

To: Gunilla Almgren, SBS
President
Cc: SBS Board Members, Fabio
Massimo, Peter Statev

Brussels, 10 July 2015

Ref: SBS / PIN-SME contract

Dear President,

We are sending this letter on the subject in ref. in response to your letter dated 3rd July 2015 (Prot.N°079).

First of all, we note that you did not address the remarks that were raised in our letter of 1st July 2015. In particular, you did not provide any justifications for the deliberate decision by your secretariat to hide important information from the European Commission to the members of SBS. We thus consider our arguments as grounded and we will expect to see which corrective measures you will implement in order to avoid that a similar unprofessional behaviour is at least not repeated in future.

That said, we gather from your letter that SBS acknowledges the urgent necessity of an SBS / PIN-SME contract, given that the European Commission clarified any and all issue raised by some Board members at the meeting of 26 May 2015.

Your letter proposes to proceed with such contract under certain conditions, namely:

- a) Addition of a contract clause to exclude double funding;
- b) Reduction of the amount from 76.132,23 € (excl. VAT) to 50.000 €;
- c) Scrutiny of an SBS selection committee for involved experts.

We agree with your condition a) Addition of a contract clause to exclude double funding. However, we would like to remind you that this specific clause was already proposed by PIN-SME in our contract version sent to SBS by email on 17th April 2015 and it was your decision to delete this clause. So it is difficult to understand why you now table it again.

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With regard to your condition b) Reduction of the amount from 76.132,23 € (excl. VAT) to 50.000 €, we fail to find any justification for it in your letter, so we have to firmly reject it.

First of all, please note that the activities of PIN-SME in the Work Program 2015 concern the representation of SMEs interests in ETSI (where otherwise SMEs would be certainly underrepresented) as well as the provision of information to SMEs about ICT standards developments and the formation of SME positions on at least some of the important on-going debates for the standards in our sector. Any reduction of the already scarce resources for the development of such important activities on behalf of SMEs will ultimately affect SMEs, rather than just the representatives of PIN-SME.

Moreover, we have been working as from 1st January in order to ensure that SBS fully delivers the work promised to the European Commission. After more than 50% of the project duration, it is only normal that we are impatient for a contract and we cannot guarantee that, if this issue is not solved soon, we will be able to continue our work. For your reference we take the opportunity to annex to this letter, the synthetic list of activities carried out by PIN-SME on behalf of SBS from January till May 2015.

Moreover, we would like to remind you that:

- 1) The budget of 76.132,23 € (excl. VAT) for the delivery of sectoral activities by PIN-SME under the Work Program 2015 was approved firstly by the SBS GA on 11th December 2015 and then by the European Commission.
- 2) The representatives of PIN-SME have been so far working under the budget conditions stipulated in the EC grant to SBS for 2015 (i.e. 76.132,23 €). It is now impossible for us to make any discount on an amount that we already committed to without reducing the amount of activities that will be carried out during the rest of the year.
- 3) Any unspent budget of the amount receivable by SBS from the EC cannot be kept by SBS. Instead, SBS will be forced to return all unspent money to the European Commission. Besides any other unpredictable legal consequence of spending less than the stipulated amount, the other likely result is that the EC will have less budget available for SBS in the coming years, given the fact that SBS was unable to spend the agreed budget.
- 4) Differently from the other organisations that receive funding through the EC grant, i.e. UEAPME and EBC, we are the only organisation that will contribute in cash to SBS with all the 15% co-funding necessary for the implementation of our activities, equal to 13.818,00 € VAT included. Notably, EBC carries out sectoral activities for the construction sector in parallel with the ICT sectoral activities of PIN-SME. However, EBC and UEAPME receive much higher amounts compared to PIN-SME and, though, will only contribute their co-funding as in-kind not as cash. We have accepted such disparity of treatment because we understand that PIN-SME is not a member of the

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SBS consortium as UEAPME and EBC. However, we are not prepared to accept any other discrimination.

We also have to disagree with your condition c) Scrutiny of an SBS selection committee for involved experts.

In fact, the repetition of any selection procedure is useless and unnecessary for the following reasons:

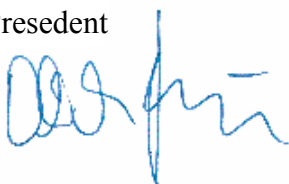
- 1) The European Commission has not highlighted any procedural shortcomings as your letter seems to suggest.
- 2) We shall remind you that two of the involved experts have already been scrutinized by the selection committee (ie Mr Massimo and Mr Babinov) and appointed as SBS experts; also, the other two experts have been directly elected and appointed by the SBS Board and consequently democratically elected by the ETSI General Assembly (ie Mr Toffaletti and Mr Statev).

Dear President, we understand that, as in all democratic organisations, there is a time for discussion, where all positions must be heard and decisions should be taken with the broader possible consensus. However, the time for discussion is now over. All the members of SBS must be united and work for the interests of the SME community. While there are internal divisions, others take advantage of our weakness and our companies will then pay the consequences. Prolonging this discussion endlessly is only detrimental to the SME community in general.

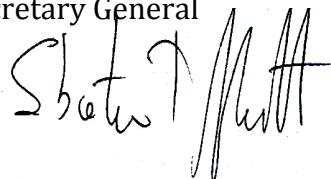
We have above stated the facts and figures, because it was necessary to present the complete picture in order to clear all possible misinterpretations. Having said this, we remain fully committed to collaborate with SBS and we are open to further discuss this matter if necessary. We are available for a meeting or a conference call at your earliest convenience.

Yours faithfully,

Oliver Grün
President



Sebastiano Toffaletti
Secretary General



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Annex:

PIN-SME activities carried out according to the 2015 SBS Work-Programme. Period: January – May 2015. Document presented at SBS Board of 26 May 2015

This document provides an overview of the Tasks and Activities carried out by PIN-SME on behalf of SBS. The tasks are listed with their names and numbering used in the SBS Work Program. The persons involved by PIN-SME are Sebastiano Toffaletti (ST); Peter Statev (PS), George Babinov (GB) and Fabio Massimo (FM).

T6.1 - Engagement with SME community and development of ICT sectoral positions	
Person	Action carried out
ST	Response to the EC consultation on Patents and Standards
T6.3.1 SME representation in ICT standardisation high-level groups	
<ul style="list-style-type: none"> - EU Multi-stakeholder Platform on ICT Standardisation (MSP) - ETSI IPR Special Committee (IPR) 	
Person	Action carried out
ST	Briefing call for the ICT MSP#11 meeting on 23-2-2015
ST	MSP meeting on 26-02-2015 in Brussels. Meeting report was delivered.
ST	IPR#21 via web-conference on 21-01-2015; physical meeting took place in San Diego (US)
ST	IPR#22 on 21/22/23-04-2015 in Sophia Antipolis (FR)
T6.3.2 - Elaboration of technical information and dissemination of SME friendly information	
<ul style="list-style-type: none"> - ICT sectoral articles 	
Person	Action carried out
ST	Article "The new ETSI Board kicks off 2015", 6-02-2015
ST	Article "Patents and Standards: are the rules helping SMEs?", 16-02-2015
GB	Article "Green energy for fixed and mobile networks: ETSI ATT M AT2", 25-02-2015

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PS	Article "Why SME needs standards for Cloud Computing Technologies?", 7-03-2015
FM	Article "The e-Competence Framework is coming of age", 30-04-2015
WP 9 – Ensuring SME participation in the managing bodies and ESOS strategic groups T9.4	
<ul style="list-style-type: none"> - ETSI GA (GA) - ETSI Board (BOARD) - CEN/CENELEC/ETSI Joint Presidency Group (JPG) 	
Person	Action carried out
ST	ETSI GA#65 on 17/18-03-2015. Meeting report was delivered.
PS	ETSI GA officials meetings – 17-02-2015 in Sophia Antipolis (FR)
PS	ETSI GA officials meetings –11-03-2015 in Sophia Antipolis (FR)
PS	Prepared SME position on ETSI RoP and voting power for GA#March 17/18/19-03-2015
PS	Co-chairing GA#65 17/18-03-2015 in Sophia Antipolis (FR)
PS	Prepared ETSI SME seminar in Sofia, for Clusters/SME from Balkan and Black Sea region - October 2015.
ST	Confcall BOARD ESSREV, 16-01-2015
ST	Confcall BOARD ESSREV, 22-01-2015
ST	Confcall BOARD H2020, 3-02-2015
ST	BOARD#101 meeting, 3/4/5-02-2015 in Sophia Antipolis (FR). Meeting report was delivered.
ST	Meeting on Vademecum on European Standardisation, 2-03-2015
ST	Meeting on Vademecum on European Standardisation, 27-03-2015
ST	Confcall BOARD#101a, 9-03-2015
ST	Confcall BOARDH2020, 10-03-2015
ST	BOARD#102 meeting, 19-03-2015 in Sophia Antipolis (FR). Meeting report was delivered.
ST	Confcall BOARD H2020#13, 21-04-2015
ST	Confcall BOARD LTS#1
ST	Confcall BOARD ESSREV, 13-05-2015
PS	Contributed to prepare JPG position for TTIP - Jan 13th till Feb 10th.
PS	Prepared minutes of JPG #84 - closing ERC/impact on EC-EFTA;
PS	Contributed to WG Rules and Procedures - March – April 2015
PS	Confcall for preparation of JPG #85, 29-4-2015

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