# COMMISSION OF THE EUROPEAN COMMUNITIES



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# FIFTH REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

on certain third countries' maintenance of visa requirements in breach of the principle of reciprocity in accordance with Article 1(5) of Council Regulation (EC) No 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement, as amended by Council Regulation (EC) No 851/2005 as regards the reciprocity mechanism

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# 1. Introduction

Council Regulation (EC) No 539/2001 of 15 March 2001, listing the third countries whose nationals must be in possession of visas when crossing the external borders of the Member States (Annex 1 to the Regulation, the "negative list") and those whose nationals are exempt from that requirement (Annex II to the Regulation, the "positive list")<sup>1</sup>, as amended by Council Regulation (EC) No 851/2005 of 2 June 2005<sup>2</sup>, is the basic instrument of our common visa policy, providing a reciprocity mechanism for cases where a third country on the positive list maintains or introduces a visa requirement for the citizens of one or more Member States. The first<sup>3</sup>, second<sup>4</sup> and third<sup>5</sup> reports provided a description of the reciprocity mechanism and the state of play of non-reciprocity during the respective periods covered.

The notifications by Member States in the framework of the new reciprocity mechanism showed that by June 2005 13 third countries were notified with 75 cases in total (see Annex 1B of the first visa reciprocity report<sup>6</sup>). Following their accession to the European Union on 1 January 2007, Bulgaria and Romania notified seven third countries with which a situation of non-reciprocity was in place.

The fourth visa reciprocity report<sup>7</sup> of July 2008 showed that a situation of non-reciprocity still existed with eight third countries from the positive list. The report was presented to the JHA Council on 24 July 2008 and was well received by Member States. Member States were generally optimistic in achieving full visa reciprocity.

The present fifth reciprocity report takes stock of the efforts made by the Commission since July 2008. As detailed below, full visa reciprocity has been achieved with three additional third countries while five third countries on the positive list continue to require visas from nationals of one or more Member States.

# 2. RESULTS ACHIEVED SINCE THE COMMISSION'S FOURTH REPORT ON RECIPROCITY

Following the presentation of the fourth report in the Council on 24 July 2008, the Commission actively resumed its efforts.

# 2.1. Full reciprocity now in place

## 2.1.1. Japan

Notification: Romania

OJ L 81, 21.3.2001, p. 1.

<sup>&</sup>lt;sup>2</sup> OJ L 141, 4.6.2005, p. 3.

<sup>&</sup>lt;sup>3</sup> COM(2006) 3 final.

<sup>&</sup>lt;sup>4</sup> COM(2006) 568 fnal.

<sup>&</sup>lt;sup>5</sup> COM(2007) 533 final.

<sup>6</sup> COM(2006) 3 final, p. 18.

<sup>&</sup>lt;sup>7</sup> COM(2008) 486 final/2.

On 23 June 2009, Japan informed Romania by Note Verbale No. 59/2009 that from 1 September 2009 to 31 December 2011 the visa requirement would be waived for nationals of Romania. This temporary waiver of the visa requirement would only take place on the condition that Romania dispatch an attaché from the Ministry of Administration and Interior to the Embassy of Romania in Japan from 1 September 2009 and that Romania engage in a mass media information campaign to raise awareness among Romania nationals against irregular stay abroad or falling victim to trafficking in persons.

Romania has engaged in a mass media information campaign to inform its nationals under which conditions they can travel visa-free to Japan. Furthermore, on 18 August 2009, Romania dispatched an internal affairs attaché from the Ministry of Administration and Interior to Tokyo.

#### Assessment

Full visa waiver reciprocity has now been achieved vis-à-vis all Member States and Schengen associated countries. However, as the decision by Japan is only temporary the Commission will closely monitor the application of this temporary visa waiver in order to ensure that it will be converted into a permanent one.

#### 2.1.2. *Panama*

Notifications: Bulgaria and Romania

On 19 September 2008, Panama informed the Commission by Note Verbale DGPE/DE/770/08 that as from that date citizens of Bulgaria and Romania were no longer required to hold a visa to enter Panamanian territory.

Assessment

Full visa waiver reciprocity has now been achieved vis-à-vis all Member States and Schengen associated countries.

# 2.1.3. Singapore

Notifications: Bulgaria and Estonia

Singapore has exempted nationals of all EU Member States from the visa obligation. However, the visa waiver was limited to stays of 30 days if arriving by air and 14 days if arriving by sea or land, which can be extended locally for two periods of 30 days in accordance with the general visa waiver scheme.

On 23 September 2008, Singapore informed the Commission by Note Verbale SEB/024/2008 that with effect from 1 November 2008, Singapore would grant nationals of the current 27 EU Member States an upfront 90-day visit pass and 90-day visa-free stay at the point of arrival.

#### Assessment

Full visa waiver reciprocity has now been achieved vis-à-vis all Member States.

# 2.2. Further progress on reciprocity since the report of 23 July 2008

## 2.2.1. Australia

Current situation

Australia required an Electronic Travel Authority (ETA) from nationals of 14 Member States (Belgium, Denmark, Germany, Greece, Spain, France, Italy, Luxembourg, Malta, the Netherlands, Austria, Portugal, Finland and Sweden), as well as from nationals of Iceland and Norway.

An eVisa (e676) was required from nationals of 11 Member States (Bulgaria, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia and Slovakia). Nationals of all these 11 Member States were granted a so-called "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility" (see Annex 2 of the first visa reciprocity report for further explanation of the eVisa and the "autogrant facility").

On 27 October 2008, Australia introduced the eVisitors system. All Member States and Schengen associated countries as well as some smaller European countries (Andorra, Liechtenstein, Monaco, San Marino and the Holy See) are the first countries to benefit from it, regardless of their previous status (i.e. ETA or eVisa).

Steps taken to achieve reciprocity

Australia has provided the Commission with reports on eVisitors application statistics. The reports detail the number of applications, grants, refusals, the grant rate broken down by citizenship and the percentage of grants which were processed automatically. A first report was provided to the Commission on 14 April 2009 covering the period from 27 October 2008 to 31 March 2009. During this period 159,981 eVisitors authorisations were granted of which 85.02% were granted automatically. The autogrant percentage ranged from 75.89% for Slovak nationals to 91.44% for Greek nationals. 641 applicants were refused, of which 249 were Romanian nationals. During this first period Australia detected a number of integrity concerns regarding applicants from two Member States. Australia contacted these Member States in order to address these concerns.

On 26 August 2009, Australia provided a second report covering the period from 27 October 2008 to 30 June 2009. The report shows that 223,324 eVisitors authorisations were granted and that the overall autogrant percentage rose to 86.01%. The autogrant percentage ranged from 71.05% for Romanian nationals to 92.42% for Greek nationals. The overall grant rate (both autogrant and manual) is 99.2%. 1,118 applicants were refused, of which the largest number were Romanian citizens (498); there were no refusals for nationals of Greece, Luxembourg or Malta.

Australia also provided two additional overviews of the first two quarters of 2009. The first overview covering the period from 1 January to 31 March 2009 shows that 91,468 authorisations were granted and that the overall autogrant percentage was 89.05%. The autogrant percentage ranged from 77.78% for Luxembourgish nationals to 96.05% for Greek nationals. 474 applicants were refused, of which the largest

<sup>&</sup>lt;sup>8</sup> COM(2006) 3 final.

number were Romanian citizens (197); there were no refusals for nationals of Estonia, Greece, Luxembourg or Malta.

The second overview covering the period from 1 April to 30 June 2009 shows that 63,343 authorisations were granted and that the overall autogrant percentage was 88.50%. The autogrant percentage ranged from 70.54% for Slovakian nationals to 95.06% for Greek nationals. 477 applicants were refused, of which the largest number were Romanian citizens (249); there were no refusals for nationals of Finland, Greece, Luxembourg, Malta or Slovenia.

In the fourth report the Commission announced that it would prepare an assessment on whether or not the eVisitors system is tantamount to the Schengen visa application process as defined in the Common Consular Instructions. This assessment is ongoing and will be issued in a separate document before the end of 2009.

#### Assessment

The introduction of the eVisitors system has brought about equal treatment of the citizens of all Member States and Schengen associated countries. However, the two reports and the two quarterly overviews show that although the autogrant percentage is very high, a significant number of applications is still processed manually. The Commission will therefore continue to closely monitor the implementation of the eVisitors system. The Commission will be in a position to determine whether full visa reciprocity has been achieved only once the assessment of the eVisitors system has been completed.

# 2.2.2. United States of America (U.S.)

#### Current situation

The visa requirement is maintained for nationals of Bulgaria, Cyprus, Greece, Poland and Romania.

On 17 November 2008, the Czech Republic, Estonia, Latvia, Lithuania, Hungary and Slovakia joined the Visa Waiver Program (VWP). On 30 December 2008, also Malta joined the VWP.

Steps taken to achieve reciprocity

The Commission has continued to raise the issue of non-reciprocity with the U.S. authorities at technical and political levels, notably at the EU-US Justice and Home Affairs Ministerial Troika meetings on 12 December 2008 and 28 April 2009, the EU-US Task Force meetings on 8 December 2008 and 18 February 2009, and the EU-US Senior Level Informal Justice and Home Affairs meetings in July 2008 and February and July 2009.

In the framework of the "twin track approach", as agreed by the Committee of Permanent Representatives (Coreper) on 12 March 2008, the Commission has continued to pursue discussions on the EC track with the U.S. The Commission aims for an agreement in the form of an exchange of letters to record satisfaction of those U.S. legal requirements which fall under European Community competence for

(continued) participation in the VWP. Drafts of this exchange of letters have been exchanged and discussed with the U.S. since December 2008 and positions are converging. However, the U.S. reiterates that it seeks to have some concrete results from the exchange of letters and therefore wishes to have the prospect of an information sharing pilot project reflected in the exchange of letters.

As stated in the fourth visa reciprocity report, as part of the EC track, a preliminary assessment was carried out (on the basis of the Interim Final Rule) as to whether the Electronic System for Travel Authorization (ESTA) is tantamount to the Schengen visa application process as defined in the Common Consular Instructions or not, together with an analysis of the implications of ESTA for the protection of personal data<sup>9</sup>. The preliminary conclusion being that:

- the ESTA cannot at this stage be considered as tantamount to the Schengen visa application process as defined in the Common Consular Instructions;
- the ESTA raises several data protection concerns and further clarification is needed on some substantial aspects, which it is hoped the Final Rule for the ESTA will provide. Only then will it be possible to make a complete assessment of ESTA as regards personal data protection;
- progress has been achieved with regard to the travel of HIV-positive persons to the U.S. under the VWP, but some pending measures need to be adopted to end discrimination against HIV-positive travellers to the U.S. under the VWP.

Once the Final Rule on ESTA is published in the U.S. Federal Register, the Commission will issue a final assessment taking into account any possible changes. The U.S. administration informed that the Final Rule will be issued in the coming months.

In relation to the ESTA, special attention has been given to the proposal for a Travel Promotion Act of 2009 (TPA). The TPA would establish a non-profit corporation to better communicate U.S. entry policies to international travellers and promote leisure, business and student travel to the U.S. Moreover the Immigration and Nationality Act (INA) would be amended to direct the Secretary of Homeland Security to collect a fee for the use of ESTA. The proposed fee is the sum of \$10 per travel authorisation and an amount that will at least ensure recovery of the full costs of providing and administering the ESTA.

Concerns about the proposed fee have been voiced in letters to Secretary of State Clinton, Secretary of Homeland Security Napolitano and Secretary of Commerce Locke on 18 June 2009 and in letters to Congress on 25 June 2009 by the Czech and Swedish Ambassadors and the Head of the Commission Delegation in Washington, as well as in a letter by the Director-General in charge of Justice, Freedom and Security to the U.S. Department of Homeland Security on 18 June 2009. The Head of the Commission Delegation in Washington made a press statement on 25 June 2009 and again on 4 September 2009. On 3 September 2009, a demarche was made by the Commission vis-à-vis the Chargé d'Affaires of the U.S. Mission to the EU, on which

<sup>9</sup> SEC(2008) 2991 final

occasion a note with the EU concerns was handed over. The fee is considered a step backwards in the joint endeavours to ease transatlantic mobility and taxing foreign travellers to promote tourism counterproductive to the envisaged purpose. In her reply of 24 August 2009, Secretary Napolitano stated that the future introduction of an ESTA fee would not eliminate the fundamental differences between an ESTA and a non-immigrant visa. Secretary Napolitano also indicated that in the coming months a decision to eliminate the I-94W paper form would be taken. What is more, whereas VWP travellers who fail to comply with the ESTA requirement have so far been admitted to the U.S. as long as they are otherwise eligible for entry, compliance with ESTA would become mandatory.

On 9 September 2009, the U.S. Senate adopted the proposed TPA. As a result, concerns were once again voiced in letters to Members of the House of Representatives on 23 September 2009 by the Swedish and Spanish Ambassadors and the Head of the Commission Delegation in Washington. On 7 October 2009, the U.S. House of Representatives passed the TPA unchanged as part of another Bill. The U.S. legislative process is therefore well advanced and early enactment of the TPA now seems likely.

As a follow-up to the preliminary assessment, and given the fact that pursuant to the U.S. Immigration and Nationality Act (INA) HIV-positive persons still may not travel under the U.S. VWP, Vice President Barrot raised the issue with then Secretary of Homeland Security Mr Chertoff in December 2008 and Secretary of Homeland Security Ms Napolitano in March 2009. As the solution to the issue is within the competence of the U.S. Department of Health and Human Services (DHHS), on 12 May 2009, Vice President Barrot, together with Commissioner Vassiliou, sent a letter to Ms Sebelius, Secretary of Health and Human Services. Commissioner Vassiliou raised the issue again with the DHHS during her visit to the U.S. in May 2009. In her reply of 24 July 2009, Secretary Sebelius informed that on 2 July 2009 a notice of proposed rulemaking was published to remove HIV references from the list of medical examinations certain aliens must undergo in order to be admitted into the U.S. If those references are removed, an individual having HIV infection would be able to travel under the VWP. The process is still ongoing.

One of the conditions of the 9/11 Act is that a biometric air exit system be set up "that can verify the departure of not less than 97 percent of foreign nationals who exit through airports of the U.S." The Secretary of Homeland Security had to inform Congress on progress on this by 30 June 2009 in order to keep the visa waiver authority with a visa refusal rate criterion of 10%. However, to date, the Secretary has not made such a notification, meaning that the visa refusal rate for the purposes of the VWP may not exceed 3%. So far, the U.S. has conducted two biometric exit pilots in Atlanta and Denver in 2009 but systematic biometric exit control has yet to be implemented.

In relation to the VWP, the U.S. also announced new rules on travel with emergency/temporary passports. As from 1 July 2009 all emergency/temporary passports must be e-passports (chip containing photograph and data page information) for the holder to be eligible for travel to the U.S. under the VWP. The two main reasons are the fact that, according to the laws governing the VWP, passports issued after 26 October 2006 must be e-passports and no law provides for an exception for temporary or emergency passports, and the fact that some travellers

have used emergency passports for repeated non-emergency travel. U.S. Customs and Border Protection (CBP) officers are instructed to allow genuine emergency travel to take place if the travellers are otherwise eligible.

On 29 June 2009, a combined demarche was made by the Czech Presidency, the incoming Swedish Presidency and the Commission Delegation in Washington by sending a letter to Assistant Secretary for Policy Heyman of the Department of Homeland Security (DHS). The U.S. informed that consulates and border agents had been advised to use discretion for emergency travellers and to have advanced warning to border agents in case of emergency travellers not complying with the requirements.

As regards bilateral arrangements, Greece signed a Memorandum of Understanding (MoU) on 28 June 2009 bringing the number of Member States who have signed such a MoU with the U.S. to a total of eight. These Member States have also signed agreements on enhancing cooperation in preventing and combating serious crime and agreements regarding information exchange on known and suspected terrorists. In addition to Bulgaria, Romania also signed on 3 November 2008 a declaration with the U.S. outlining cooperation on enhanced bilateral security measures for international travel and the requirements of the U.S. VWP.

On 31 December 2008, the U.S. sent a letter to the Member States already in the VWP previous to its latest enlargement in 2008, informing them on their compliance with the requirements of the 9/11 Act on the VWP and the need for further cooperation on several requirements of the 9/11 Act. The letter invites these Member States to sign the two data sharing agreements as signed by other Member States as indicated above. It was furthermore indicated that pre-2008 VWP countries did not require a MoU.

#### Assessment

Since the report of 23 July 2008, seven additional Member States have joined the VWP. Furthermore, the U.S. has stated that Greece could join the VWP before the end of this year. However, this would leave nationals of four Member States still ineligible to travel visa-free to the U.S. Moreover, given the fact that no biometric air exit control system was set up by 30 June 2009, the visa refusal rate criterion has gone down to 3%. This means that based on the latest visa refusal rates of the five Member States not yet participating in the VWP only Greece would meet the 3% visa refusal threshold. The Commission will continue to raise the issue of non-reciprocity in its contacts with the U.S. in order to have full reciprocity in place as soon as possible.

As regards the EC track, the Commission hopes to reach an agreement on the text of the exchange of letters by the time of the EU-U.S. JHA Ministerial Troika in October 2009 and will pursue discussions to this end with the U.S.

Regarding the issue of HIV-positive persons who still may not travel under the VWP to the U.S., the Commission believes that important progress has been made. The Commission will closely follow the proposed implementing rulemaking and urge the U.S. administration for swift completion of the process so that HIV-positive persons may travel under the VWP as soon as possible.

In relation to the ESTA, the Commission is very concerned with the prospect of a fee to be introduced for the use of the ESTA and for promoting tourism to the U.S. In various demarches the EU has made clear that the introduction of a fee for ESTA would be seen as an additional onus for European citizens travelling to the U.S. and inconsistent with the oft-repeated commitment to transatlantic contacts and cooperation. The Commission has not yet completed its assessment of the ESTA with a view to determining whether or not it is tantamount to the Schengen visa application process. This is because the final ESTA rule has yet to be published in the U.S. There is no doubt that charging a fee, largely for the benefit of U.S. domestic industry, would be an additional factor in this assessment and be likely to strengthen arguments that the ESTA is similar to a visa.

Finally, it should be noted that according to the U.S. Department of Homeland Security ESTA compliance rates are just over 90%. This suggests that making compliance with ESTA fully mandatory overnight, if not accompanied by a sufficient information campaign by the U.S. authorities and some degree of discretion for border guards, could lead to a temporary increase in VWP travellers being denied entry into the U.S.

# 2.3. No progress on reciprocity since the report of 23 July 2008

#### 2.3.1. Brazil

Current situation

The citizens of four Member States, namely Cyprus, Estonia, Latvia and Malta, still require a visa to enter Brazil.

The visa waiver agreement between Lithuania and Brazil, signed in 2003, entered into force on 13 January 2009.

Steps taken to achieve reciprocity

On 2 July 2008, the Commission formally opened negotiations with Brazil on a short-stay visa waiver agreement. Negotiations began in practice in November and December 2008.

The EU-Brazil Rio Summit of 22 December 2008 reiterated the need for a short-stay visa waiver agreement, which was also included in the Joint Action Plan: "Ensuring visa free travel swiftly, fully respecting the completion of the respective parliamentary and other internal procedures, on a basis of reciprocity, by negotiating and finalizing in the near future a short stay visa waiver agreement(s) between the EC and Brazil, on the basis of the proposals exchanged." This commitment was again reaffirmed by Brazil at the EC-Brazil Joint Committee meeting of 7 July 2009.

On 18 February, 8 May and 2 July 2009, the Commission held meetings with Brazil in order to reach an agreement on a compromise text for a visa waiver agreement. However, no substantial progress could be achieved. In this respect, Vice-President Barrot sent a letter to the Brazilian Minister of External Relations, Mr Amorim, on 31 July 2009 in which on the one hand he reiterated the need to accelerate and finalise the negotiations on the visa waiver agreement and on the other hand referred

to the fact that the European Community had already shown a high degree of flexibility.

On 26 August 2009, a video conference took place between the Commission and the Brazilian Ministry of External Relations in order to prepare for the next round of negotiations. Although no real progress could be made on the visa waiver agreement, both the Commission and Brazil clarified their positions on the main points to be settled; i.e. the scope of the agreement, the need for a Joint Committee, and the territorial application of the agreement with regard to the non-European territories of France and the Netherlands.

From 29 September to 1 October 2009, the Commission had a further round of negotiations with the Brazilian authorities in Brasilia. During these negotiations the parties succeeded to agree to a draft text of the short-stay visa waiver agreement for holders of ordinary passports.

#### Assessment

The Commission welcomes the agreement reached on the draft text of the short-stay visa waiver agreement for holders of ordinary passports and expects to achieve an agreement soon on the short-stay visa waiver agreement for holders of diplomatic, service or official passports. The Commission hopes that Brazil will be able to ratify both agreements through their internal procedures as soon as possible.

#### 2.3.2. Brunei Darussalam

#### Current situation

All Member States benefit from a 30 day visa waiver. This visa waiver can be extended locally for two periods of 30 days up to a total visa waiver stay of 90 days. However, the citizens of the U.S. enjoy a preferential 90 day stay if they are the holder of an ordinary machine-readable passport.

# Steps taken to achieve reciprocity

The Commission had consultations with the Brunei Darussalam Mission to the European Union at technical level to discuss the possibilities for a visa waiver of 90 days comparable to the situation for U.S. citizens and thereby achieving full reciprocity. During these consultations the Commission explained that all passports issued by Member States are machine-readable and as from 28 June 2009 the Member States even issue e-passports with a chip containing a facial image and two fingerprints. The Commission furthermore explained that with Singapore and Malaysia – two neighbouring countries of Brunei Darussalam – which had similar visa policies towards EU citizens, full visa reciprocity has been achieved for a 90 day visa free stay.

#### Assessment

The internal discussions among different ministries of Brunei Darussalam on the possibilities for a 90 day visa waiver are ongoing. The Commission will follow these internal discussions in Brunei Darussalam very closely and will continue consulting

with the Brunei Darussalam authorities in order to achieve the same preferential 90 day visa waiver as is granted to the U.S.

### 2.3.3. *Canada*

# Current situation

The visa requirement is maintained for nationals of Bulgaria and Romania, and as from 14 July 2009 reintroduced for nationals of the Czech Republic. Regarding the reintroduction of the visa requirement for nationals of the Czech Republic the Commission refers to its separate ad-hoc report issued on 19 October 2009<sup>10</sup>.

Steps taken to achieve reciprocity

The issue of visa free travel for all EU citizens with Canada was raised at several occasions, and in particular at the EU-Canada Summits in 2008 and 2009. At these occasions it was confirmed that Canada and the EU will continue to work together towards the goal of visa-free travel to Canada for all EU citizens as soon as possible.

Following the technical visits to Romania and Bulgaria in April 2008, Canada shared the key findings of its reviews with Bulgaria and Romania in March 2009. Both Member States have provided updated information related to the findings of the review. Canada has shared its concerns with both Member States but has also expressed its intention to continue working together and has asked them to share updated information on the areas of concern. Furthermore, Canada will continue to monitor the conditions in Bulgaria and Romania as well as the progress made towards meeting Canada's criteria for visa exemption.

# Assessment

The Commission will continue to pursue discussions with Canada in order to achieve progress towards the lifting of the visa requirements for Bulgaria and Romania.

# 3. CONCLUSION

The Commission considers that since the last report of 23 July 2008 the new visa reciprocity mechanism has once more proved to be effective. Out of the eight third countries on the positive list which required visas from citizens of one or more Member States at the time of the previous report, only five third countries now continue to do so. Full visa reciprocity has been achieved with Japan, Panama and Singapore.

Furthermore, significant progress has been achieved with Australia and the U.S. Regarding Australia, the introduction of the eVisitors system has brought about equal treatment of the citizens of all Member States and Schengen associated countries. The Commission will be in a position to determine whether full visa reciprocity has been achieved only once the assessment of the eVisitors system has been completed.

<sup>10</sup> COM(2009) 562 final

As regards the U.S., seven additional Member States have joined the VWP. Nevertheless, the situation is still far from satisfactory and the Commission will pursue discussions with the U.S. in order to secure early inclusion of the remaining five Member States in the VWP. With regard to the U.S. ESTA, the Commission deplores the passage of legislation introducing a fee for the use of the ESTA for the benefit of the U.S. travel and tourism industry. This tax on foreigners would be a retrograde and counter-productive step and could lead to the determination that the ESTA is tantamount to the Schengen visa application process with very serious potential consequences for U.S. travellers to Europe.

With regard to Brunei Darussalam the Commission will closely follow the internal discussions in Brunei Darussalam and continue consultations with Brunei Darussalam authorities in order to achieve a 90 day visa waiver for all Member States.

Regarding Brazil welcomes the agreement reached on the draft text of the short-stay visa waiver agreement for holders of ordinary passports and expects to achieve an agreement soon on the short-stay visa waiver agreement for holders of diplomatic, service or official passports. The Commission hopes that Brazil will be able to ratify both agreements through their internal procedures as soon as possible.

Regarding Canada the Commission will continue to pursue discussions with Canada in order to achieve progress towards the lifting of the visa requirements for Bulgaria and Romania.

In accordance with Article 1(5) of Council Regulation (EC) No 539/2001, as amended by Council Regulation (EC) No 851/2005, the Commission will again report to the Council and the European Parliament no later than 30 June 2010.