



EUROPEAN COMMISSION

AUSTRIA : RESULTS OF THE ACCESSION NEGOTIATIONS

The four most important areas of the negotiations were *transit of lorries, agriculture, second residences and environmental standards*. The results obtained in these areas were balanced and safeguard essential Austrian interests, whilst at the same time ensuring equitable treatment for existing Member States.

As far as *transit of lorries* is concerned the result was the maintenance of the environmental objectives of the present transit agreement between the EC and Austria. The means by which this is to be achieved are 3 three-year periods (1995-2003) by the end of which exhaust emissions of heavy lorries in transit through Austria will be reduced by 60%. The transition from the first period to the second is practically automatic, in that any other arrangement will have to be decided by unanimity, that is to say with Austria's agreement. If the environmental goals have not been reached *on a sustainable basis* by the end of the second period of three years, then the Union will adopt measures by which they can be reached. Failing this, the arrangements will be prolonged for a final period of three years.

Moreover, the Council has invited the Commission to present proposals for a Community framework for the solution of environmental problems caused by road transport. As a complement to the transit agreement, this offers the prospect of a framework stretching out even beyond 2003.

With respect to *agriculture* the negotiations concentrated on three types of issue: the fixing of reference quantities and areas for certain agricultural products, the level of support that may be provided to Alpine farming, and the method of adjustment to be used to enable Austrian agriculture to adapt to the Common Agricultural Policy.

The approach followed for milk and sugar quotas was to treat all candidates in the same way as previous candidates, namely by taking a representative level of production on the basis of an average of a number of recent years; for other products, the approach was to treat all candidates in the same way as present Member States have been treated recently in the context of the reform of the Common Agricultural Policy. This reform has entailed a general switch from intervention and price support towards more market-based prices, complemented by direct payments per hectare or per animal. It is also backed up by agro-environmental measures, partially EU financed, in order to promote environmentally friendly systems of production, as well as continued support for Mountain and Less-

Favoured Areas. The assurances that assistance may be provided in this way, together with the continuation of certain national schemes such as Austria's "Grundbetrag", were an important element in the agricultural package.

The final element of the package was the so-called "agro-budgetary" payments to all four candidates, in order to enable them to adjust agricultural support and stock values in the years immediately after accession. This offer was made to take account of the effort that candidates will have to make in order to adjust to CAP institutional prices immediately on 1 January 1995. Progressive alignment over a period of seven years, as Austria requested, would only have been possible if systematic border controls were maintained to control the payment and receipt of the border levies and payments that would have been necessary to maintain different price levels. Moreover, this would have involved systematic checks of all goods traffic in order to avoid fraud. Therefore the Union insisted on immediate price alignment, which also gives a substantial benefit to consumers from lower food prices.

Concerning *second residences*, it was clear from an early stage of the negotiations that Austria has a genuine problem in certain regions as regards the availability of building land and to meet the needs of local people. It was also clear to the Commission that for a variety of reasons this problem was potentially more serious than in the other three candidate countries, all of which had also requested a derogation, in respect of the acquisition of second residences, from the Maastricht Treaty provisions on the liberalisation of capital movements. On the other hand capital liberalisation remains an important cornerstone of the single market and the Union was therefore most unwilling to introduce new exception to the principle.

On closer examination it became clear that the essential requirements to address the problem were permissible within the *acquis*, without having recourse to restrictions on capital flows. A joint declaration was therefore agreed confirming that Austria may take national, regional or local measures regarding second residences, provided that they are necessary for land-use planning and environmental protection, and apply without discrimination between nationals of different Member States of the Union.

Finally, there was the question of *environmental standards* and the free movement of goods in the single market. At the beginning of negotiations all four candidates transmitted to the Commission long lists of cases where they felt that their own internal standards of environmental, consumer or health protection were higher than those prevailing within the Union. These lists were accompanied by requests for derogations from the principle of the free movement of goods in the single market. Indeed, in most cases these requests were for open-ended derogations, until such time as the Union adopts comparable standards.

Closer examination showed that the majority of these questions could be resolved without great difficulty. A first category of cases turned out to be unproblematic in that it transpired that technical norms and standards were either equivalent or, indeed, higher in the Union than in the candidate country concerned. A second category was made up of cases where candidates have higher standards than the Union, but the Union has already adopted legislation comprising a timetable setting out when certain higher standards are to be attained in all Member States. Under such circumstances candidates have been granted transition periods until the entry into force of these standards throughout the Union. During these transition periods new Member States will be able to maintain their

own higher standards. For example, rear seat belts will only become obligatory for all cars produced in the Union as from 1/1/97. Austria has therefore been granted a transition period until this date during which its own higher statutory obligations may be maintained on cars sold in Austria.

The final category of problem concerned cases where Austrian standards were clearly higher than ours and, moreover, we have as yet no legal instrument adopted setting out a clear timetable to higher standards. The solution to resolve these problem areas became known as the "third option". It was agreed that Austria and other new Member States will be able to maintain their own standard for a four year transitional period, during which the enlarged Union of Sixteen will review its norms and standards in the area concerned and will, if necessary, revise them or adopt new ones.

This solution provides a reasonable balance between candidates' legitimate concerns that their own standards should not fall, and existing Member States desires to maintain the free movement of goods within the single market. The review within four years of accession offers Austria an important opportunity *as a Member State* to influence the direction and pace of Union policy.