

COMMISSION FOLLOW UP
TO ECONOMIC AND SOCIAL COMMITTEE OPINIONS
DELIVERED DURING THE SECOND QUARTER OF 2003
(May and June)

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<p>1. Proposal for a Directive of the European Parliament and of the Council on the approximation of the laws of the Member States relating to electromagnetic compatibility COM (2002)759 final – EESC 743/2003 - June 2003 DG ENTR - Mr Liikanen</p>	
Main points of the EESC opinion	Commission position
The term "ready-made connecting devices" is unclear .	The Commission will try to improve the definition of "ready-made connecting devices" to make it clearer.
In certain cases, the marking requirements are needlessly comprehensive and costly.	The Commission does not share the EESC's opinion. The marking requirements, in particular the obligation to give with the product the name and address of the manufacturer, will greatly facilitate the work of the market surveillance authorities, which at present have certain difficulties in identifying manufacturers.

2. The role of micro and small enterprises in Europe's economic life and productive fabric
Own-initiative opinion – EESC 752/2003 – June 2003
DG ENTR - Mr Liikanen

Main points of the EESC opinion	Commission position
<p>2.11. The Committee notes with regret that, hitherto, despite the increasing importance of small enterprises, the Commission has not effectively launched any initiative to address the demands of the Parliament and of the EESC. The Committee feels that it is unacceptable that such studies have not been commissioned, despite the fact that small enterprises requested them at the 1989 Conference of European Craft Industries in Avignon, and reiterated the request at both the 1994 conference in Berlin and the 1998 conference in Milan.</p> <p>It deplores the cessation of studies carried out by DG Enterprise on craft enterprises.</p>	<p>The Commission departments are working to follow up the results of the conferences concerned and always try to keep this up to date. They are currently preparing, conducting or monitoring a number of studies on support services for small businesses, SME access to public contracts, the feasibility of a European statute for small and medium-sized businesses, alternative methods of resolving conflicts and the development and promotion of typical products. In addition, the Commission has supported access for SMEs to standardisation processes.</p> <p>The Commission has carried out a preparatory study on the statistical definition of a small craft business. The methodology will be applied as part of a global plan for statistical analyses to be launched by the Commission</p>
<p>2.12 The Committee expressly asks the Commission to commission statistical and economic studies into the full range of small and micro enterprises by tasking Eurostat and the European SME Observatory to work alongside the relevant European organisations.</p>	<p>The European SME Observatory provides regular studies on the various aspects that affect small and mediums-sized businesses, including statistical and economic aspects.</p>
<p>3.4.4 Direct contact with enterprises and an understanding of specific local funding problems is the only way to maximise the positive effects of financial support. Equally, this will prevent excessive inflexibility in funding arrangements and a subsequent increase in risk, especially with regard to Basle II Agreement developments.</p>	<p>The Basle Agreements, which are to come into force at the end of 2006 by means of a Council and Parliament Directive, will require greater transparency on the part of SMEs in order to allow the banks to assess the individual risk. The Commission will launch an information campaign on the impact of Basle II on SMEs.</p>

<p>3.4.11, 2nd point: Credit agencies carrying out a greater role in providing consultancy services throughout the life of the enterprise. Banks are asked to be more actively involved with businesses, not only financially but also in a consultative capacity, in order to stimulate their growth and encourage transparency and the publication of company accounts. Small enterprises need this assistance in particular, both in order to become a corporate enterprise and to prepare for using venture capital .</p>	<p>When financial institutions develop support services they do so for the sake of profitability – better services for customers – not in the form of aid. They expect to be paid for their services.</p> <p>Only very few SMEs can be floated on the stock exchange, as the costs involved are considerable. The Commission has published a study on this (Company Flotation in Europe, A Basic Guide for Smaller Companies, December 2001).</p>
<p>3.4.11 3rd point: Facilitating access to credit for micro enterprises by reducing the ties to security required for granting a loan... An example of such best practice would be the credit consortia in Italy, which, through the provision of securities, has lead to the investment in craft enterprises of over 5 billion euros in 2001... The French system of granting loans to set up new businesses (PCE) is another such example, but is still relatively unknown and seldom used.</p>	<p>The EESC is comparing an instrument that has been in place in Italy for many years with a new instrument. The figure of 5 billion represents the total commitments outstanding in 2001 and thus relates to a number of years. From its creation up to 31 May 2003 the PCE financed 25 300 new businesses, which is an impressive result.</p>
<p>4.1.2 The Committee however notes several shortcomings, including the fact that the Charter remains a political declaration without solid practical follow-up at Community level ... consultation with organisations representing small enterprises is still too limited.</p>	<p>The Commission shares the EESC's concern to ensure that the Charter is fully implemented. The Commission's third report on the implementation of the Charter¹ specifically stresses that small businesses are "the backbone of Europe's economy and the key to our competitiveness". It also points out that the Charter is of prime importance for achieving the Lisbon objectives and making the European economy the most competitive in the world. This third report goes on to highlight the real achievements that can be seen in the Charter's ten areas. Implementing most of the recommendations in the Charter is the responsibility of the Member States, and for the most part the report thus sets out conclusions on progress in the Member</p>

¹ COM (2003) 21 final/2, 13.02.2003

	<p>States, while also looking at what the Commission has achieved. The Commission fully assumes the most important role conferred on it in the Charter, i.e. working closely with the Member States to help them improve the environment in which small businesses operate. As the report notes, for this purpose the Commission has at its disposal a wide range of political measures, including the Multiannual Programme for Enterprise and Entrepreneurship, and its financial instruments, which are closely linked to the Charter's objectives. The Commission also makes use of the powers conferred on it by the Treaty to improve Community legislation. Lastly, the report stresses that business organisations are increasingly involved in the Charter process. The Commission has insisted on this point, as it considers that these organisations have an important role to play in identifying the real problems, assessing the impact measures have and disseminating good practice.</p> <p>Following the request from the Competitiveness Council of 3 March 2003, the Commission is further stepping up its monitoring of the implementation of the Charter, giving priority each year to certain of the Charter's areas.</p>
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<p>4.1.4 The Committee considers that the position of the Commission on the multi-annual plan for small enterprises is disappointing and displays a lack of understanding of the needs of small enterprises. Firstly, it is no secret that the current multi-annual programme only partially and inadequately meets the needs of small businesses...</p>	<p>The Commission set out a number of recommendations in its mid-term review of the multi-annual plan for small enterprises, particularly in order to clarify the priorities, clearly link the assessment criteria to the various levels of objectives and ensure that projects meet the needs of the final beneficiaries. This is in particular the role of the “SME Envoy” interface, the main purpose of which is to identify the needs of small businesses and guide them towards the departments at the Commission that are competent to provide them with the appropriate assistance. This interface is managed by the Directorate-General for Enterprise.</p> <p>As regards the financing of small businesses, by virtue of the principle of subsidiarity this remains to a very large extent the responsibility of the Member States, and the European Community can act only where it has the relevant powers. This does not prevent support for small businesses under the financial instruments from taking second place among the Community programmes in terms of number of beneficiaries, after aid from the structural funds.</p>
<p>4.1.5 The Committee asks that the follow-up given to the Green Paper on entrepreneurship – notably the action plan requested by the Competitiveness Council and the Spring Summit – include small enterprises and provide a clear response to the recommendations laid down in the Charter. In addition, it calls on the Commission to ensure that the future multi-annual programme for enterprises properly integrates the recommendations laid down in the Charter and the requests made by representatives of small enterprises.</p>	<p>It is clear by now that the role of small businesses will be emphasised in the action plan that is to follow the Green Paper on entrepreneurship, which will be one pillar of the new multi-annual programme.</p>

<p>4.3.3 Regarding the 2004 priority actions, the Committee invites ... the Commission to boost cooperation with business organisations.</p>	<p>The Commission is anxious to step up the level of cooperation with organisations representing small businesses.</p>
<p>5.5.5 Conventional venture capital only applies to 5-6% of micro and small enterprises... Consequently, there is a need for new forms of venture capital that are also available to partnerships.</p>	<p>It is possible to grant small businesses and partnerships “subordinated loans” which serve as quasi-equity in the event of bankruptcy. However, investors prefer to take a stake in the equity of a company, where the risk may be better rewarded.</p>
<p>5.6.3 The Committee considers that the statute for a European cooperative society is a particularly useful tool for the creation of such a network... Therefore, it is very important to ensure Member States act swiftly to take the measures needed to apply the statute.</p>	<p>This statute was adopted on 22 July 2003 and will indeed facilitate the trans-border activities of certain SMEs. In this connection the Commission will make every effort to make people aware of this statute in the Member States and will help them to transpose it into national legislation. The Member States will have three years to do this.</p>
<p>5.6.4 Moreover, in accordance with its own-initiative opinion², the Committee aims to call upon the Commission to put forward a proposal on the European company for SMEs.</p>	<p>Following this own-initiative opinion and a report from the Winter group, the Commission has decided to launch a feasibility study by the end of 2003 on this EESC proposal. The Commission will take the necessary measures in the light of the results of this study.</p>
<p>5.7.1 The Committee considers that, where possible, voluntary agreements should be preferred over European standardisation, in order to lower the entry barriers that small enterprises come up against and reduce costs, which are currently calculated for large enterprises.</p>	<p>The Commission is at present working precisely on the question of standardisation, in cooperation with the standardisation office of the European Association of Craft, Small and Medium-sized Enterprises (UEAPME /NORMAPME).</p>

² "European Company Statute for SMEs ", OJ C 125, 27.5.2002; rapporteur: M. MALOSSE.

3. Proposal for a Council Decision on guidelines for the Employment Policies of the Member States COM (2003) 176 final – EESC 590/2003 - May 2003 DG EMPL - Ms Diamantopoulou	
Main points of the EESC opinion	Commission position
1.2 This EESC opinion follows on from its opinion No 405.2003 on the future of the European Employment Strategy (EES), which was adopted following the presentation of COM(2003) 6.	The opinion in question already broadly endorsed the approach announced by the Commission with a view to its proposal for guidelines.
2. Faithful summary of the Commission's proposal.	The Commission welcomes the support of the EESC.
3.1 The EESC supports the Commission's reasoning in the Explanatory Memorandum, in particular the need for better coherence with the BEPGs.	Idem – support noted.
3.2 The EESC supports in particular the three main objectives (full employment, productivity and quality, inclusion and cohesion).	Idem – support noted.
<p><u>Section 4.1</u> reviews the 10 proposed priorities for action.</p> <p>The EESC supports with no major reservations the following priorities:</p> <ul style="list-style-type: none"> 2. entrepreneurship and job creation 3. adaptability 5. labour supply and active ageing 6. gender equality 8. making work pay 9. reducing undeclared work 10. mobility 	<p>Idem – support noted.</p> <p>It should be noted that the Council has decided to incorporate mobility into Priority 3; the subject of Priority 10 will be regional disparities.</p>

<p>4.1.1/4.1.7 With regard to Priorities 1 (unemployed and inactive persons) and 7 (disadvantaged people) the EESC wonders whether it would not have been preferable to broaden the approach of preventing unemployment into an integrated prevention approach aimed at all the obstacles faced in the labour market by the unemployed, minorities, handicapped people, women and young people.</p>	<p>There is no fundamental difference between the approach recommended by the EESC and the present presentation, which has the merit of being concrete. Positive preventive action in favour of unemployed and inactive persons is a feature of the EES (quantified objectives, involvement of public employment services etc.) which needs to be developed in a separate priority. This is supplemented by more closely targeted action for sensitive groups (priorities 6 and 7), which is likewise based on a preventive approach.</p>
<p>4.1.4 With regard to Priority 4 (lifelong learning), the EESC believes that the quantitative participation objectives (15% on average and at least 10% in each Member State) are too modest.</p>	<p>This objective has been further reduced by the Council, from 15% to 12.5 %, in accordance with the conclusions of the Education Council. The minimum for each Member State has not been accepted by the Council.</p>
<p><u>Section 4.2</u> on governance supports the proposal and stresses the role of parliaments, regional and local bodies, the social partners and civil society and of quantitative objectives (also at sub-national level)</p>	<p>The Commission shares the EESC's view.</p> <p>It should be noted that in the text approved by the Council certain quantitative objectives have disappeared or been water down and the role of civil society is mentioned only indirectly.</p>
	<p>In conclusion, the EESC's opinion constitutes a constructive contribution to the process of adopting the Guidelines, which was concluded by an agreement in the Council on 3 June 2003 and confirmed by the European Council on 20 June.</p> <p>The text approved by the Council is broadly satisfactory for the Commission and should also suit the EESC.</p>

<p>4. Communication from the Commission concerning the introduction of a European health-insurance card COM (2003) 73 final – EESC 751/2003 – June 2003 DG EMPL - Ms Diamantopoulou</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The EESC supports the Commission's initiative and approves its proposals regarding the timetable and the arrangements for introducing the European card.</p>	<p>The decisions laying down the legal framework for introducing the European card were adopted on 18 June, which will allow actual deployment of the system to start on 1 June 2004.</p>
<p>Ultimately, the objective must be to introduce a single card performing both national and European functions.</p>	<p>Although the Member States are free to choose the technical details of deployment (e.g. card issued on request or general distribution, integration of European and national cards or European card alone), the objective set by the EESC will clearly encourage the rapid spread of the European card and make for simplicity of use. Certain Member States are taking this route, which the Commission welcomes.</p>
<p>The visual design of the card must be "Europeanised" so that it symbolises European citizenship and strengthens a feeling of belonging to the European Union, in exactly the same way as the European passport and the euro.</p>	<p>The technical specifications of the European card have been "Europeanised" (cf. Decision of 18 June).</p>
<p>The Communication should explicitly state if, in relation to Regulation 1408/71 entitlements of all categories to "medically necessary" care have been aligned, with "scheduled care" remaining beyond its scope.</p>	<p>The Commission has just submitted a proposal for amending Regulation 1408/71 to align the entitlement of all insured persons to "medically necessary" care during temporary stays. This therefore excludes "scheduled care" (provided to a person not staying in the country where care is provided).</p> <p>It has also, as the EESC wished, submitted an amendment to Regulation 574/72 abolishing the requirement to go to a social-security institution in then place of stay before going to a provider of care.</p>

<p>The EESC must be consulted on amendments to Regulations 1408/71 and 574/72.</p>	<p>The above-mentioned proposals have been submitted to the EESC.</p>
<p>The Communication should explicitly state if, while the E 111 and subsequent forms were addressed to right holders and their beneficiaries, the card will be strictly non-transferable.</p>	<p>The European card is indeed individual and personal, as it must be used by any person on a temporary stay (including children).</p>
<p>The European health-insurance card must have the same validity period as the national card.</p>	<p>The Member States determine the validity period of the European cards issued by their sickness-insurance bodies. However, a plastic card can obviously not be issued for a short period without incurring extra costs: 12 months would seem to be a reasonable minimum period. The decision adopted on 18 June lays down a fundamental principle: all care provided on the basis of a valid card must be reimbursed by the Member State of affiliation to the State where care has been provided. Account must be taken, however, of the diversity of situations, with particular regard to the case of pensioners who are resident in one State (and are thus affiliated to the sickness insurance scheme in that State) but, derive their entitlement from another.</p>
<p>Both the card introduced in Phase 2 and the electronic card will contain a certain amount of personal data. It is essential to ensure that such data are secure and, as a minimum, cannot be cross-checked with other existing files.</p>	<p>Since the European card will initially contain visible data, the risk of misuse is very limited and it will be practically impossible to cross-check this information with other files.</p> <p>As the EESC states, in the preparation of an electronic card priority attention will have to be given to this question.</p>

<p>5. Proposal for a Council Regulation establishing common rules for direct support schemes under the Common Agricultural Policy and support schemes for producers of certain crops</p> <p>Proposal for a Council Regulation amending Regulation (EC) No. 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EC) No. 2826/2000 COM (2003) 23 final – EESC 591/2003 - May 2003 DG AGRI – Mr Fischler</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>The EESC states that the Commission proposals go beyond the mandates of the Berlin European Council, and the expected market developments for most products do not appear to justify a far-reaching reform of the CAP.</p>	<p>The intense debate based on the Commission Communication on the Mid-Term Review and the legislative proposals has revealed a broad consensus about the direction of future CAP reform, while also highlighting certain concerns of those involved.</p> <p>The new long-term framework for agricultural expenditure calls for a clear perspective for the future development of the CAP. The CAP reform recently agreed by the Agricultural Council aims at:</p> <ul style="list-style-type: none"> • enhancing the competitiveness of EU agriculture; • promoting a more market-oriented, sustainable agriculture; • providing a better balance of support and strengthen rural development.
<p>The EESC takes the view that the proposed single farm payment is not helpful for ensuring the multi-functionality of European agriculture. The EESC further point out that a possible abandonment of cultivation of land could have negative effects, in particular for less favoured or outermost regions.</p>	<p>The proposed direct income system does establish a link between direct payments and the role of farmers in managing the land and the rural space. The new single farm payment will be reduced for those farmers who fail to manage land according to established land management obligations. Beneficiaries have to keep the land in good agricultural condition.</p>

<p>The EESC is in favour of a partial decoupling (decoupled basic aid and additional production related elements).</p>	<p>The Commission has been open on this issue and the Council conclusions will allow several options for retaining current area or headage based direct payments. Nevertheless, full decoupling will be the general principle for delivering direct payments from 2005 onwards. Any derogation from this principle might increase the complexity of the system.</p>
<p>The EESC thinks that the additional reduction in milk price support, the reduction of support for durum wheat and the proposed level of support for nuts are not appropriate.</p>	<p>The reduction of milk price and durum wheat direct support will be less than originally proposed by the Commission. The flat-rate payment for nuts will be €20.75 per ha (compared to €100 originally proposed) and the opportunity for top-up by MS will be increased to the same amount.</p>
<p>The EESC is in favour of a European solution concerning “good agricultural practice” (Art. 5 and Annex IV).</p>	<p>Beneficiaries of direct payments will be obliged to maintain agricultural land in good agricultural and environmental condition, in order to avoid land abandonment and subsequent environmental problems. Where a farmer fails to comply with such requirements, reductions in his payment will be applied as a sanction. Since this Annex has been scaled down compared to the original Commission proposal, the legal text clarifies that the definition of cross-compliance is without prejudice to good agricultural practice.</p>
<p>The EESC says that the Commission proposal would disadvantage farms which have to expand and many young farmers.</p>	<p>A national reserve is foreseen for allocating payment entitlements to hardship cases, problems of transition and new entrants.</p>

<p>The EESC is concerned about speculation in production rights and on the land market, and about social tensions.</p>	<p>The new single farm payment will be based on historic references and thus in principle not lead to a redistribution of aids. With the possibility of transferring payment entitlements without land or combining them with any hectare of eligible land, the negotiating power of active tenant farmers would improve. Thus the degree of incorporating direct payments into land prices would be reduced, but there would be no sharp drop in land prices: Firstly, entitlements can be activated only with an equivalent number of eligible hectares. Secondly, the number of eligible hectares overshoots the number of payment entitlements only by some 5 to 20 %.</p>
<p>The EESC is concerned about distortions in competition due to farmers with high farm payments being allowed to switch production to less regulated sectors.</p>	<p>The Commission would not see a major risk, since the single farm payment will be decoupled from production. However, according to the Council conclusions, land eligible for the single farm payment must not be used for growing fruit and vegetables or table potatoes.</p>
<p>The EESC is concerned about increased production and price instability as a consequence of giving up the ability to “guide the markets”.</p>	<p>The Council conclusions on CAP reform foresee a Commission report on crisis management which would cover the development of production and price instability to be provided in 2004.</p> <p>Concerning the ability to guide markets, it should be recalled that the purpose of direct payments is to stabilise and support farm income, and not stimulate production. Production would – even within the Common Market Organisations – normally be guided by the price mechanism, not by direct payments.</p>
<p>The EESC calls for a reasonable transition period when introducing cross-compliance.</p>	<p>The legislative act on cross-compliance should be implemented already. The reduced number of legal acts taken up into the priority list correspond to a phasing-in approach suggested by the EESC.</p>

<p>To reduce bureaucracy, the legal provisions to be complied with and the provisions of “good agricultural practice” should be restricted to those which are strictly necessary.</p>	<p>The Council conclusions have set up a priority list of 18 (compared to 38 proposed by the Commission) statutory European standards in the field of the environment, food safety, and animal health and welfare. In addition, beneficiaries have to follow Annex IV (maintain agricultural land in good agricultural and environmental condition).</p>
<p>For the purpose of simplification the EESC calls for setting priorities when controlling cross-compliance provisions.</p>	<p>Control of cross-compliance requirements will be carried out on the basis of IACS with a high level of flexibility for MS concerning control rates. The Commission will furthermore provide a Working Document which will outline indicators for each legal obligation with a view to facilitating the application of cross-compliance.</p>
<p>According to the EESC, the Farm Advisory System should be voluntary for the farmer. The EU should offer the possibility of incentives/support for participation.</p>	<p>The Farm Advisory System will be voluntary for the farmer. On the basis of a Commission report it might be proposed to make it compulsory for certain categories of farmers from 2010.</p>
<p>The EESC has reservations about the provision that the Management Committee could modify the degression percentages.</p>	<p>There will be no general degression of direct payments in order to finance further market reforms. Nevertheless, financial discipline will be enforced through a mechanism which, starting in 2007, will ensure the respect of the annual ceilings of the financial perspective.</p>
<p>The EESC is in favour of retaining the possibility of rotational set-aside and allowing to grow energy crops on set-aside land.</p>	<p>Within the system of the single farm payment, farmers will receive set-aside entitlements, the number of which is calculated on the basis of historic references. Set-aside entitlements shall be activated only, if accompanied by an eligible hectare put into set-aside (excluding permanent pasture). Thus, set-aside may be subject to rotation. Growing of energy crops on set-aside land will be allowed.</p>

<p>The EESC doubts that the amount of €15 per hectare for energy crop cultivation is sufficiently high.</p>	<p>With the possibility of growing energy crops on set-aside land, (although without receiving the energy crop premium), there will be an additional incentive to increase energy crop production.</p>
<p>Farms with up to 20 hectares and farm with organic production should be exempted from set-aside obligations.</p>	<p>Farms up to 20 hectares and organic producers will be exempted from the set-aside obligations.</p>
<p>The EESC regrets that redistribution of funds into the second pillar is limited to €1.5 billion (in the 6th year of modulation).</p>	<p>The Council conclusions provide for modulation rates of 3% in 2005, 4% in 2006 and 5 % from 2007 onwards.</p>

<p>6. Proposal for a Council Regulation on the common organisation of the market in cereals COM(2003) 23 final – EESC 584/2003 – May 2003 DG AGRI - Mr Fischler</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The Committee considers that a further reduction of the intervention price would have the effects of weakening border protection for basic cereals and creating additional costs for the EU budget.</p> <p>The Committee asks the Commission to maintain the monthly increments.</p>	<p>The Commission has accepted the maintaining of the status quo.</p> <p>The Commission has proposed keeping the monthly increments while reducing the amount by half (€0.46/t)</p>
<p>With regard to rye, while it accepts the Commission's analysis, the Committee calls for transitional measures.</p>	<p>The Commission points out that structural measures are planned, making use in particular of the modulation system to make up for the abolition of intervention for rye.</p>
<p>The Committee calls for refunds for the production of starch and certain starch derivatives and the minimum price for starch potatoes to be maintained, together with the minimum price for starch potatoes.</p>	<p>The Commission has accepted this.</p>

<p>7. Proposal for a Council Regulation on the common organisation of the market in rice COM (2003) 23 final – EESC 592/2003 - May 2003 DG AGRI – Mr Fischler</p>	
Main points of the EESC opinion	Commission position
The Committee believes that, if any changes are made to the COM in rice, the current system of variable import duties must at the same time be replaced with a system of fixed duties .	The Commission, with a brief from the Council, has embarked on negotiations under Article XXVIII of the GATT to deconsolidate import duties.
Compensation must be 100% of the fall in prices.	The Commission considers that this is not possible in budgetary terms, nor is it consistent with the proposals made in other sectors (cereals).
The Committee considers it preferable to keep the standard intervention mechanism, at €150/t but without any restriction on quantity.	The Commission has amended its proposal so as to maintain the intervention mechanism, but with a limit of 100 000 tonnes for the 2003/2004 marketing year (revisable on the basis of a balance sheet) and 75 000 t for the subsequent years.
The Committee thinks the current penalty system should be replaced with a linear system in keeping with that for other field crops.	The Commission has amended its proposal, with provision for linear penalties from the 2004/2005 marketing year onwards.
The Committee wants to see a scheme for area compensation between Member States before any penalties are applied for exceeding the national base area.	The Commission has amended its proposal, with provision for a redistribution of unused areas to regions which exceed their share of the area, but only within each Member State, not between Member States.

<p>8. Proposal for a Council Regulation on the common organisation of the market in dried fodder for the marketing years 2004/05 to 2007/08 COM(2003) 23 final - EESC 585/2003 - May 2003 DG AGRI – Mr Fischler.</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>Overall, the Committee welcomes the Commission’s proposal, particularly with regard to:</p> <ul style="list-style-type: none"> • the single rate of aid for machine-dried and sun-dried fodder, aimed at reducing energy consumption for drying, • the decoupling of part of the aid to farmers. 	<p>The single rate for different kinds of dried fodder and the decoupling of part of the aid have been adopted by the Council.</p>
<p>The Committee’s opinion is more critical with regard to the degressive nature of the aid to processors: without advocating any specific mechanism, it puts the emphasis on a different formula which would promote the replacement of fossil fuels with renewable energy sources.</p>	<p>The Commission has amended its proposal, maintaining the aid to processors at the proposed level and dispensing with degression.</p> <p>The Commission has undertaken to present a report to the Council by 30 September 2008 on the basis of an assessment of the system, with particular regard to trends in the areas under pulses and other green fodder plants, the production of dried fodder and the fossil-fuel savings achieved. The report will be accompanied, if necessary, by appropriate proposals.</p>

<p>9. Proposal for a Council Regulation amending Regulation (EC) No. 1255/1999 on the common organisation of the market in milk and milk products Proposal for a Council Regulation establishing a levy in the milk and milk-products sector COM (2003) 23 final – EESC 586/2003 – May 2003 DG AGRI - M Fischler</p>	
Main points of the EESC opinion	Commission position
<p>4.3 and 5.2 The Committee disapproves of the Commission proposals on price cuts and the measures to restrict intervention to 30 000 tonnes. .</p>	<p>The price cuts are necessary to strengthen competitiveness and protect the Community market vis à vis the world market. Internal butter prices are still 50% higher than those on the world market, while prices for skimmed-milk powder are 25 to 30% higher. That is why the Luxembourg compromise provided for a reduction of 10% in the intervention price of butter compared with Agenda 2000. The ceiling of 30 000 tonnes corresponds to the average quantities sold into intervention during the ten years up to 2001. In 2002 the intervention amounts were exceptionally high at around 160 000 tonnes, but in 2003 the situation has stabilised and amounts should not exceed 50 000 tonnes. The Council has therefore decided to introduce the ceiling in stages, going from 70 000 tonnes in 2004/2005 to 30 000 in 2008/2009. Above this limit, it is planned to continue intervention purchases by tender.</p>
<p>4.3 and 5.1.1 As an alternative, the Committee proposes using quotas as a tool for regulating stocks and the market, so as to adjust stock levels to market needs.</p>	<p>Quotas have been a means of reducing supply over the first nine years of applying them, but it is difficult to envisage using this instrument as a short-term supply regulator, in view of the time required for decision-making and implementation, which is out of proportion to the pace of market developments.</p>
<p>4.2 and 5.1.2 The Committee feels that the Commission's proposal to increase</p>	<p>The Commission recognises that this proposal was linked to the need for</p>

<p>quotas by 1% a year in 2007 and 2008 is in not warranted in view of the possibilities for market equilibrium.</p>	<p>accompanying measures alongside the price reduction planned at institutional level in order to have a real impact on market prices. However, the implementation of this proposal can be reconsidered in the light of future market developments, as decided at the Luxembourg Council.</p>
<p>4.1 The Committee believes that the reduction in intervention prices will be reflected in full in the priced paid to producers.</p>	<p>In contrast to previous years, the exploitation of milk has become more diversified, and the milk price no longer depends only on the intervention prices for butter and milk powder. Indeed, the guide price for milk that is fixed at the same time as the intervention prices is of only symbolic importance, without any link to the real price. The guide price was in any case abolished by the Council in the Luxembourg compromise.</p>
<p>4.1 The Committee considers the proposed level of compensation to be inadequate, whereas more favourable treatment was granted to the other reformed sectors, cereals and beef (compensation rate around 90 %).</p>	<p>The Commission is restricted in its options because of budgetary constraints. Moreover, in certain cases the sector still has scope for restructuring. The Luxembourg compromise provided for 65% compensation for the drop in prices from 2004 to 2006, with 60% for the subsequent years.</p>
<p>5.4 The Committee wishes to reduce the competitive disadvantages suffered by purely grassland regions, which were brought about by the 1992 reform.</p>	<p>The system of dairy premiums provides for a national envelope that can be distributed according to objective criteria aimed at taking account of the situation of certain producers.</p>
<p>5.5 The Committee wishes in the WTO negotiations to push through “qualitative” protection at border so as to protect high-quality products.</p>	<p>The Commission’s negotiating brief at the WTO incorporates the agricultural question in its entirety, and our positions are defended on non-commercial aspects, in particular quality marks and – of course – animal welfare.</p>

- 10. Proposal for a Directive of the European Parliament and of the Council on ship-source pollution and on the introduction of sanctions, including criminal sanctions, for pollution offences**
COM(2003) 92 final – EESC 755/2003 – June 2003
DG TREN – Ms de Palacio

The follow-up on this point has been deferred to the next quarter.

- 11. Draft proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EEC) No. 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports
COM(2003) 207 final – EESC 754/2003 – June 2003
DG TREN – Ms de Palacio**

The Commission does not consider it is appropriate to follow up this EESC opinion.

<p>12. Proposal for a Directive of the European Parliament and of the Council on minimum safety requirements for tunnels in the Trans-European Road Network COM (2002) 769 final - EESC 746/2003 - June 2003 DG TREN - Ms de Palacio</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>4.1 The Committee proposes the creation of a “European Transport Infrastructure Fund”, fed by a levy of one cent per litre of all fuel used by road vehicles, to meet 50% of the cost of the work required to bring tunnels into line with the tunnels Directive.</p>	<p>The creation of such a fund is beyond the scope of the proposal and must be examined in a different context.</p>
<p>4.2 The Committee calls for the scope of the Directive to be extended by 2025 to include all road tunnels, not just those on the Trans-European Road Network.</p> <p>This is conditional on the establishment of the “European Transport Infrastructure Fund”.</p>	<p>The proposal applies to tunnels used by large numbers of users who are not resident in the country concerned, for which a degree of harmonisation in the safety equipment is needed.</p> <p>The Commission has not carried out any preliminary studies on other tunnels, which are very varied, and consequently cannot undertake to extend the scope of the proposal at this stage.</p>
<p>4.3 The Committee calls for the removal of possible exemptions from the structural measures for existing tunnels.</p> <p>This is conditional on the establishment of the “European Transport Infrastructure Fund”.</p>	<p>Exemptions are possible for tunnels where the costs of the work to bring them into line would be particularly high. In these cases, risk reduction measures (speed restrictions, increased distance between vehicles, prohibiting access for high-risk vehicles etc.) are allowed as an alternative to the prescribed measures.</p> <p>The cost of the work of bringing them into line with the requirements is in fact far from uniform for all tunnels, and it is worth making a case-by-case assessment of the usefulness of carrying out all the structural work.</p> <p>This is an important aspect of the proposal which must be maintained.</p>

<p>4.4 The Committee considers it essential to set up specific training for drivers, certified by a special entry on their driving licences.</p>	<p>This aspect is beyond the scope of the proposal. In 2001 the Commission proposed a Directive on the training of professional drivers for the carriage of goods or passengers by road (COM (2001)56). This proposal provides for training to include the specific safety aspects of driving through tunnels.</p>
<p>4.5 The Committee calls for the safety officer provided for in the Directive to be independent vis-à-vis the tunnel manager.</p>	<p>The proposal provides for the safety officer to carry out his duties independently and to take no instructions from the tunnel manager in connection with his responsibilities. On the other hand, the safety officer may be an employee of the tunnel manager.</p> <p>This practical arrangement, which is intended to avoid the creation of additional bureaucratic posts and to reduce costs, is already in existence in a number of fields, where it operates satisfactorily.</p> <p>The Commission considers that it can be maintained without any risk of malfunction.</p>

<p>13. Communication from the Commission to the Council and the European Parliament – Towards a strategy to protect and conserve the marine environment COM (2002) 539 final - EESC 578/2003 – May 2003 DG ENV - Mrs Wallström</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The EESC welcomes the Commission proposal as it opens the debate with all the parties interested in conserving and protecting the marine environment. However, in response to the regrettable and increasingly frequent pollution of our maritime waters, the EESC calls for a stronger political commitment from Member States to implementing existing legislation and for the perpetrators to be held liable in an effective way.</p>	<p>The Commission takes note of the favourable opinion and shares the view of the EESC that enhanced implementation and enforcement of both existing and new legislation in an integrated way is a key to improving the protection and conservation of the marine environment.</p> <p>The Commission has taken initiatives to put more emphasis on implementation and enforcement.</p>
<p>The EESC welcomes the "ecosystem-based approach" insofar as it signals the use of a new methodology; however, the document does not explain what this means.</p>	<p>The Commission has taken initiatives to further develop and implement the "ecosystem approach to the management of human activities" in consultation and coordination with all involved stakeholders.</p>
<p>Another strategy may need to be found and, among the various options to be explored, a central role could be given to effectiveness, i.e. the EU's real capacity for influencing marine issues, by enhancing:</p> <ul style="list-style-type: none"> - legislative instruments (whether binding and mandatory, or simple agreements and conventions); - economic instruments (trade agreements, third country funding programmes). 	<p>The Commission will take these suggestions into account during forthcoming negotiations with other institutions and stakeholders.</p>
<p>The very important role given to marine conventions in the Communication must be downgraded and partially replaced by EU legislative initiatives. Such international agreements impose considerable restrictions, in general concerning binding obligations. They are of considerable value in defining strategies for achieving</p>	<p>The Commission agrees with the EESC that the control measures of the regional marine conventions are difficult to enforce.</p> <p>However, these conventions will continue to have to play an important role in ensuring that regional diversities are well taken into account</p>

<p>objectives, in involving different countries, etc., but lack teeth when it comes to penalising infringements if they are not duly recognised in the specific legislation of each state. Moreover, their potential for adapting to scientific, technical or social progress is very limited owing to lengthy procedures for drafting, ratification and entry into force.</p>	<p>are well taken into account.</p> <p>An important task for the European Marine Strategy is to set out the framework for these continuing tasks and their relationships with work in other forums.</p> <p>Where the Community is best placed to regulate, the Commission will ensure that concerns identified by these conventions, based on regional assessments are fully taken into account in developing Community policies.</p>
<p>With regard to the proposed objectives, it would be a good idea to extend them in at least three crucial areas:</p> <ul style="list-style-type: none"> – prevention of serious accidents with environmental consequences for marine waters, occurring both on land and at sea and for which Directives already exist (e.g. Seveso II, Erika); – management of the use of coastal areas, as regulated in the WFD (e.g. urban planning, infrastructures, related economic activities, waste water treatment); – international maritime transport and the use of dubious legal ploys, such as "flags of convenience" which are largely responsible for the current disarray in this area and for the considerable environmental consequences (e.g. spillages, accidents, transportation of dangerous products without guarantees, use of products that are toxic for the marine environment) 	<p>The Commission will take these suggestions into account during forthcoming negotiations with other institutions and stakeholders.</p> <p>The Commission has taken far-reaching initiatives to improve maritime safety and to strengthen the enforcement of existing regulations.</p>

<p>The situation is deteriorating despite the many directives governing the management and use of marine waters under Member State jurisdiction. The impact of Community legislation must therefore be assessed in order to identify the causes for its relative failure, and the necessary measures taken to improve its effectiveness. It is vital that the interested parties (e.g. ecologists, trade unions, industry) participate in this assessment and that financial, scientific and technical resources are released. The European Environment Agency must also play a key role in this.</p>	<p>The Commission is committed to enhancing and facilitating the coordination and cooperation with, and between, the Regional Seas Conventions and agreements, the European Environment Agency, the European Maritime Safety Agency and other relevant fora, using their experience, developing a balanced approach for all the seas of Europe.</p> <p>Initiatives to achieve this have recently been taken.</p>
<p>Without losing sight of the aim of this Communication - i.e. the protection and conservation of the marine environment – the following proposals should therefore be included in the actions, as they both improve coordination between the various policies affecting the marine environment and seek to deal with situations that cause alarm among European citizens.</p>	<p>The Commission will take these suggestions into account during forthcoming negotiations with other institutions and stakeholders.</p>

<p>14. Proposal for a Directive of the European Parliament and the Council amending Directive 1999/32/EC as regards the sulphur content of marine fuels COM (2002) 595 final – EESC 580/2003 - May 2003 DG ENV - Mrs Wallström</p>	
Main points of the EESC opinion	Commission position
The approved opinion summarises the Commission proposal, and presents the cost benefit analysis in some detail.	This is a useful and accurate summary.
The EESC supports the Commission proposal unreservedly, considering it to be realistic and proportionate, and states that it is politically desirable for the proposal to be implemented as soon as possible.	The Commission welcomes this very favourable opinion.
The opinion also urges EU Member States to ratify MARPOL Annex VI, the International Maritime Organisation's Convention on air pollution from ships, and calls for the Commission and Member States to develop tighter fuel sulphur limits in future, within the framework of IMO Annex VI.	The Commission supports this call on Member States to ratify Annex VI, and is committed to working with Member States to tighten the provisions of Annex VI in future.
Finally the opinion calls for the engines of new vessels to be designed or adapted to be more energy-efficient and reduce CO ₂ emissions.	The Commission supports this point. We are working with Member States at IMO to develop a global greenhouse gas indexing system for ships, in order to promote energy-efficient engine design and operation.

<p>15. Proposal for a Directive of the European Parliament and of the Council concerning the quality of bathing water COM (2002) 581 final – EESC 749/2003 - June 2003 DG ENV - Mrs Wallström</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>Point 2.2 The EESC considers that the principle of a new proposal is justified in view of the scientific and technical progress made and the adoption of new EU directives on water policy, in particular the Framework Directive of 23 October 2000.</p>	<p>The Commission takes note of the generally favourable opinion and will take into account suggestions during forthcoming negotiations with other institutions.</p>
<p>Point 2.4.3 The new parameters for both "Good Quality" and "Excellent Quality" water impose notably stricter requirements for bathing water than the 1976 Directive. EESC requests that the epidemiological study carried out to determine the thresholds be properly endorsed and, in particular, that it be based on the analysis of a sufficient number of cases.</p>	<p>The Commission takes note of this part of the opinion, but would bring to members attention that a review of the epidemiological study was commissioned by WHO in 1996, the results of which were published in 1998. In the UK, a DEFRA request to re-analyse the evidence lead to confirmation of the conclusions in 2000-2001.</p>
<p>Point 2.4.4 The difference between the proposed criteria for "Good Quality" and "Excellent Quality" water seems, on first analysis, to be so small that some specialists wonder what the real gain is in terms of public health by differentiating between the two, as proposed in the new text. The EESC requests the Commission to provide more clarity and enlightenment here.</p>	<p>The Commission would refer to the fact that the <u>1976 Guide</u> standards relate to a risk level which is close to the risk level associated with the <u>newly proposed</u> 'Good' standard (5% risk on GI).</p>
<p>Point 2.2.3 It also stresses the need for clear and easy to apply transitional measures during the changeover from the old to the new rules, in particular to avoid conflicts of interpretation between old and new parameters.</p>	<p>The Commission will take into account the suggestion and will consider it during forthcoming negotiations with other institutions.</p>

<p>Point 2.4.5 It would like the impact assessment to provide more details about the consequences of implementing the new parameters as regards the downgrading of bathing areas.</p>	<p>The Commission cannot accept these parts of the opinion, as public health and environmental concerns have been the starting point for making the proposal for a new bathing water directive.</p>
<p>Point 3.2.1 In practice the local authorities will carry out more frequent checks in very popular bathing areas. It should therefore be made clear that the provisions of Article 10 are minimum recommendations.</p>	<p>The Commission will take into account these suggestions during negotiations with other institutions. Indeed, the frequencies given are minimum frequencies, which allow more frequent checking by local authorities if they so desire.</p>
<p>Point 2.6.3 Although the EESC understands the Commission's wish to urge the Member States and the local authorities to establish bathing water profiles, it feels that the recommendations are so broad as to become unrealistic or impossible to satisfy. It would therefore be necessary to define the type of pollution under consideration and the potential sources of pollution more precisely.</p>	<p>The Commission will take this suggestion into account in the process of further negotiation. The directive's main focus is on bacteriological (faecal) pollution.</p>
<p>Point 3.8.1 Article 19(2) mentions the integration of virus detection data, but with the techniques in normal current use it is technically almost impossible to obtain reproducible and reliable data in this field for bathing water, and all the more so for rough waters.</p>	<p>The Commission takes note of this comment and will encourage scientific and technical developments leading to better techniques for virus detection in bathing waters.</p>
<p>Point 2.6.1 It also approves the harmonisation of standards for handling samples and considers that such action is necessary if one wants to compare water quality throughout the European Union. However, it stresses that comparisons will only be really reliable if there is intercalibration of the methods of analysis under consideration.</p>	<p>The Commission will take these suggestions into account in the process of further negotiation with other institutions.</p>

**16. Proposal for a Directive of the European Parliament and the Council on the limitation of emissions of volatile organic compounds due to the use of organic solvents in decorative paints and varnishes and vehicle refinishing products and amending Directive 1999/13/EC
COM (2002) 750 final – EESC 750/2003 - June 2003
DG ENV - Mrs Wallström**

Main points of the EESC opinion	Commission position
<p>The EESC strongly supports the Commission's efforts to improve air quality in Europe and broadly supports the present proposal. (3.1 & 4.1)</p>	<p>The Commission takes note of this overall favourable opinion.</p>
<p>The EESC disagrees with the Commission's proposal to await a review in 2006 before fixing the limit value for 2010 (phase II) for subcategory d (solvent-borne cladding and trim-paints) (3.1).</p> <p>The EESC finds that the limit values for this subcategory should be fixed now at 400 g/l for 2007 (phase I) and 300 g/l for 2010 (phase II). (4.8)</p>	<p>The Commission takes note of the EESC's opinion on this point, but reserves its position pending the results of negotiations with other institutions.</p>
<p>The EESC raises the concern that the true costs for implementing certain parts of the proposal may be as much a five times the levels indicated by the Commission. (3.3)</p>	<p>The Commission takes note of the EESC's concern on this point, but wants to point out that the EESC has not presented any cost figures in support of this assumption.</p>
<p>The EESC questions the data and models on which the Commission's assessment of the costs and benefits of the proposal is based (3.5, 4.3 and 4.4).</p>	<p>The Commission takes note of the EESC's opinion, but believes that the data and methodology used by the Commission provide a realistic appraisal of the proposal</p>
<p>The EESC finds that there is a need for derogations for traditional paints for the maintenance of "heritage" buildings and "vintage" cars. (4.6)</p>	<p>The Commission takes note of the EESC's opinion on this point, but reserves its position pending the results of negotiations with other institutions.</p>

Additional to the changes proposed for the limit-values for subcategory **d**, mentioned above, the EESC also finds that the following limit values should be changed to the values suggested by the CEPE (The European Association of Paint Manufacturers):

Subcategory **c**, solvent-borne, (phase II) to 450g/l,

Subcategory **e**, water-borne, to 150 g/l (phase I) and 130 g/l (phase II) ,for solvent-borne (phase I) to 550 g/l and 450 g/l (phase II)

Subcategory **g** , water-borne, (phase II) to 50 g/l,

Subcategory **h**, water-borne, (phase II) to 50 g/l

Subcategory **i**, solvent-borne, (phase II) to 600 g/l.

The Commission takes note of the EESC's opinion on these points, but reserves its position pending the results of negotiations with other institutions.

**17. Proposal for a Directive of the European Parliament and of the Council on amending Directive 98/70/EC on the approximation of the laws of the Member States relating to measures against the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery
COM (2002) 765 final – EESC 744/2003 - July 2003
DG ENV - Mrs Wallström**

Main points of the EESC opinion	Position of the Commission
The EESC largely welcomes the proposal to amend Directive 97/68/EC.	The Commission takes note of the favourable opinion.
The EESC notes the importance of the availability of diesel with a sulphur content of 50 ppm low sulphur fuel when the second stage of emission standards (Stage III B) comes into force.	The Commission notes that the use of diesel fuel with a sulphur content of less than 50 ppm is important for the successful application of the Stage III B emission standards for non road mobile machinery. The Commission intends to address this issue before the Stage III B emission limit values are confirmed. However, it should be noted that the maximum sulphur level for automotive diesel fuel in the Community will be 50 ppm from 1 January 2005.
The EESC is concerned about the monitoring of the compliance with the rules after type approval has been granted.	The Commission will take into account the need to study the question of in-use compliance with emission standards for engines in the non-road applications.

<p>18. European space policy (Green Paper) COM (2003) 17 final - EESC 745/2003 - June 2003 DG RTD – Mr Busquin</p>	
Main points of the EESC opinion	Position of the Commission
	<p>The Commission welcomes the European Economic and Social Committee's very full report. Overall, the EESC's suggestions will receive the Commission's careful attention in the process of drafting the White Paper on the future of European space policy.</p>
<p>1.1.4 The European Union itself has gradually become involved in space, e.g. with the Galileo project and the GMES initiative (Global Monitoring for Environment and Security).</p>	<p>The Commission wishes to stress its growing interest in satellite telecommunications as the subject of a possible new initiative.</p>
<p>4.2 The issue of space science is addressed only briefly in the Green Paper.</p>	<p>This comment will be taken into account in the drafting of the White Paper. The question of science will be given more attention and consideration will be given to the possibility of finding additional resources for this area.</p>
<p>4.5.1 The wording of Question 5 may not be appropriate...</p> <p>("Q5: How may the financing of space activities at European level be organised in a more coherent manner, avoiding that an increase of resources at European level is accompanied by an equivalent reduction of investment at national level?")</p>	<p>One of the objectives to be mentioned in the White Paper is a possible increase in the budgets to be devoted to the space sector in Europe.</p>
<p>4.8.1Attention must be given to the shortcomings of European military space activity, particularly in the areas of information, intelligence and the fight against terrorism.</p>	<p>The Commission shares this view and will deal with the question (i.e. the shortcomings of European military space activity, particularly in the areas of information, intelligence and the fight against terrorism) in drawing up the White Paper, having regard to the powers of the EU institutions.</p>
<p>4.9.1 ...This calls for a reorganisation of roles and relations (between the</p>	<p>The Commission shares this view. Its efforts to negotiate the framework</p>

<p>European Union, the ESA and the Member States). To be successful, it is vital to avoid sterile disputes over responsibilities between the various actors concerned. A clear and firm policy presupposes a political authority that is recognised at European level.</p>	<p>agreement with the ESA are directed along these lines. The Commission is keen to contribute its value added in the present context, particularly by ensuring that the space question is taken up at the level of the European Council.</p>
<p>4.9.1 The EESC regrets that negotiations between the ESA and the Commission on the framework convention have not been concluded...</p>	<p>Commission understands the EESC's position in this respect. The negotiations have turned out to be more lengthy than expected, but the importance of defending the Union's interests means that special attention is required. The Commission can reassure the EESC that negotiations have now been completed.</p>

<p>19. Proposal for a Regulation of the European Parliament and of the Council establishing the European Network and Information Security Agency COM (2003) 63 final – EESC 747/2003 – June 2003 DG INFSO - Mr Liikanen</p>	
Main points of the EESC Opinion	Commission Position
Highlighting that the increasing use of mobile Internet and new radio communications systems are creating new security requirements.	Mobile security is an important aspect of information security.
A future evaluation of the Agency's activities should assess whether there is a case for establishing a clear demarcation between national security and functional information security.	This aspect could be included in the evaluation as EESC suggests.
Location discussion should not delay the launch of the Agency.	The Commission agrees and is working towards the goal of having the procedure for the decision clarified in the legal text so that the location can be decided swiftly.
The Agency should have the explicit task of helping to disseminate knowledge and experience of network and information security between the Member States.	That is what the Commission already tried to spell out in the tasks, i.e. in Art 2 (c) and (d). This might change/be clarified further in the final adopted text.
Industry and consumer representatives should have voting rights.	No. Voting rights for these groups are not provided for in the Commission Framework for Regulatory Agencies (COM (2002) 718 final).
The Work Programme should allow the Agency to cope with sudden immediate security issues.	The Work Programme is to be adopted by the Management Board. It will be their task to ensure the proper functioning of the Agency according to the general objectives and tasks as set out in the Regulation. It is proposed that the Agency shall be able to contribute to the availability of rapid, objective and comprehensive information. It should, however, also be noted that the Agency will not do what the CERTs are already doing today, i.e. rapid incident handling.

<p>MS companies and consumer organisations should have the right to request an opinion from the Agency.</p>	<p>In view of the limited resources of the Agency and the fact that it is not replacing any of the national bodies with information security functions, the Commission believes that national business and consumer organisations should get their opinions mainly from national bodies, who in their turn can turn to the Agency for advice.</p>
<p>Assumes that user representatives from business and consumer organisations will also be involved in the working groups as the Agency will need active participation from the business world.</p>	<p>The Commission agrees that industry participation is vital for the proper functioning of the Agency, and the working groups have been intended as one way to be able to involve industry.</p>
<p>Spell out and ensure that the Agency's work and financial situation cannot be dependent on any contribution from third countries participating in the work of the Agency</p>	<p>Only third countries which have concluded agreements with the EC can participate in the Agency's work by virtue of which they have adopted and applied Community legislation in the field covered by the Regulation. As far as the size of their contribution is concerned, this cannot be decided in the Regulation itself. Each year an agreement is signed between the Commission and EFTA on the participation in some programmes (depending on EFTA's interest to participate in the programme and if the Commission agrees with such participation). The financial contribution of these countries represents around 2 % of the Community Budget for each programme where there is a participation of EFTA. The percentage is negotiated every year</p>
<p>Certain criteria for the location of the Agency should be added to the Commission's list.</p>	<p>The Commission's list of criteria is indicative and not included in the legal text. Deciding the location has traditionally been a political decision taken by the European Council.</p>

**20. Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the eEurope 2003 Final Report
COM(2003) 66 final – EESC 748/2003 – June 2003
DG INFSO – Mr Liikanen**

No follow-up on this point.

<p>21. Communication from the Commission to the Council and the European Parliament: A strategy for the sustainable development of European aquaculture COM (2002) 511 final – EESC 595/2003 - May 2003 DG FISH - Mr Fischler</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>3.1.2 The Committee shares the Commission's views regarding the quality of the products obtained from extensive aquaculture, and the need for appropriate labelling to give such products a commercial advantage. However, the absence of a specific definition of intensive and extensive systems could raise doubts among consumers as to the provenance and labelling of products.</p>	<p>The Commission will take account of the EESC's comment when drawing up the proposal for amending the FIG Regulation.</p>
<p>3.1.3 The use of transgenic fish must be treated with serious reservations: the Committee would warn not only researchers, but also political decision-makers, producers and consumers not to underestimate the risk of a loss of biodiversity.</p>	<p>The Commission will take account of the EESC's opinion. It has recently funded a study on genetic manipulations in aquaculture, the results of which will probably be available next autumn.</p>
<p>3.1.5 A clear definition of organic aquaculture must be provided, as has already been done in other sectors of production.</p>	<p>The Commission will take account of the EESC's comment when drawing up the proposal for amending the FIG Regulation.</p>
<p>3.2.1. This technology would require a high level of investment, and bad weather or accidents could lead to safety lines becoming damaged or even detached. Risk insurance would have to be available as otherwise the use of offshore techniques would be limited.</p>	<p>The Commission shares the EESC's view on the importance of risk insurance, but would point out that this is an area that is not covered by the structural measures.</p>

<p>3.2.5. The Committee appreciates such environmental awareness and considers that these producers deserve incentives to promote products that meet stricter ecological production requirements. It would imagine that a system could be introduced in the field of aquaculture to promote particular environmental objectives, along similar lines to environmental programmes in agriculture.</p>	<p>The Commission will take account, as far as possible, of the EESC's comments and opinions in connection with the proposal for amending the FIFG Regulation.</p>
<p>3.3. Research is vital for the sector's development, and the Committee regrets that funding for it has been reduced in the Community Support Framework. To offset this reduction, the FIFG should be amended to allow SMEs to conduct their own research, as under the previous framework. In this regard, the Committee stresses that the Council recognises in its conclusions that "more research in aquaculture should be undertaken and appropriate financial support be allocated, in order to contribute towards sustainable development of the aquaculture industry in the Community". The EESC believes that alongside pure research, applied research that is targeted towards producers' needs should also be promoted.</p>	<p>The Commission will take account of the EESC's comments in connection with the proposal for amending the FIFG Regulation.</p>
<p>3.3.1. Research should be carried out on the effects of fish farms on wild stocks, in particular relating to disease and interbreeding, special attention being paid to the effects on tourism in rural areas based in angling.</p> <p>3.3.2. Given the possible glut of certain fish species on the market, research on new species should be encouraged.</p> <p>3.3.3. Research should also be conducted on feed, using alternative raw materials to those generally used and continuing the search for less polluting types of feed. Research should also continue on systems for managing feed supply more effectively, so as to cause less damage to the environment.</p>	<p>The Commission will take account, as far as possible, of the EESC's comments and opinions in connection with the analysis of research priorities in future calls for proposals under the 6th framework programme.</p>

<p>3.3.4. The Committee thinks that a socio-economic survey of coastal communities and their relation with the aquaculture sector should be conducted.</p>	
<p>3.4. Employment: In order to achieve the intended increase in employment, the priorities of the FIG will have to be revised. At all events, the Committee is somewhat sceptical about the anticipated increase, as a rise in production does not necessarily mean an increase in the number of jobs.</p>	<p>As announced in the Communication, the Commission intends to revise the priorities in the FIG. The Commission shares the Committee's view that an increase in production does not necessarily lead to an increase in the number of workers, but would point out that a significant increase such as the Communication envisages (4% per year) should make it possible to create the planned number of jobs.</p>
<p>3.5.2. In order to improve the sector's image, campaigns are needed – preferably at Community level – to inform consumers and encourage them to eat aquaculture products.</p>	<p>The Commission will take account, as far as possible, of the EESC's comment.</p>

**22. Communication from the Commission to the European Parliament and the Council – Action plan to counter the social, economic and regional consequences of the restructuring of the EU fishing industry
COM(2002) 600 final – EESC 579/2003 – May 2003
DG FISH – Mr Fischler**

No follow-up on this point.

<p>23. Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries COM (2002) 637 final – EESC 583/2003 – May 2003 DG FISH - Mr FISCHLER</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The EESC recognises the mutual benefits flowing from FPAs and urges the Commission to pursue a sustainable fisheries policy, in keeping with the conclusions of the Council of 30 October 1997 and the European Community's WSSD commitments.</p>	<p>The Commission is working to make an effective contribution to the development of sustainable fisheries beyond Community waters, and that is why it feels the need to redirect its bilateral external activities towards developing a political dialogue with non-member countries. The purpose of the Commission's communication is therefore to propose to the Council appropriate adjustments to its 1997 Conclusions.</p>
<p>The EESC, while pointing out that the Council Conclusions of October 1997 recognise the essentially commercial nature of fisheries agreements, reaffirms that these agreements must provide for action to develop the fisheries sector of the third country concerned.</p>	<p>The Commission accordingly proposes that the Council should affirm the necessary change in external fisheries policy by moving from a system of purchasing fishing rights to a system that makes a sustainable contribution to the exploitation and development of the fisheries resources of non-member countries, within the limits of the partners' mutual interests.</p>
<p>The EESC believes that each State's ownership of its fisheries policy should be respected. This policy must be based on sound scientific and technical advice, and to this end public funds must be forthcoming to apply the principles of good governance to responsible fisheries management.</p>	<p>To this end, accepting that good fisheries policy requires public funds, the Commission proposes a new <i>raison d'être</i> to justify the EC's financial contribution in future partnerships, taking into account not only the fishing opportunities offered but also administrative costs (capacity building) of monitoring and surveillance, the costs of scientific assessment and expenditure on follow-up and evaluation.</p> <p>The Commission even recommends that the financial contribution should be assessed in the light of the coastal State's undertakings to pursue</p>

	sustainable fishing.
<p>The communication lays down guidelines for implementing a prior policy dialogue. The EESC judges these guidelines to be rational.</p>	<p>To this end, the Commission has just launched an invitation to tender for a framework contract for performing evaluations, impact analyses and monitoring services in the context of fisheries partnership agreements (FPAs) concluded between the Community and non-member coastal states (Invitation to tender FISH/2003/02)</p>
<p>The EESC considers that the continuity agreements referred to in the communication require further examination.</p>	<p>On the basis of its Green Paper and the ensuing discussions, the Commission does not consider it necessary to envisage any fundamental change in its policy on continuity agreements; it should be remembered that in a year's time only Norway, Iceland and the Faeroes will still be involved in these agreements.</p>

<p>24. Proposal for a Directive of the European Parliament and of the Council on takeover bids COM (2002) 534 final – EESC 589/2003 – May 2003 DG MARKT - Mr Bolkestein</p>	
Main points of the EESC opinion	Commission position
Overall, the Committee welcomes the Commission's proposal and urges the European Parliament and the Council to approve it as quickly as possible.	The Commission notes this favourable opinion and thanks the Committee for its support.
The Committee proposes simplifying the provisions of Article 4 determining the supervisory authorities and applicable laws for takeover bids, without proposing specific amendments.	The Commission rejects this request, since Article 4 was already the subject of lengthy discussions regarding the previous proposal and was not, moreover, called into question by the EP.
The Committee wants the threshold for triggering the obligation to make a bid (Article 5) to be set between 30% and 40% of the company's voting rights.	The Commission rejects this request, since Article 5 was already the subject of lengthy discussions regarding the previous proposal and was not, moreover, called into question by the EP.
The Committee calls for the deletion of Article 5(6) and Article 6(4) referring to comitology, which it finds incompatible with a "minimum" Directive.	Comitology was introduced into this proposal at the express request of certain Member States. However, the reactions to this question in the EP vary greatly from one Member State to another. The Commission therefore reserves its position pending the results of negotiations with the other institutions.
The Committee proposes amendments to Article 9, in particular to introduce an obligation on the board of the offeree company to consult the employees before giving its opinion on the bid.	The Commission is not against this in principle. It could take these suggestions into account in the negotiations with the other institutions.
The Committee sets out amendments to Article 10, in particular to distinguish between company and market questions and those that are and are not the responsibility of the general meeting of shareholders.	The Commission is not against this in principle. It could take these suggestions into account in the negotiations with the other institutions.

<p>The Committee proposes deleting the second paragraph of point 2 and the second paragraph of point 3 of Article 11, which cover agreements between shareholders as defensive measures against takeovers in the same way as the provisions in the articles of association of the offeree company.</p>	<p>The Commission is not in favour of this suggestion, as it would constitute a major breach in the system under Article 11.</p>
<p>The Committee proposes amending the text of Article 13 to make provision for informing and consulting the offeree company's employees at all stages of the takeover procedure.</p>	<p>The Commission is not against this in principle. It could take these suggestions into account in the negotiations with the other institutions.</p>

<p>25. Proposal for a Council Regulation amending Regulation (EC) No. 40/94 on the Community trade mark COM (2002) 767 final – EESC 576/2003 – May 2003 DG MARKT - Mr Bolkestein</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The Committee considers that the flexibility the proposed amendments are intended to achieve should not result in a decrease in the legal certainty that the Community trade mark guarantees, particularly for SMEs. For this reason the EESC considers that the deletion of Article 39 should not be defended solely on economic grounds. Moreover, the Community trade mark has an added value in so far as it certifies that a production system abides by Community rules and standards, which guarantee the quality of products and services for European consumers.</p>	<p>The Commission notes the EESC's broadly favourable opinion and will take account of the comment on Article 39.</p>

<p>26. PRISM 2002 (Single Market Observatory) Own Initiative Opinion – EESC 575/2003 – May 2003 DG MARKT - Mr Bolkestein</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>The EESC Opinion on PRISM points out that the information contained in the PRISM database helps to boost understanding and resolve difficulties faced by citizens and businesses in exercising Internal Market rights.</p>	<p>The Commission welcomes the overall objectives of PRISM aimed at achieving the objectives of the SMO to help to promote the objectives of the Internal Market by providing information about the services available to citizens and businesses.</p>
<p>Since PRISM is a collection of good practices implemented within the single market, it could also include cases submitted to and solved by the SOLVIT network. One practical proposal could be to insert reference links in both websites and on the home pages of EESC and EU sites to enable users to view and use the other system with ease.</p>	<p>The Commission feels that it would be too burdensome to copy information from SOLVIT to PRISM, especially given the fact that SOLVIT cases relate only to the misapplication of existing EU rules. As such, the examples in SOLVIT would not add value to PRISM as they are not examples of good practice, simply cases involving the need for the proper application of existing legislation.</p> <p>The Commission would be content to insert a reference link to PRISM from SOLVIT.</p>
<p>The EESC calls for action by the institutions within the deadlines to adopt the individual measures within the Financial Services Action Plan (FSAP) particularly on the Prospectuses Directive and the Directive on Pension Funds. (Both since adopted.) (paras 5.2 to 5.4)</p>	<p>The Commission agrees on the importance of completing the FSAP on time as a necessary prerequisite for integrated EU financial markets, which are vital to improve the competitive position of EU companies. The Commission therefore welcomes the PRISM Report placing emphasis on this aspect of IM Policy.</p>

<p>27. Proposal for a directive of the European Parliament and of the Council on investment services and regulated markets, and amending Council directives 85/611/EEC and 93/6/EEC, and European Parliament and Council Directive 2000/12/EC COM (2002) 625 final – EESC 741/2003 - June 2003 DG MARKT - Mr Bolkestein</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>4.2 The rules on pre-trade transparency obligations should, however, be clarified and fleshed out further, since, on such a key issue as this, a final decision should, as far as possible, be reached at level 1.</p>	<p>The Commission could agree with the need to provide further clarity in certain elements of these rules.</p> <p>Nevertheless, further clarification at Level 1 should not prevent the use of comitology to develop the details of such rules. Flexibility is needed to allow rapid adaptations of this new regime to the needs of the markets.</p>
<p>4.3 It is desirable to have an explicit provision for "execution-only" transactions so as to ensure that these well-established transactions continue to be possible in the future too.</p>	<p>The Commission considers that the proposal already provides for an adequate regulatory framework for "execution-only" transactions. The Commission believes it is indispensable for an investment firm acting on behalf of a client, in order to properly fulfil its agency obligations to its clients, to know its clients in order to assess the suitability, for that client, of services or transactions in financial instruments which are being considered.</p> <p>Having said that, the Commission accepts that the intensity of this assessment and the manner in which it is undertaken needs to be carefully worked out to take into account, <i>inter alia</i>, the nature of the service (what would be appropriate for an automated execution-only would clearly be different from what would be appropriate for a discretionary portfolio management service) and of the financial product. Article 18 clearly provides for differentiation in the level of suitability and "know your customer" requirements taking into account the nature of the</p>

	<p>investment service. This will ensure that the form and extent of this assessment are implemented in a way which is appropriate for the provision of low-cost and flexible brokerage formats to clients, while still taking account of the extent to which transactions in different financial products represent different degrees of market risk for the investors.</p>
<p>4.4 Most Member States do not distinguish between professional and non-professional customers. The classification should therefore also reflect, as far as practicable, the customer's personal knowledge and experience of the investment business and his or her individual needs.</p>	<p>The Commission considers that the distinction between professional and retail clients is useful as it provides the possibility of adjusting the obligations of the investment firms to the needs of each type of client. The Commission recalls that this distinction is already contained in the existing Directive.</p> <p>The Commission considers that the classification contained in Annex II to the proposal already takes into account criteria such as the client's personal knowledge and experience.</p>
<p>4.5 It must also be permitted to provide the relevant information required under Article 18 in standardised form.</p>	<p>The Commission shares the point of view of the Committee. It considers that the proposal does not prevent this market practice but will reflect on the need to provide further clarity in this issue.</p>
<p>4.8 The best execution rule should only be applied where orders are not executed through a regulated market.</p> <p>Investment firms must be granted some degree of latitude, and the possibility of reaching appropriate contractual agreements with the client in advance regarding the method of execution normally to be used.</p>	<p>The Commission cannot agree with this proposal. The Commission considers that the best execution rule should apply in any case irrespective of the venue where the order is executed. The introduction of such provision would distort competition between the different trading mechanisms and would be contradictory to the "best execution" rule.</p> <p>The Commission agrees that investment firms must be entitled to agree with their clients regarding the method of execution provided that this agreement complies with the "best execution" obligation.</p>

<p>4.10 The technical implementing measures must be based on the model of a farsighted, well-informed customer who is in a position to take independent economic decisions on his or her own authority.</p>	<p>The Commission does not share the point of view of the Committee. The implementing measures should take into account both the retail and the professional nature of the clients. They should not be based on any particular model of client.</p>
<p>4.11 The limit orders that cannot be executed should be routed onto the regulated market.</p>	<p>The Commission refuses this suggestion as it would distort competition between the different trading mechanisms and would be contradictory with the "best execution" rule. (see above under 4.8)..</p>
<p>4.13 The Directive should not apply to firms which merely receive and pass on orders for shares in collective investment undertakings, without holding their customers' money, and which therefore cannot at any time enter into a debtor relationship vis-à-vis their customers.</p>	<p>In principle, the Commission considers all clients should benefit from the protection rules provided in the Directive, irrespective of the nature of the firm providing the service.</p> <p>However, the Commission, taking into account the potential problems that the application of the Directive could impose on small and medium-sized enterprises, will reflect further on this issue.</p>

<p>28. Proposal for a Council Regulation amending Council Regulation (EEC) No218/92 on administrative co-operation in the field of indirect taxation (VAT) as regards additional measures regarding supplies of travel services COM (2003) 78 final – EESC 753/2003 - June 2003 DG TAXUD - Mr Bolkestein</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>The Committee supports the Commission's initiative, which will lead to a reduction of the competitive disadvantage of Community-established travel agents compared to suppliers of travel services established in non-member countries.</p>	<p>The Commission welcomes the support of the Committee</p>
<p>The Committee suggests stating in Article 9i of the Regulation which are the Member States to which the Member State of identification should send the returns in electronic form.</p>	<p>The Commission based itself when drafting the proposal on Council Regulation No 792/2202, which already accepted exactly the same provisions for electronically supplied services.</p> <p>In order to maintain consistency in drafting its legislation and as this Article is an exact copy of the same Article in the other Regulation, which also modifies Regulation (EEC) No 218/92, the Commission does not share the recommendation put forward by the Committee.</p>

<p>29. Proposal for a European Parliament and Council Directive amending Directive 95/2/EC on food additives other than colours and sweeteners COM (2002) 662 final – EESC 581/2003 – May 2003 DG SANCO – Mr Byrne</p>	
Main points of the EESC Opinion	Commission Position
The EESC welcomes the proposal, in particular the regulations on additives in flavourings.	Favourable opinion taken into account.
The EESC is critical about the proposed authorisations for E 200 sorbic acid in dairy fat based spreads and in partially baked and preserved bakery wares for retail sale including mass catering and restaurants.	The Commission agrees to withdraw its proposal for authorising E 200 in daily fat based spreads and for extending the existing authorisation to bakery wares for mass catering and restaurants.
The EESC is critical about the proposed authorisations for E 541 sodium aluminium phosphate to fine bakery wares, in general.	The Commission agrees to withdraw its proposal.
The EESC proposes labelling additives used in flavourings if they have a technological function in the final food.	The Commission agrees.
The EESC questions the level of 3 g/kg in food to which flavourings are added of E 1505, E 1517, E 1518 and E 1520.	The Commission agrees to lower the level for E 1520 in beverages to 1 g/l. For the other additives/applications the estimated intake stays well within the acceptable daily intake.
The EESC is concerned about the proposed authorisation of benzyl alcohol in non-alcoholic flavoured beverages.	The Commission agrees to withdraw its proposal.

<p>30. Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No. 999/2001 as regards the extension of the period for transitional measures COM (2003) 103 final - EESC 587/2003 – May 2003 DG SANCO – Mr Byrne</p>	
Main points of the EESC opinion	Commission position
<p>It is vital not to defer the deadline again next time, which would only result in added uncertainty.</p>	<p>The Commission agrees and will make every effort to ensure that the BSE categorisation is finalised by the new deadline.</p>
<p>Ongoing and constructive dialogue must be established between the OIE and the EU, in order to agree on joint rules for risk management. Should that prove impossible the EU must accept the consequences and introduce the requisite sets of rules itself regardless of the resultant complications in the WTO for trade with third countries.</p>	<p>The Commission agrees and will, in cooperation with the Council, maintain a close working relationship with the OIE with the objective of agreeing on joint rules for risk management.</p>
<p>It is worrying if the risk assessment of third countries is not based on the same testing requirements as in the Member States, including random tests on slaughter animals. The Commission should consider the possibility of pressing ahead with classification on a revised footing.</p>	<p>The Commission has asked the Community reference laboratory to develop a model on how to use results of random monitoring in BSE classification. This model will be presented to the OIE with a view of incorporating it in the classification.</p>
<p>It is vital to secure the final classification of the candidate countries before enlargement, so that any risk factors involved in internal trade in live animals and animal products are completely clear before accession.</p>	<p>It is unlikely that the acceding countries will be finally classified before the date of accession. They will, however, be required to implement exactly the same risk management measures as the Member States, which should avoid unnecessary risks in trade.</p>

**31. Proposal for a Council Directive on Community measures for the control of foot-and-mouth disease and amending Directive 92/46/EEC
COM (2002) 736 final – EESC 577/2003 - May 2003
DG SANCO - Mr Byrne**

Main points of the EESC Opinion	Commission Position
A sustainable stock-breeding sector is based on an animal health policy incorporating the latest scientific findings available and new technologies.	The proposal reflects the latest internationally recognised scientific and technical developments.
Veterinary controls and systems in the EU should be reviewed and tightened up. The 2001 FMD epidemic has highlighted this need.	The Commission has taken the necessary measures, as is acknowledged in point 3.1.1. of the report.
Steps should be taken to limit damage to trade in non-affected areas at national, European and international level.	Regionalisation has been incorporated into EC animal health legislation for a long time, and in particular in relation to FMD.
The EESC particularly approves the Member States being allowed to take all the additional national measures deemed necessary and proportionate to contain the FMD virus, taking into account the particular epidemiological, animal husbandry, commercial and social conditions prevailing in the affected area. Any policy to control FMD must avoid the mass destruction of healthy animals.	The Commission's proposal provides for flexibility in the control strategies and instruments, including emergency vaccination, in line with available international standards and recommendations.
The EESC notes that Community FMD control policy should combine the systematic slaughter of infected and contaminated animals, which is provided for in certain cases for reasons of efficiency, with emergency vaccination.	See above.
The EESC is pleased that an increasingly significant place is being given to emergency vaccination in the EU's measures for controlling FMD, with flexibility being allowed in their application at local level.	See above.

<p>Annex XVII to the Commission proposal must be completed by a requirement for instruments to distribute information and for detailed technical training aimed at improving knowledge about epidemics and the methods used to control them</p>	<p>Covered by points 7, 11.3 and the added point 15.</p>
<p>The Commission should take steps to ensure that a high level of veterinary expertise is maintained in rural areas so that an effective animal health policy can be pursued. The EU Commission's proposals, particularly those regarding the CAP and regional policy, should be assessed in the light of this requirement.</p>	<p>As this point is outside the scope of the Directive, it has been taken into account in recital 17, as suggested by the European Parliament.</p>
<p>The principle of regionalisation must be applied in a spirit of reciprocity by our trading partners in accordance with the veterinary agreements concluded with them by the EU.</p>	<p>The Commission will pursue the issue in discussions with third countries, but the Commission cannot guarantee their acceptance of measures taken by Member States.</p>
<p>The EESC stresses the importance of the measures on the organisation of alert exercises to control outbreaks.</p> <p>Such exercises should be organised at least <u>once a year</u> and include the participation of farmers and vets.</p>	<p>Agrees.</p> <p>Disagrees. The frequencies of the exercises must not impair the quality of their preparation. <u>Two real-time simulation exercises in a 5-year</u> period is sufficient to rehearse and improve the contingency plans, provided the exercises are properly prepared and carefully followed up.</p>
<p>Research should be encouraged and given adequate funding, especially in the field of marker vaccines and serology differentiation tests.</p>	<p>Research is ongoing, but the funding issue falls within the remit of the budgetary authority.</p>

<p>The losses sustained by farms, including indirect losses resulting from being placed in quarantine, the processing industries, agro-food companies and the whole food production sector both upstream and downstream must be compensated.</p> <p>It is particularly necessary to compensate for losses due to the problems of marketing products in areas where animal and product movements are restricted.</p> <p>A Community fund to cover expenditure in the event of serious crises is more necessary than ever.</p>	<p>Disagrees. The principles of the control strategy have not changed, therefore a change of the compensation principles is considered inappropriate.</p> <p>The Directive provides for measures aiming at minimum restrictions on trade without however jeopardising the health status of trade partners.</p> <p>This requirement is outside the scope of the Directive and the responsibility of DG SANCO.</p>
<p>As soon as new <u>scientific</u> advances are available, the Community's measures for controlling FMD should be adapted, especially if they make it possible to avoid slaughtering animals and give preference to vaccination.</p>	<p>The new rules provide for a high degree of flexibility. The technical Annexes to the Directive and certain implementing rules may be amended by comitology. The Commission is also authorised to lay down guidelines and manuals.</p> <p>However, for significant modifications of the control strategy, such as for example the re-introduction of prophylactic vaccination, a new proposal would have to be submitted to the Council if there were sufficient technical <u>and socio-economical</u> elements available.</p>

<p>32. Council Regulation establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EEC) No 3508/92 COM (2002)729 final – EESC 582/2003 - May 2003 DG SANCO - Mr Byrne</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>4.2. The proposal does not provide for the implementation of a harmonised central system of registration and identification of animals, leaving the Member States free to set up their own national system and obliging them to communicate to other Member States and the Commission. With a view to the forthcoming enlargement, the EESC considers this as a missed opportunity. Given the intra-Community nature of animal trade, operators and local authorities would benefit from having access to a European centralised identification and registration system, which would establish an effective European traceability system.</p>	<p>The Commission does not consider it appropriate to follow up on this point, in particular in view of the rejection by Member States of a Commission proposal on the exchange of information between the national databases for bovine animals.</p>
<p>4.4. It is noted that the identification and traceability system will not be applied to animals from third countries not intended to remain in the Community territory. The EESC is concerned about this derogation, which might produce a lack of information on certain movements of animals, facilitate fraud and limit the achievement of a full traceability system in the EU. The EESC suggests developing and implementing a traceability system for this category of animals as well, in order to include them within the scope of the proposal.</p>	<p>The Commission does not consider it appropriate to follow-up on this point, in particular as the proposal with regard to this aspect mirrors the current provisions for bovine animals laid down in Regulation (EC) No 1760/2000.</p>

<p>4.6. In view of the falling market value of ovine animals, which may be exacerbated as a result of the proposed reforms of the CAP the Commission is asked to report before the proposed deadline of 1 July 2006 on the costs of electronic identification and identifiers.</p>	<p>The Commission does not consider it appropriate to follow up on this point, in particular as the proposal foresees that, if necessary, the Commission shall report on the experience gained with regard to the implementation of electronic identification before 31 December 2005.</p>
<p>4.7. The introduction of electronic identification must not compromise the viability of producers and meat establishments and therefore funding should be made available if costing threatens the viability of enterprises.</p>	<p>The Commission cannot accept this point, as Community financing is not provided for in the proposal.</p>

**33. Proposal for a decision of the European Parliament and of the Council establishing a second phase of a programme of Community action (2004-2008) to prevent violence against children, young people and women and to protect victims and groups at risk (the DAPHNE II programme)
COM (2003) 54 final – EESC 588/2003 - May 2003
DG JAI - Mr Vitorino**

Since EESC opinion 588/2003 is fully in favour of the Commission's text, the Commission does not need to comment on it. The Commission will take account of this favourable opinion in its negotiations with the other institutions.

34 Access to European Union citizenship Own-initiative opinion – EESC 593/2003 - May 2003 DG JAI – Mr Vitorino	
Main points of the EESC Opinion	Commission Position
<p>The EESC adopted this own-initiative opinion in order to propose to the Convention preparing the draft Constitutional Treaty that citizenship of the Union (Article 7 of the draft Constitution) be granted not only to nationals of the Member States but to all persons who reside in a stable or long-term basis in the European Union.</p>	<p>The Commission considers that no follow up to this own-initiative opinion is needed, because it was addressed to the Convention preparing the new Constitutional Treaty, which has now finished its work and presented a draft for a Constitutional Treaty of the Union.</p>

<p>35. Green Paper on a European order for payment procedure and on measures to simplify and speed up small claims litigation COM(2002) 746 final – EESC 742/2003 - June 2003 DG JAI – Mr Vitorino</p>	
<p>Main points of the EESC opinion</p>	<p>Commission position</p>
<p>The EESC welcomes the Commission's Green Paper as a useful initiative which it regards as a logical follow-up to the conclusions of the Tampere European Council. The introduction of a rapid, efficient and fair order-for-payment procedure, accessible to the public and to enterprises, is also a key component of the public right of access to justice.</p>	<p>The Commission thanks the EESC for its very favourable opinion on the Green Paper and for its constructive comments.</p> <p>In general terms, the EESC's observations will be taken into account in any initiatives the Commission may launch as a result of this consultation on the Green Paper.</p>
<p>In particular, the Committee encourages and urges the European Commission to submit a legislative proposal for the introduction of a standard European order-for-payment procedure, in the light of the findings of the consultations. It welcomes the Commission's endeavour to speed up civil procedures and to make them more cost-efficient and effective. The Committee endorses the need, even with regard to disputed claims, to establish an instrument to enable enforceable decisions to be taken rapidly and at reasonable cost in respect of cross-border cases.</p>	<p>The Commission expects to adopt in November 2003 a legislative proposal for the introduction of a standard European order-for-payment procedure.</p> <p>A proposal on small claims will be presented in the course of 2004.</p> <p>The Commission will thus take up the EESC's requests.</p>
<p>When formulating a European small claims procedure, the key aim will be to define suitable measures for speeding up such litigation without, at the same time, jeopardising the guarantees afforded to the parties in question under the rule of law.</p>	<p>The Commission shares the EESC's opinion.</p>

The Committee points out that the only way to ensure that such legislative measures are successful is to make consumers and enterprises sufficiently familiar with them. The Committee firmly believes that the associations representing organised civil society have an important, practical and concrete role to play in this context.

The Commission is convinced that the participation of organised civil society is of great value in the legislative process and in the channelling of information to the public. It will continue its policy of transparency and consultation. A hearing was held on 26 June 2003 on the subject of the European order for payment. Another hearing is planned for the end of the year on the subject of the European small claims procedure.

<p>36. Proposal for a Council Decision setting out the criteria and practical arrangements for the compensation of the financial imbalances resulting from the application of Council Directive 2001/40/EC on the mutual recognition of decisions on the expulsion of third country nationals COM (2003) 49 final – EESC 352/2003 - June 2003 DG JAI – Mr Vitorino</p>	
<p>Main points of the EESC Opinion</p>	<p>Commission Position</p>
<p>The EESC commented also on the existing Directive 2001/40/EC on mutual recognition of expulsion decisions because it was not consulted at the time France tabled the initiative for this Directive.</p>	<p>The Commission's positions on the issue of mutual recognition of return decisions and minimum standards on return are laid down in the Communication of 14 October 2002 on a Community Return Policy on Illegal Residents (COM (2002) 564).</p>
<p>In the EESC's view, the procedure proposed in the Council Decision for compensating for financial imbalances cannot be implemented until there is common legislation on immigration and asylum.</p>	<p>The Commission does its utmost to progress on the development of a common immigration and asylum policy following the agenda of the Tampere European Council. Nevertheless, technically speaking, the proposed Decision requires only the proper implementation of Directive 2001/40/EC on mutual recognition of expulsion decisions to become fully operational.</p>
<p>In exceptional circumstances, e.g. when many people move to Member States following humanitarian crises, a Community budget could be established to ensure proper treatment for people affected by return procedures.</p>	<p>The Commission is currently in a phase of determining the possible follow-up of the request of the Thessaloniki European Council of June 2003 on a Community financial instrument. Furthermore, the European Refugee Fund already provides the possibility of supporting the return of (rejected) applicants for international protection.</p>
<p>The Member States will only have to reimburse the costs of applying the Directive when expulsions are accompanied by effective legal protection and due respect for human rights.</p>	<p>Full respect for human rights and international obligations is a precondition for any removal operation throughout the EU.</p>
<p>The EESC believes it is unacceptable for EU Member States to have to meet the costs of expelling people if investigations reveal there is a threat to their human rights. It points out that Articles 3, 5, 6, 8 and 13 of the European</p>	<p>See above.</p>

<p>Convention on Human Rights and Articles 3, 4, 19, 24 and 47 of the Charter of Fundamental Rights are all applicable to expulsion procedures.</p>	
<p>It is difficult for Member States to conclude readmission agreements with some third countries. The EU must therefore endeavour to sign readmission agreements as part of its foreign policy. The EU may sign readmission agreements with third countries. These agreements must include clauses safeguarding the human rights of returnees, and ensuring that returnees will not be punished for leaving the country. These agreements must be complemented by other political, economic or social instruments that are in the interests of third countries, in the context of EU foreign policy, as proposed in the EESC's opinion on the <i>Green Paper on a Community return policy on illegal residents</i>.</p>	<p>The European Council in Thessaloniki concluded that there is a marked need for a more structured EU policy, which will cover the whole spectrum of relations with third countries including the prompt conclusion of readmission agreements with key third countries of origin as well as the promotion of further co-operation with them to be viewed as a two-way process in order to combat illegal migration and to explore legal migration channels under specific terms of reference.</p> <p>The Commission will further develop its readmission policy in line with these policy guidelines.</p>
<p>It is very important for the EU to establish a proper relationship between immigration policy and development policy in the future. In this context, some well-managed returns may be positive both for the economic and social development of third countries, and for the integration of the people concerned.</p>	<p>The Commission described its policy on migration and development in the Communication of 3 December 2002 on integrating migration issues in the EU's relations with third countries (COM (2002) 703).</p>
<p>The EESC believes that programmes need to be set up to foster voluntary return through international organisations and NGOs. These programmes could be financed by the EU, as recommended by the EESC's opinion on the <i>Communication from the Commission to the Council and the European Parliament on a common policy on illegal immigration</i>. It will often be more effective to enforce expulsion decisions under readmission agreements, using the budget earmarked for administering expulsion decisions.</p>	<p>See above on considerations for a Community instrument and readmission policy.</p>

<p>Article 2(4) allows Member States to conclude bilateral agreements to reimburse costs exceeding the minimum costs established. This will encourage returnees to be transported to their country of origin by charter flight in order to reduce transport costs. Transport conditions must respect the dignity of the person and their right to life, and physical and psychological integrity.</p>	<p>Agreement.</p>
<p>Although this collective method of managing expulsions does not correspond legally to the model of "collective expulsions", the EESC recommends that it should only be used in exceptional circumstances. It should be remembered that Article 19 of the EU Charter of Fundamental Rights prohibits collective expulsions.</p>	<p>Joint charter flights are one of the measures of improved operational co-operation, which were endorsed in the Return Action Programme of 28 November 2002 by the JHA Council (and also suggested in the Commission's Communication of 14 October 2002 (COM (2002) 564). Legally speaking such operations are for the time being two or more national removal operations, which take place at the same time in the same aircraft. In any case such joint charter flights have nothing to do with collective expulsions, which are banned not only in the ECHR but also in the Charter of Fundamental Rights of the EU.</p> <p>Joint return flights with a number of individuals are organised for logistical reasons, but the underlying expulsion decisions are strictly performed individually. Each case is assessed on an individual basis taking into account each person's personal circumstances and legal position. In other words, each person on board of such a flight goes through individual procedures, which lead to the individual rejection of (possible) applications or remedies to obtain a legal residence; the assessment of the illegal residence and the subsequent removal as the adequate enforcement measure are based on individual and not on collective grounds.</p>

<p>The EESC welcomes the stipulation that reimbursement is only valid for expulsion decisions enforced within three years of being issued. It also agrees that requests for reimbursement submitted more than one year after enforcement may be rejected. Adequate reasons will have to be given for any refusal to pay.</p>	<p>Agreement.</p>
<p>Establishing national contact points will ensure proper and transparent management on the basis of common rules and a legally established procedure.</p>	<p>Agreement.</p>
<p>The Council Decision stipulates that accommodation costs can be reimbursed for a period not exceeding three months. The EESC's opinion on the <i>Green Paper on a Community return policy on illegal residents</i> stated that detention pending removal must not exceed thirty days, and the persons concerned must be held in specific detention centres and not in ordinary prisons. Prisons may only be used as detention centres if the expulsion is the result of crimes having been committed.</p>	<p>The three-month period does not constitute any precedent on a possible future harmonisation of detention periods. It is a ceiling for the financial compensation in order to find a balance between widely differing practices in Member States.</p>
<p>The annual reports to be submitted by each contact point to the Commission must specify the motives for the expulsion order on the basis of Article 3 of the Directive, and the financial cost of the forced repatriations actually carried out.</p>	<p>The proposed level of detail of the requested information in the proposal is already being intensively discussed in the Council negotiations. Any further information would be desirable, but difficult to obtain.</p>

**37. Involvement of civil-society organisations in South-East Europe
Own-initiative opinion – EESC 594/2003 – May 2003
DG ELARG – Mr Verheugen**

DG ELARG has no comments to make on this document.