION

*On the European response to the **Inflation Reduction Act (IRA)***

*Pursuant to Rule 151-7 of the Rules of Procedure, the following resolution shall be deemed definitive:*

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See number: **1914**.

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The National Assembly,

Having regard to Article 88-4 of the Constitution,

Having regard to Articles 114, 173 and 194 of the Treaty on the Functioning of the European Union,

Having regard to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC,

Having regard to Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts,

Having regard to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas,

Having regard to Regulation (EU, Euratom) 2020/2093 of the Council of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027,

Having regard to Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts,

Having regard to Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas,

Having regard to Regulation (EU, Euratom) 2020/2093 of the Council of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027,

Having regard to Regulation (EU) 2020/2094 of the Council of 14 December 2020 establishing a European Union Recovery Instrument to support recovery in the aftermath of the COVID-19 crisis,

Having regard to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,

Having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 (“European Climate Law”),

Having regard to Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No. 1290/2013 and (EU) No. 1291/2013,

Having regard to Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the *InvestEU* Programme and amending Regulation (EU) 2015/1017,

Having regard to Regulation (EU) 2023/1781 of the European Parliament and of the Council of 13 September 2023 establishing a framework of measures to strengthen the European ecosystem of semiconductors and amending Regulation (EU) 2021/694 (chip regulation),

Having regard to the proposal for a regulation of the European Parliament and of the Council establishing a framework to ensure a secure and sustainable supply of critical raw materials and amending Regulations (EU) No. 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020 (COM[2023] 160 final),

Having regard to the proposal for a regulation of the European Parliament and of the Council on the establishment of a framework of measures to strengthen the European ecosystem of the manufacturing of

net-zero technology products (regulation for a “net-zero” industry) (COM[2023] 161 final),

Having regard to the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) 2019/943 and (EU) 2019/942 and Directives (EU) 2018/2001 and (EU) 2019/944 in order to improve the organisation of the electricity market in the Union (COM[2023] 148 final),

Having regard to the proposal for a regulation of the European Parliament and of the Council establishing the “Strategic Technologies for Europe Platform” (STEP) and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No. 1303/2013, (EU) No. 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (COM[2023] 335 final),

Having regard to the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 3 September 2020 “Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability” (COM[2020] 474 final),

Having regard to the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 18 May 2022, “REPower EU Plan” (COM[2022] 230 final),

Having regard to the communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 1 February 2023 “A Green Deal Industrial Plan for the Net-Zero Emission Era” (COM[2023] 62 final),

Having regard to the communication from the Commission of 9 March 2023 on the temporary crisis and transition framework for State aid measures to support the economy following the aggression of Russia against Ukraine (2023/C 101/03),

Considering that the *Inflation Reduction Act* provides for a federal funding plan of \$432 billion over ten years for the production and use of clean energy, thus increasing the US effort to combat climate change;

Considering that the *Inflation Reduction Act* also includes a social and health component, with funding of \$64 billion, with the aim of lowering the price of medicines for consumers;

Considering that the *Inflation Reduction Act* provides for tax relief for businesses producing in the United States and subsidies for production, in particular for electric cars;

Considering that the size of the single market, the quality of the infrastructure and the availability of human capital are important assets for attracting industries to the Union's territory;

Considering the need to support the strategic industrial sectors identified by the Versailles agenda, especially those related to green transition;

Considering that the European Union has a large number of programmes focused on climate objectives, including the Green Deal industrial plan comprising funds from the *NextGenerationEU* fund and the *REPowerEU* fund;

Considering that the scale of the plan raises fears of a deficit in industrial competitiveness of the European Union and an increased risk of relocation, notably due to the preferential treatment given to renewable energies and electric cars produced in the United States, for which buyers will benefit from a federal tax credit of up to €7,500 if these vehicles are manufactured in North America;

Considering that the overall budgetary programmes of the Union have a global financing volume comparable to that of the *Inflation Reduction Act*, thus compensating for the initially feared competitiveness gap;

Considering that the adoption by the European Commission, on 9 March 2023, of a temporary framework for State aid allows Member

States to stimulate investments in clean technologies, in addition to European funding;

1. Welcomes the increased means committed by the United States to achieve their climate objectives set by the Paris Agreement of 12 December 2015;

2. Welcomes the proposal by the European Commission for an industrial component of the Green Deal;

3. Calls for a swift adoption of the proposal for a regulation on critical raw materials, the proposal for a regulation on a net-zero emission industry and the proposal for a regulation on improving the organisation of the electricity market in the Union as mentioned above;

4. Stresses the importance of carrying out a detailed economic analysis of the impact of the *Inflation Reduction Act* on the European economy, in order to better anticipate its effects;

*On the regulation on critical raw materials;*

5. Considers it necessary to supplement the objective set for 2030 with objectives for 2035 and 2040, in order to provide a target trajectory for Member States and businesses;

6. Requests the integration of alumina and aluminium into the list of strategic raw materials, since these metals are crucial materials in low-carbon technologies and in the defence industry;

7. Requests an update of the list of critical raw materials every three years, instead of every four years, in order to better reflect the state of tensions on raw materials;

8. Calls for raising the level of ambition for recycled and processed raw materials from 40% to 50% in terms of processing and from 15% to 20% in terms of recycling;

9. Deplores the introduction of measures relating to the publicity of stocks of critical raw materials, which present a risk of revealing economic vulnerabilities of Member States or strategic economic operators;

10. Calls for the maintenance of the obligation for large companies using critical raw materials for the manufacture of strategic technologies to carry out an audit;

*On the “net-zero emissions industry” regulation:*

11. Welcomes the overall objective of a European production capacity of at least 40% of the Union's annual deployment needs in the field of net-zero technologies, but wishes that this overall objective be broken down by sector and by technology, in order to give more visibility to economic actors;

12. Notes the need not to extend the list of strategic technologies too significantly, in order not to materialise a risk of scattering public funding;

13. Wishes for coherence of the provisions of the regulation, in particular of the scope of strategic technologies, with the temporary framework for state aid adopted by the Commission on 9 March 2023;

14. Welcomes the insertion of qualitative criteria of resilience and sustainability in public procurement, by making these criteria as operational as possible for contracting authorities;

15. Wishes, however, that the possibility for the contracting authority not to take into account the criteria of resilience and sustainability be restricted, by revaluing the criterion currently set at 10% difference in costs;

*On financing:*

16. Regrets that the European and national plans are so fragmented and the programmes so varied, so that there could be a lack of readability and visibility for investors;

17. Emphasises that the European response to the Inflation Reduction Act also depends on national initiatives taken in the Member States and that, in this respect, the adoption by France of Law No. 2023-973 of 23 October 2023 on the green industry allows our country to use the financing modalities proposed by the European Commission in a relevant way;



18. Regrets that the strategic technologies for Europe platform, known as the “STEP platform”, with various objectives, only mobilises existing European funding, such as the Horizon Europe research programme, the *InvestEU* fund and the European Regional Development Fund;

19. Welcomes the extension of the new state aid measures, provided for in the temporary framework adopted on 9 March 2023 applicable until 31 December 2025, and until 31 December 2023 for some of them;

20. Calls for a global reflection on the relaxation of the rules relating to State aid, in order to support the competitiveness of European companies in global competition and to favour the emergence of European industrial champions in strategic sectors;

21. Considers that the amendment to the multiannual financial framework should be revalued by at least 13 billion euros of additional credits to contribute to the objectives of the STEP platform;

22. Calls for the creation of a genuine sovereignty fund with a sufficiently ambitious budget to preserve the competitiveness of all “net-zero” industries on the territory of the European Union during the negotiations of the future multiannual financial framework;

23. Supports the objective of regulatory simplification and acceleration of procedures in order to establish simple, clear and predictable conditions of access to the different aids;

*On trade policy aspects:*

24. Insists on the futility, or even the counterproductive nature, of a complaint to the World Trade Organisation to denounce the violation of the preferential treatment provided for American companies by the *Inflation Reduction Act*;

25. Welcomes the role of the EU-US Trade and Technology Council, which makes it possible to maintain transatlantic dialogue platforms in the conduct of trade policy;

26. Supports the approach of concluding a partnership on critical raw materials with the United States, in the image of the partnership concluded between the United States and Japan, in order to guarantee the eligibility of European products to a maximum of provisions of the *Inflation Reduction Act*.

*Paris, 8 January 2024.*

*The President,*

*Signed: YAËL BRAUN-PIVET*