

EUROPEAN COMMUNITIES

BULLETIN

7

ECONOMIC AND
S O C I A L
C O M M I T T E E



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(Denmark - Workers)

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(France - Various Interests)

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Origins

The Committee was established by the 1957 Rome Treaties in order to involve the various economic and social interest groups in the establishment of the common market and to provide the institutional machinery for briefing the Commission and the Council on all matters relating to the Community.

The Single European Act (1986) and the Maastricht Treaty (1992) reinforced the ESC's role.

Membership

The Committee has 222 members (195 men, 27 women) representing economic and social interest groups in Europe. Members are nominated by national governments and appointed by the Council of the European Union for a renewable 4-year term of office. They belong to one of three Groups: Employers (Group I - President: Manuel Eugénio CAVALEIRO BRANDÃO - Portugal), Workers (Group II - President: Tom JENKINS - United Kingdom), Various Interests (Group III - President: Beatrice RANGONI MACHIAVELLI - Italy). Germany, France, Italy and the United Kingdom have 24 members each, Spain has 21, Belgium, Greece, the Netherlands, Portugal, Austria and Sweden 12, Denmark, Ireland and Finland 9 and Luxembourg 6.

The Members' Mandate

The ESC members' main task is to issue Opinions on matters referred to the Committee by the Commission and the Council.

It should be noted that the ESC is the only body of its type which advises the EU Council of Ministers directly.

Advisory Role

Consultation of the Committee by the Commission or the Council is mandatory in certain cases; in others it is optional. The Committee may, however, also adopt Opinions on its own initiative. Both the Single Act (17.2.86) and the Maastricht Treaty (7.2.92) extended the range of issues which must be referred to the Committee, in particular the new policies (regional and environmental policy). On average the ESC delivers 180 Opinions a year (of which 10% are Own-initiative Opinions). All Opinions are forwarded to the Community's decision-making bodies and then published in the EC's Official Journal.

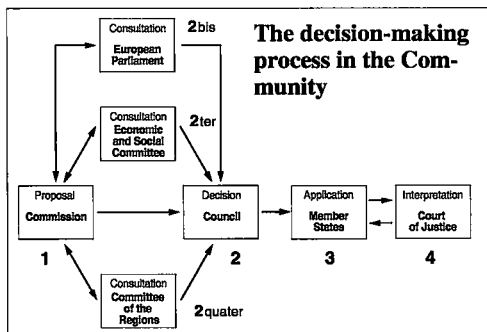
Information and Integration Role

Over the last few years the ESC has stepped up its role in the European Union and has transcended the straightforward duties flowing from the Treaties. Providing a forum for the Single Market, the ESC has, in conjunction with other Community Institutions, organized a number of events designed to improve links between the general public in Europe and the European Institutions.

Internal organization

1. Presidency and Bureau

Every two years the Committee elects a Bureau made up of 36 members (12 per Group), and a President and two Vice-Presidents chosen from each of the three Groups in rotation.



The President is responsible for the orderly conduct of the Committee's business. He is assisted in the discharge of his duties by the Vice-Presidents who deputize for him in the event of his absence.

The President represents the Committee in relations with outside bodies.

Joint briefs: relations with EFTA, CEEC, AMU, ACP countries, Latin America and other third countries fall within the remit of the Committee Bureau and President.

The Bureau's main task is to organize and coordinate the work of the Committee's various bodies and to lay down the political guidelines for this work.

2. Sections

The Committee has nine Sections:

- Economic, Financial and Monetary Questions - secretariat tel. 546.94.71 (President: Jean Pardon - Group I - Belgium)
- External Relations, Trade and Development Policy - secretariat tel. 546.93.16 (President: Roger Briesch - Group II - France)
- Social, Family, Educational and Cultural Affairs - secretariat tel. 546.93.02 (President: John F. Carroll - Group II - Ireland)
- Protection of the Environment, Public Health and Consumer Affairs - secretariat tel. 546.92.27 (President: Manuel Ataíde Ferreira - Group III - Portugal)
- Agriculture and Fisheries - secretariat tel. 546.93.96 (President: Pere Margalef Masià - Group III - Spain)
- Regional Development and Town and Country Planning - secretariat tel. 546.92.57 (President: Robert Moreland - Group III - United Kingdom)
- Industry, Commerce, Crafts and Services - secretariat tel. 546.93.85 (President: Liam Connellan - Group I - Ireland)
- Transport and Communications - secretariat tel. 546.93.53 (President: René Bleser - Group II - Luxembourg)
- Energy, Nuclear Questions and Research - secretariat tel. 546.97.94 (President: José Ignacio Gafo Fernández - Group I - Spain)

3. Study Groups

Section Opinions are drafted by Study Groups comprising an average of 12 members, including a Rapporteur, who may be assisted by experts (usually four with a maximum of six).

4. Sub-Committees

Where appropriate, the Committee can set up a temporary sub-committee, which operates on the same lines as Sections.

5. Plenary Session

The Committee meets in Plenary Session as a rule ten times a year. At the Plenary Sessions, Opinions are adopted on the basis of Section Opinions by a simple

majority. They are forwarded to the institutions and published in the Official Journal of the European Communities.

6. Relations with economic and social councils

The ESC maintains regular links with regional and national economic and social councils throughout the European Union. These links mainly involve exchanges of information and joint discussions every year on specific issues.

Moreover, the ESC maintains similar contacts worldwide with other economic and social councils in the "International Meetings" held every two years.

7. Relations with economic and social interest groups in third countries

The Committee has links with economic and social interest groups in a number of non-member countries and groups of countries, including Mediterranean countries, the ACP countries, Central and Eastern Europe, Latin America and EFTA. For this purpose the Committee sets up 15-30 man delegations headed by the President. For links with the countries of Central and Eastern Europe, some meetings will be institutionalized under the European Agreements.

Meetings

The average number of meetings held each year is as follows:

Plenary Sessions	10
Sections	70
Study Groups	350
Group meetings	85
Meetings of sub-groups recognized by the three Groups	160
Miscellaneous	370
Visitors' groups (approx. 8,000 visitors)	200
TOTAL	1,245

Publications

The ESC regularly distributes a number of publications free of charge (Order in writing by mail or fax - 546.98.22) inter alia its main Opinions in brochure format and a monthly newsletter.

Secretariat-General

The Committee is serviced by a Secretariat-General, headed by a Secretary-General, reporting to the Chairman representing the Bureau.

The number of officials (including temporary and auxiliary staff) is as follows:

Category A (Administrators)	59 (48 men, 11 women)
Category B (administrative assistants)	65 (25 men, 40 women)
Category C (secretarial and clerical staff)	237 (59 men, 178 women)
Category D (skilled employees)	48 (36 men, 12 women)
Language Service	121 (67 men, 54 women)

Total: 530 (235 men, 295 women), more than a third of whom are involved in language work, given the need to operate in the Community's 11 official languages. However, as of 1 January 1995, the Economic and Social Committee and the Committee of the Regions will share a common core of services, drawing the bulk of their manpower from the ESC's secretariat.

1995 Budget

The 1995 Budget appropriations total ECU 83,900,000, of which ECU 57,800,000 have been earmarked for the joint services which the ESC shares with the Committee of the Regions.

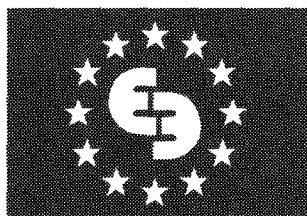
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96

7

ECONOMIC AND
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C O M M I T T E E



This Bulletin reports on the activities of the Economic and Social Committee, a consultative body of the European Communities. It is published by the ESC's General Secretariat (2, rue Ravenstein, B-1000 Brussels) in the official Community languages (10 editions per annum)

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The complete texts of the Opinions summarized in this brochure can be obtained either in the Official Journal of the European Communities, Office for Official Publications, 2, rue Mercier, L-2985 Luxembourg, or directly from the ESC Division for Relations with Economic and Social Councils and socio-economic groups (Fax. + 32.2.546.98.22)

On-line Database of Economic and Social Committee Opinions

The Economic and Social Committee (ESC) has recently launched a database containing the full text of the Committee's opinions and bulletins. The database contains opinions, in all working languages, since January 1995. The ESC bulletin is available in English and French. The database may be searched using the CCL, a menu system and "Watch ECHO". It is planned to diffuse key documents on the World Wide Web : <http://www.echo.lu/ces/ceshome.html>
The ESC database will be available free of charge.

I. 338th PLENARY SESSION ON 25 AND 26 SEPTEMBER 1996

The Economic and Social Committee of the European Communities held its 338th plenary session in Brussels on 25 and 26 September 1996. Mr Carlos Ferrer presided.

The session was attended by Mr Gay Mitchell, Irish Minister of State for European Affairs and President-in-Office of the Council, who presented the priorities of the Irish presidency's programme.

In the course of the Session the Economic and Social Committee adopted the following Opinions:

1. SURVEILLANCE OF COMMUNICABLE DISEASES

Opinion of the Economic and Social Committee on the diseases in the proposal for a European Parliament and Council Decision creating a network for the epidemiological surveillance and control of communicable European Community
(COM(96) 78 final - 96/0052 COD)

(CES 1068/96 - 96/0052 COD)

Rapporteur : Mr. Christoph FUCHS (Germany - Various Interests)

Gist of the Commission proposal

The proposal comes under the principle of shared competence between the Community and the Member States, and seeks to create a network for the epidemiological surveillance and control of communicable diseases in the European Community. Full participation by the Member States in the organization and implementation of the network should help to ensure coordination and mutual cooperation in the collection, processing and exchange of information necessary for the prevention and control of communicable diseases. This Community action is therefore geared towards disease prevention and will follow the principles of subsidiarity and proportionality.

The communicable diseases covered by the surveillance network are subdivided into two groups:

- 1) - diseases preventable by vaccination (tuberculosis, tetanus, poliomyelitis, diphtheria, meningitis, measles, mumps, rubella, influenza and influenza syndromes, etc.),
- sexually-transmitted diseases (hepatitis B, AIDS/HIV, chlamydiasis, etc.),
- viral hepatitis (including hepatitis C and other as yet unclassified categories of hepatitis),
- food-borne diseases (listeriosis, salmonellosis, etc.),
- water-borne diseases and diseases of environmental origin (legionellosis, etc.),
- nosocomial infections,
- other diseases transmissible by non-conventional agents (including Creutzfeldt-Jakob disease, etc.).
- 2) - diseases covered by the International Health Regulations (yellow fever, cholera, plague),
- other diseases (rabies, typhus fever, African haemorrhagic fevers, malaria and any other as yet unclassified serious epidemic disease, etc.).

Gist of the Opinion

The Committee welcomes the establishment of a transnational EU epidemiological network for communicable diseases as a means of effective prevention and control which also offers synergistic benefits.

At the same time, the ESC is concerned about the financial allocation for the establishment of permanent communication between national structures and the implementation of individual measures. The Committee asks for this to be reconsidered - especially in view of the importance which now attaches to epidemiological monitoring of the new strain of Creutzfeldt-Jakob disease.

The Committee calls for the definition of "control" to stress the preventative aspect as follows: the "formulation of common guidelines and the coordination or harmonization of counter-measures" in respect of communicable diseases.

The Committee regards the range of diseases shown in the Annex as an indicative list and thinks that national experts should participate fully in its updating.

Lastly, the Committee calls for modern information and communications technology to be exploited to allow all the participating national bodies direct access to the total information pool; it also sees a need for cooperation and a division of activities between the different monitoring centres along the lines already established for HIV/AIDS, Salmonella and Legionella.

2. COMMUNITY WATER POLICY

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council and the European Parliament on European Community water policy*
(COM(96) 59 final)

(CES 1069/96)

Rapporteur : Mrs María Candelas SÁNCHEZ MIGUEL (Spain - Workers)

Gist of the Commission Communication

The Communication comes in response to requests from the Council and Parliament in June 1995. Both institutions asked for a clarification of the Commission's overall approach to water policy following the publication of a number of Commission proposals for legislation in this area.

The Economic and Social Committee had likewise requested a more coherent Community water policy in its Opinion¹ on the revision of the "Drinking water" Directive (COM(94) 612 final).

In line with the environmental policy principles set out in Article 130r of the Treaty, the Commission is aiming to achieve a sustainable water policy fulfilling the following objectives:

- provide a secure supply of drinking water;
- ensure water resources of sufficient quality and quantity to meet economic requirements in addition to drinking water needs;
- guarantee the good ecological state and functioning of aquatic, wetland and terrestrial ecosystems;
- prevent or minimize floods and droughts.

Based on its examination of existing water legislation, the Commission reaches the main conclusion that the overall coherence and efficiency of the legislation could be improved by the adoption of a Framework Directive on Water Resources.

The Framework Directive would be based on the objectives and principles established in the Communication. It would respect proportionality between costs and benefits, and aim to achieve a high level of Community water protection. It would establish common definitions for use in all EU water policy, and require integrated water management plans involving the integration of:

¹ OJ No. C 82 of 19 03.1996

- water resource management/protection and functioning of the aquatic environment;
- water quality/quantity management;
- surface water/groundwater management;
- other measures, such as emission controls/environmental objectives.

Integrated water management plans would be more efficient if established on a river-basin basis, especially for dealing with transfrontier river basins. Such planning would involve:

- an assessment of the overall situation in the water body, including its environmental quality, its resource potential (e.g. quantity) and the environmental pressures on it;
- the establishment of the specific objectives of water policy in relation to that body of water and a programme of measures designed to achieve those objectives within a specified timeframe;
- transparency and public consultation in the decision-making process;
- monitoring and reporting on the implementation of the Directive.

The Framework Directive would set guidelines for the above to ensure comparability of effort and results, but much of the detail of the implementation would be left to the Member States. It would also establish a Committee responsible for the management and updating of the Directive.

The following Directives would be repealed and replaced by the Framework Directive:

- Surface water Directive² (and the related 79/869/EEC Directive³);
- Fish water Directive⁴;
- Shellfish water Directive⁵;
- Groundwater Directive⁶;
- Ecological quality of water proposed Directive.

Other existing water-related directives would remain largely unaffected by the proposal, although the Commission will consider the scope for transferring some of their definitions, monitoring requirements and other relevant elements into the Framework Directive.

Gist of the Opinion

The Committee warmly welcomes the Commission's move to conduct a thorough review of Community water policy focusing on protection of water quality and quantity. The Committee agrees that a framework Directive is needed to round off and update existing legislation.

However, the Committee considers that the Communication does not give sufficient thought to certain key aspects of a sustainable water policy, such as:

- the need for a new approach to water use, re-use and saving which, while taking due account of particular regional conditions and giving greater priority to environmental requirements, encompasses protection of the quality and quantity of existing resources by means of better conservation policies, sensible water charges and better education of customers;

² OJ No. L 194 of 25.7.1975.

³ OJ No. L 271 of 29.10.1979.

⁴ OJ No. L 222 of 14.8.1978.

⁵ OJ No. L 281 of 10.11.1979.

⁶ OJ No. L 20 of 26.1.1980.

- the need for the authorities to carry out rigorous studies, in accordance with the precautionary principle, in order to provide reliable forecasts of socio-economic variables;
- the fact that, when appraising the monetary value of water resources, they cannot be treated exclusively as items of merchandise because they are vital for human life, ecosystems and essential production activities. Hence the social partners should be widely involved in their protection and management, and the unequal natural distribution of water resources should never be used as a political tool or to distort competition;
- the need for greater consideration of water policy in agriculture, and of groundwater and coastal waters' management;
- the fact that, when drawing up integrated water management plans on a river-basin basis, account must be taken of international agreements and the existence of different types of river basin within the Community;
- the need to adopt the recommendations concerning control of point source pollution of water resources and monitoring of water quality, made at the Conference on Community water policy held by the Commission on 28-29 May 1996;
- the need to establish EU regulatory measures in order to reduce the risk of accidental pollution of water-supply catchment areas;
- the fact that the zoning system should respect the overall protection of the basins concerned, and would have to be drawn up according to existing technical and scientific knowledge. It should be based on standardized criteria and concepts, to be used by all Member States, and must be consistent with international conventions;
- the need for more information about the state of water resources. The framework Directive should stipulate the minimum information which must be provided, together with its periodic updating and a guarantee of public access to it. The information should cover private bodies' and enterprises' compliance with their obligations on the use, production and discharge of pollutants and hazardous substances;
- the need to safeguard the elements of the repealed Directives which have been used in subsequent legislation. The entry into force of the framework Directive must be synchronized with the repeal of the earlier ones so as to prevent environmental protection being weakened.

The Committee reserves the right to issue a separate Opinion on the future framework Directive in due course.

3. LEGAL PROTECTION - ENCRYPTED SERVICES

Opinion of the Economic and Social Committee on the *Commission Green Paper on Legal protection for encrypted services in the Internal Market*
(COM(96) 76 final)

(CES 1070/96)

Rapporteur : Mr Jean PARDON (Belgium - Employers)

Gist of the Commission document

In recent years the increase in the availability of frequencies and the use of new technology have been accompanied by an increase in the number of television services whose signal is encrypted with a view to restricting reception to subscribers. In order to receive the programmes, viewers must have a decoding device that can reconstitute the original picture.

The market is experiencing rapid growth particularly as a result of the advent of digital technology, which permits an expansion in the capacity for communication. These television services will increasingly be compelled to adopt a transnational and often even European dimension due to their specialized nature. However, growth is being jeopardized by piracy: a flourishing unofficial decoder manufacturing industry is emerging in parallel to that of authorized manufacturers. Devices enabling access to a service without payment of the subscription or fee are produced and marketed without the permission of service operators. This results in considerable losses for the service provider and indirectly adversely affects the potential market of programme suppliers and official manufacturers.

In the light of these developments, the Commission already emphasized the need for effective protection of coded signals against their illegal reception in its Strategic Programme for the Internal Market of 22 December 1993⁷.

Such a requirement is all the more urgent in the run-up to the Information Society: as more and more encrypted services become available in the future, measures will need to be adopted to ensure the protection of these services, whatever their content, against illicit reception.

Accordingly, in its Communication of July 1994 entitled "Europe's Way to the Information Society: An Action Plan"⁸, the Commission announced the preparation of a Green Paper on the Legal Protection of Encrypted Services in the Internal Market with the aim of examining problems raised both by the absence of specific legislation on the legal protection of encrypted services in some Member States and by disparities between existing legislation in others.

A comparison of the regulatory methods chosen by legislators in the Member States reveals appreciable differences in the approach to the problem of illicit reception of encrypted services.

In view of this situation, Community action could well be justified. The fact that the Member States do not all have an equivalent level of legal protection prevents the Internal Market from operating correctly. This creates a number of obstacles to the free movement of encrypted services and decoders and numerous distortions of competition between operators in the various Member States. The present differences between the regulatory solutions and the resulting extra costs and legal uncertainty are viewed by the profession as a major barrier to the development of a European market of new encrypted services.

Before proposing any concrete initiative, however, the Commission would like to seek the views of interested parties on the Green Paper.

Gist of the Opinion

The ESC takes the view that the current legislative diversity may result in obstacles to the free movement of goods and services and distort competition in the internal market.

EU rules are therefore necessary. These rules should provide civil remedies and criminal sanctions for the illicit reception and the further distribution of encrypted services, and for various activities which facilitate signal piracy, such as the manufacture, sale, possession and use of unauthorized decoding devices or systems.

The ESC feels that the Commission should propose a Council regulation, which would secure more effective harmonization than would a directive.

Finally, the ESC takes the view that a future regulation should cover not only broadcasting services but all encrypted services which can be assessed through payment of a subscription.

⁷ COM(93) 632 final

⁸ OJ No. C 110 of 02.05.1995

4. ACCESS TO THE BUSINESS OF CREDIT INSTITUTIONS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Article 12 of Directive 77/780/EEC on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions, Articles 2, 6, 7, 8 and annexes II and III of Directive 89/647/EEC on a solvency ratio for credit institutions and Article 2 and annex II of Directive 93/6/EEC on the capital adequacy of investment firms and credit institutions
(COM(96) 183 final/2 - 96/0121 COD)

(CES 1071/96 - 96/0121 COD)

Rapporteur : Mr Robert PELLETIER (France - Employers)

Gist of the Commission document

The proposal concerns credit institutions and investment firms in the European Union, and its purpose is to amend the three following existing EEC Directives:

- 77/780/EEC (coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of credit institutions) as regards exchange of information with the non-banking supervisory authorities of third countries;
- 89/647/EEC (establishing a solvency ratio for credit institutions) as regards:
 - the inclusion of churches and religious institutions,
 - the definition of the European Investment Fund,
 - the different weightings applied to different claims, and the
 - supervisory treatment of over-the-counter derivative instruments;
- 93/6/EEC (capital adequacy of investment firms and credit institutions) in order to bring this Directive into line with the proposed changes to Directive 89/647/EEC.

The proposed changes will achieve the following three goals:

- they will take account of recent developments, such as the creation of the European Investment Fund,
- they will remedy existing shortcomings, such as the present impossibility of exchanging relevant information with third countries, and
- they will refine the treatment of over-the-counter (OTC) derivative instruments.

Gist of the Opinion

The ESC endorses the Commission's proposal and hopes it will be adopted as soon as possible, so as to prevent credit institutions in the EU being exposed to distortion of competition vis-à-vis their partners in third countries.

5. COHESION AND ENVIRONMENT

Opinion of the Economic and Social Committee on Cohesion Policy and the Environment
(COM(95) 509 final)

(CES 1072/96)

(Rapporteur : Mr Ramón MERCÉ JUSTE (Spain - Employers))

Gist of the Commission Communication

The Communication seeks to give guidelines for achieving greater synergy between cohesion and environmental policies in the implementation of Structural Funds and Cohesion Fund programmes.

Cohesion policy has direct and indirect effects on the environment. The Structural Funds and the Cohesion Fund directly support environmental investments in infrastructure in eligible Member States or regions: between 1989 and 1993, 7% (approx. ECU 2.8 billion) of the Structural Funds budget was devoted to direct environmental measures in Objectives 1, 2 and 5b areas. Funding is also provided for projects (relating to transport, "natural" products, "clean" technologies, "green" tourism etc.) that have an indirect effect on the environment and play an important role in preventing ecological problems.

According to the Commission, it is possible to increase synergy between cohesion and environmental policies within the existing legal framework of the Structural Funds and Cohesion Fund. This requires mainly the following actions:

- achieving a 50/50 balance in the allocation of Cohesion Fund assistance between transport and environmental projects;
- placing greater emphasis on measures which have indirect effects on the environment and promoting environmental pilot projects under Structural Funds programmes;
- intensifying the monitoring and evaluation of the environmental aspects of projects in collaboration with the Member States and the regions concerned;
- reinforcing project selection criteria at the economic, social and environmental level;
- promoting a dialogue between the parties most directly involved in projects, including non-governmental environmental organizations.

Gist of the Opinion

The Committee welcomes the Commission communication and makes a number of specific comments concerning, *inter alia*, improved coordination between the Funds, balance between transport projects and those dealing with the environment, and technical assistance.

6. TELECOMMUNICATIONS AND POSTAL SERVICES

Opinion of the Economic and Social Committee on the Proposal for a Council Decision regarding the definition and implementation of Community policy in the field of telecommunications and postal services

(COM(96) 45 final - 96/0042 CNS)

(CES 1073/96 - 96/0042 CNS)

Single Rapporteur : Mr Lars Olof KRITZ (Sweden - Employers)

Gist of the Commission Proposal

The aim of this proposal is to establish a legal base for a budget line with regard to the definition and implementation of Community policy in the field of telecommunications and postal services (B5-401).

The Commission's activities in this field are defined by Treaty provisions and specified by the Council and the parliament in Resolutions and Directives. Together these provide a programme of work generally according to a specific timetable.

These Treaty provisions, Resolutions and Directives require (or, in the case of certain Resolutions, encourage) the Commission to act in various ways in order to study and lay down objectives and actions which further define and implement the Community's telecommunications and postal policy. This includes initiating analyses, eliciting public comments and monitoring the application of legislation.

This work requires a range of support activities (commissioning of studies, organization of seminars and consultations, submission of mandates to standardization and frequency bodies) which are funded from the aforementioned budget line.

Gist of the Opinion

The Committee endorses the Commission's objective.

However, it thinks that the proposing of a Council Decision should be seen not only as an administrative exercise to fill in a legal vacuum but also as a means to stimulate good financial and management practice within the Commission.

The Committee deems it highly important for the Commission to have financial resources for the relevant support actions. The Committee is of the opinion that, among the support activities, monitoring the application of Community legislation must get high priority.

7. SUMMER-TIME ARRANGEMENTS

Opinion of the Economic and Social Committee on the Proposal for an eighth European Parliament and Council Directive on Summer-Time Arrangements
(COM(96) 106 final - 96/0082 COD)

(CES 1074/96 - 96/0082 COD)

Rapporteur : Mr Francis J. WHITWORTH (United Kingdom- Employers)

Gist of the Commission proposal

Community legislation on summer-time arrangements⁹ entered into force in 1981. Its sole objective was the gradual harmonization of the dates on which summer time began and ended, stemming from the need to remove the obstacles to the free movement of goods and services which differing summer-time arrangements adopted by most Member States in the 1970s were likely to create.

This goal was partially achieved by harmonizing the starting date of summer time throughout the Community. Full harmonization was finally achieved in the 7th Directive (94/21/EC of 30 May 1994¹⁰), which laid down that in 1996 and 1997 summer time would begin on the last Sunday in March and end on the last Sunday in October throughout the Union.

In accordance with its undertaking to Parliament and the Council when the 7th Directive was adopted, the Commission has launched several initiatives to look at the matter in greater depth. These initiatives have taken the form of:

- a vast study carried out in 1995 on how summer time and a twice-yearly change of the clocks affects energy consumption, public health, working conditions and lifestyles, agriculture, environmental protection, road safety and the tourism and leisure industries,

⁹ OJ No. L 205 of 7 August 1980, page 17

¹⁰ OJ No. L 164 of 30 June 1994, page 1. ESC Opinion - OJ No. C 34 of 2 February 1994, page 21

- consultation of bodies representing industries affected by summer time and associations for and against summer time.

These initiatives are the subject of a Commission report to Parliament and the Council. The report shows that the sectors consulted all agree on the need to continue with full harmonization and to go on applying the summer-time arrangements introduced by the 7th Directive.

No Member State at the present time intends to abandon summer-time arrangements.

The Commission therefore proposes to go further down the road of harmonization and fix the dates and times for the beginning and end of summer time in the Union after 1997. It also proposes to establish the dates for a four-year period so that the sectors concerned, especially transport and communications, can draw up their timetables over a sufficiently long period.

Gist of the Opinion

The Committee endorses the proposals in the Draft Directive.

Despite their perceived shortcomings, the Committee commends the Report and the Study to interested parties in those Member States where any change is contemplated as providing some objective data on which to base their assessment of the position.

The Committee endorses the Commission's statement that its task is confined to the harmonization of dates for the starting and ending of summer time and that any decision to alter other time arrangements in the individual Member States rests with them alone.

8. UNIVERSAL SERVICE/TELECOMMUNICATIONS

Opinion of the Economic and Social Committee on the *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions: Universal service for telecommunications in the perspective of a fully liberalized environment*
(COM(96) 73 final)

(CES 1075/96)

Rapporteur : Mr Alexander-Michael von SCHWERIN (Germany - Workers)

Gist of the Commission document

In the light of the political agreements of 1993 and 1994 resulting from the Commission's 1992 Telecommunications Review¹¹ in favour of the full liberalization of the sector, the Council, the European Parliament, the Economic and Social Committee¹² and the Committee of the Regions have all recognized that liberalization goes hand in hand with parallel action to create a regulatory framework which secures the delivery of universal service.

The Commission has prepared this communication on the basis of (i) the results of a survey of the level and quality of service found in the member states and (ii) a public consultation on universal service issues during autumn 1995. Its aims are threefold:

¹¹ Directive 95/62/EC on the application of Open Network Provision (ONP) to voice telephony (OJ No. L 321 of 30.12.1995) -ESC Opinion 582/95 (OJ No. C 236 of 11.09.1995)

¹² Opinion on the Green Paper on the liberalization of telecommunications infrastructure and cable television networks - Part II (OJ No. 301 of 13.11.1995)

- to describe the current concept of universal service in telecommunications, both in terms of the regulatory framework and in terms of the current level of universal service provision in the member states;
- to address practical issues and propose solutions and action for the future development of universal service;
- to place universal service for telecommunications in the broader context of the information society.

Thus, according to the Commission, the basic concept of universal service (the elements of which are detailed in the aforementioned Directive 95/62/EC) must comprise the obligation to provide access to the public telephone network and to deliver an affordable telephone service to all users requesting it.

Furthermore, the Commission considers that price increases for users in rural areas must not be used to compensate for losses in revenue resulting from price decreases elsewhere and that any differences in pricing between urban areas and rural areas must not result in unaffordable prices. The Commission also envisages special schemes for disadvantaged users such as elderly or disabled people, intends to promote initiatives to accelerate the process of network digitalization in the less developed regions of the EU, and to ensure that the introduction of competition and new technologies reduces rather than widens the differences between the regions.

The Commission envisages a certain flexibility in the financing of the universal service to take account of the differing situations in the member states.

Finally, the Commission announces that it will issue a report before 1 January 1998 on the universal service assessing the developments in pricing and affordability for subscribers. According to the Commission, the universal service must be a dynamic, constantly evolving concept which may therefore need to be adapted.

Gist of the Opinion

The Committee agrees with the Commission that the concept of universal service must form a firm anchor for the regulatory reforms underway at national level with a view to fully liberalizing the telecommunications sector in Europe. The Committee considers it important to put pressure on Member States to introduce the universal service as quickly as possible.

Coordination of this work would be furthered by the establishment of a European regulatory body, which the Committee supported in its Opinion on the ONP directive (COM(95) 379 final) issued on 28-29 February 1996.

The Committee supports the Commission's view that consumers at both national and Community level should be involved more closely in decisions concerning the fixing of quality targets, standards and future scope of the universal service. The Committee also welcomes the setting-up of a European monitoring committee to represent consumer interests. However, the consumer organizations which were actively involved in the Commission consultations should be represented on this committee, which should also be provided with the resources it needs for its successful operation.

The Committee calls on the Commission to attach appropriate significance to the commitment to high employment (Article 2 of the EC Treaty) in its report on the scope, level, quality and affordability of the universal service.

Finally, as progress towards the information society continues, the Commission and the Member States are urged to adopt every possible measure in support of disadvantaged regions so that the digitalization of networks is speeded up in those regions and regional imbalances in the Community are thereby reduced. The aim of providing all citizens with a broad high-quality universal service will thus be furthered.

9. HARMONIZATION/CIVIL AVIATION

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 3922/91 on the harmonization of technical requirements and administrative procedures in the field of civil aviation
(COM(96) 186 final - 96/0119 SYN)

(CES 1076/96 - 96/0119 SYN)

Single Rapporteur : Mr Robert J. MORELAND (United Kingdom - Various Interests)

Gist of the Commission document

Pursuant to Article 4 of Council Regulation 3922/91¹³ on the harmonization of technical requirements and administrative procedures in the field of civil aviation, the Commission has committed itself to propose, where appropriate, further measures to harmonize technical requirements and administrative procedures in the field of civil aviation.

It was agreed at the same time that the basis for these proposals should be found in the cooperative work of the Member States in developing "Joint Aviation Rules" within the framework of their association called Joint Aviation Authorities (JAA).

The present proposal is designed to add to Annex II of Regulation 3922/91 common rules developed by the JAA for the type certification of small aircraft (JAR 23) and small and large rotocraft (JAR 27 and JAR 29) in order to ensure a common level of safety for these aircraft and to facilitate the free movement of small commercial aircraft and of small and large rotocraft and free access within the Community market through automatic recognition of type certificates under Article 6, para 1, of the Regulation.

Gist of the Opinion

The Committee supports the proposal, noting that it has widespread support from the aviation industry and technical experts and is a contribution to higher safety standards in the aviation industry.

10. CONSERVATION OF FISHERY RESOURCES

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) laying down certain technical measures for the conservation of fishery resources
(COM(96) 296 final - 96/016 CNS)

(CES 1077/96 - 96/0160 CNS)

(Rapporteur : Mr John LITTLE (United Kingdom - Employers))

Gist of the Commission proposal

The Commission proposes two types of measure to reduce the catch of juvenile fish: improvement of the selectivity of towed gear with respect to existing legislation, and limitation of fishing activity in certain areas and seasons where and when juvenile fish are abundant.

Experience of the application of the current rules shows that they are complex, difficult to understand (to both managers and fishermen) and difficult to enforce. These difficulties make the rules less effective. The proposal therefore includes provisions that are designed to be simple, understandable and enforceable.

¹³ OJ L 373 of 31 December 1991, page 4.

Gist of the Opinion

The Committee endorses a number of the amendments proposed by the Commission which are designed to improve technical conservation measures as one way to help conserve and improve stocks.

The ESC thinks, however, that certain of the core proposals have been put forward without full regard to the practicabilities of fishing operations and without assessment of the economic and social effects.

The Committee calls on the Council and the Commission to ensure that adequate and not merely token discussion takes place with fishermen and their representatives before decisions are taken on the proposals put forward. Enforcement of the regulations requires the tacit agreement and cooperation of fishermen.

11. AGRICULTURE IN REMOTE REGIONS AND ISLANDS (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on the *problems of agriculture in the most remote regions and islands of the European Union*

(CES 1078/96)

(Rapporteur : Mr Leopoldo QUEVEDO ROJO (Spain - Various Interests))

Reasons for the Own-initiative Opinion

The situation as regards agriculture in the EU's most remote regions and islands has become even more important following the accession of Finland and Sweden to the EU. These regions face many problems, such as:

- agriculture's importance to local GDP and the high level of unemployment or seasonal work in the sector;
- difficulties of accessing the distribution centre of European markets because of the large distances and high transport costs involved, inadequate loading facilities and infrastructure, small size of producer's organizations;
- difficult climatic conditions, lack of water, erosion, tropical rainfall and typhoons, extremes of temperature and harshness of climate (in areas near the pole);
- volcanic soil, where production costs are high and farms are often small;
- difficulties of obtaining inputs (fertilizer, seed, pharmaceuticals, herbicides, machines, etc.) because of the distance involved;
- excessive competition from non-EU countries because the agricultural produce of the EU's island and outlying regions is not considered as a priority at Community level.

Gist of Opinion

According to the Committee, the objective for these regions should be to maintain agricultural activity and a rural population with living conditions comparable to those of farmers in the rest of the EU, by supporting traditional production and promoting diversification and the search for new openings. For some of their inhabitants, and perhaps more especially for women, work in the agri-food sector represents their sole independent source of income.

Boosting production for the local market should help to raise the present low level of self-sufficiency.

The conflicts of interest between producers and importers-distributors should be suitably resolved by encouraging inter-trade agreements.

The development of tourism - in the form of high-quality, environmentally friendly tourism - should not be an obstacle but an additional support.

At all events, farmers in the most remote regions should endeavour to modernize their farms and improve their productivity. For this they will need better infrastructure.

Some of these measures are covered by the POSEI programmes, others are the responsibility of the Member States or regional authorities.

The ESC considers that the Community has responded positively, through the POSEI programmes, to be problems of agriculture in the most remote regions, although there is still room for improvement.

It notes that the Arctic regions of the new Member States, in common with other remote regions and islands, are at a permanent disadvantage as regards production and marketing, with the result that their agriculture is less competitive. With this in mind, the ESC proposes that the CAP regulations and instruments - as well as R&D actions - be adapted to help the production of characteristic and special regional products.

12. MARKETING OF SEED

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Council Directives 66/400/EEC, 66/401/EEC, 66/402/EEC, 66/403/EEC, 69/208/EEC and 70/458/EEC on the marketing of beet seed, fodder plant seed, cereal seed, seed potatoes, seed of oil and fibre plants and vegetable seed
(COM(96) 127 final - 96/0099 CNS)

(CES 1079/96 - 96/0099 CNS)

Rapporteur : Mr Antoon STOKKERS (Netherlands - Various Interests)

Gist of the Commission proposal

The proposal amends the Directives by replacing the abbreviation "EEC" by "EC" in the relevant provisions. It also allows a transitional period during which labels bearing the abbreviation "EEC" may continue to be used.

Gist of the pinion

The ESC approves the Commission proposal subject to the following objections:

It considers that the 1 July 1996 deadline for the transposition into national legislation has been overtaken by events and is therefore impracticable.

Given the financial implications for businesses, it also thinks that the 6-month transitional period is too short to sell remaining stocks of labels bearing the "EEC" abbreviation.

The Committee recommends that the same timeframe be laid down in all the Directives, and would refer in this connection to the common position of the Council on the labelling of dangerous substances.

13. STRUCTURAL ASSISTANCE/FISHERIES AND AQUACULTURE

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending for the fourth time Regulation (EC) No. 3699/93 laying down criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and for processing and marketing of its products
(COM(96) 189 final - 96/0124 CNS)

(CES 1080/96 - 96/0124 CNS)

Rapporteur : Mr John LITTLE (United Kingdom - Employers)

Gist of the Draft Regulation

The Commission is proposing that three amendments be made to Regulation (EC) No. 3699/93 with a view to:

- encouraging the promotion of products or production processes in specific cases in which reference to a specified geographical zone is one of the requirements for securing official recognition of origin;
- providing financial assistance for producer organizations implementing a plan to improve the quality and marketing of their products;
- stipulating that, for reasons of clarity, the budgetary rate for the ecu is the only one to be used.

Gist of the Opinion

The Committee endorses the proposed three amendments.

It does, however, recommend that the Commission propose to the Council an appropriate amendment to Regulation 2081/92 so that fish caught at sea, which do have specific qualities resulting from the processing techniques used and which otherwise meet the conditions of Article 2.4., are not excluded from eligibility from registration.

14. PRODUCTS PROCESSED FROM LEMONS

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) derogating, for the 1996/97 marketing year, from Regulation (EC) No. 1035/77 laying down special measures to encourage the marketing of products processed from lemons (96/0144 CNS)
Proposal for a Council Regulation (EC) amending Regulation (EC) No. 1543/95 as regards the period of application
(COM(96) 240 final - 96/0144 CNS - 96/0145 CNS)

(CES 1081/96 - 96/0144 CNS - 96/0145 CNS)

Rapporteur : Mr Giuseppe PRICOLO (Italy - Employers)

Gist of the Commission proposals

The current rules on the processing of citrus fruit provide for the grant, within the framework of contracts between producers and processors, of financial compensation to processors, provided they pay a minimum price to producers.

For the 1995/96 price package, the Council adopted Regulation (EC) No. 1543/95 which allows Member States, if they wish, to pay the financial compensation directly to producers in the case of oranges, mandarins and clementines, in order to solve the processors' financial problems.

In view of the fact that the problems continue to exist, the Commission proposes to extend Regulation (EC) No .1543/95 to the 1996/97 marketing year and to lemons.

Gist of the Opinion

The Committee endorses the extension to the whole citrus sector of the derogation allowing Member States to pay financial compensation directly to the grower.

However, the ESC points out that annual extensions are not the best solution. The direct payment mechanism should obviously be made permanent.

The Committee also draws the Council's attention to the urgent need for a radical revision of the Community system for the processing of citrus fruit, as experience has shown that processors do not always respect the minimum price and that purchasing contracts, once concluded, are not met in full.

15. GEOGRAPHICAL PROTECTION

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) amending Regulation (EEC) No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs
(COM(96) 266 final - 96/0159 CNS)

(CES 1082/96 - 96/0159 CNS)

Single Rapporteur : Mr Staffan Mats NILSSON (Sweden - Various Interests)

Gist of the Commission proposal

The proposal is designed to amend Article 13(2) of Regulation (EEC) No. 2081/92 so as to allow producers of currently protected foodstuffs five full years to adjust to the new rules.

The transitional period will only apply to products which have been marketed legally using the registered name for at least five years before the date of publication of the proposed Regulation, and which bear a label clearly indicating the true origin of the product.

Gist of the Opinion

The Committee endorsed the Commission proposal. It also called on the Commission to draw up prompt proposals for regulations for a more comprehensive indication of origin for agricultural products and foodstuffs, with a view to bolstering the single market and consumer confidence in EU produce.

16. CABOTAGE/ROAD-PASSENGER TRANSPORT

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) laying down the conditions under which non-resident carriers may operate national road-passenger transport services within a Member State
(COM(95) 729 final - 96/0002 SYN)

(CES 1083/96 - 96/0002 SYN)

Rapporteur : Mr Hubert GHIGONIS (France - Employers)

Gist of the Commission Document

The Court of Justice's judgement of 22 May 1985¹⁴ ruled that the Council was under an obligation to establish the freedom to provide the national transport services referred to in Article 75(1b) of the Treaty within a reasonable period.

To implement this ruling, the Commission presented the Council on 4 March 1987 with a proposal for a Council Regulation laying down the conditions under which non-resident carriers may operate national road passenger transport services within a Member State¹⁵.

The European Parliament approved the Commission proposal, subject to three amendments¹⁶. The Commission found two of those amendments acceptable and on 4 November 1988 submitted an amended proposal¹⁷.

On 23 July 1992 the Council of Ministers adopted the proposal as Regulation (EEC) No. 2454/92 laying down the conditions under which non-resident carriers may operate national road passenger transport services within a Member State¹⁸. This Regulation introduced the freedom to provide cabotage services by coach and bus in two stages:

- with effect from 1 January 1993 in the case of closed-door tours and certain special regular services for workers, school pupils and students in zones within 25 km of frontiers;
- with effect from 1 January 1996 for all other services, except regular services.

After the European Parliament had brought proceedings for annulment of this Regulation, the Court of Justice annulled it on the ground that the Council had disregarded the prerogatives of the Parliament¹⁹. In particular, the obligation to consult the Parliament in the course of the legislative procedure provided for by Article 75 of the original version of the Treaty of Rome includes the duty to reconsult the Parliament on each occasion when the text finally adopted, viewed as a whole, departs substantially from the text on which the Parliament has already been consulted.

The Court of Justice decided, however, that the provisions of the annulled Regulation might remain effective until the Council, after proper consultation of the Parliament, had adopted new legislation on the matter, in order to avoid calling into question the degree of liberalization which Regulation 2454/92 sought to achieve.

Since then the Treaty on European Union has amended the legislative procedure provided for in Article 75 of the Treaty and replaced the consultation procedure by the cooperation procedure in Article 189c. For this reason and to safeguard the prerogatives of all the institutions involved in the legislative procedure, it was decided to restart the procedure from the beginning by submitting the present proposal, which incorporates the text of the annulled Regulation and also lifts the cabotage restrictions on certain passenger transport services.

¹⁴ Case 13/83 - European Parliament v. Council of the European Communities, Reports of Cases before the Court 1985, pages 1513-1603

¹⁵ OJ No. C 77, 24 March 1987, p. 13 - ESC Opinion - OJ No. C 356, 31 December 1987, p. 60.

¹⁶ OJ No. C 94, 11 April 1988, p. 125.

¹⁷ OJ No. C 301, 26 November 1988, p. 8.

¹⁸ OJ No. L 251, 29 August 1992, p. 1.

¹⁹ Judgement of 1 June 1994 in case C-388/92 (European Parliament v. Council of the European Communities), Reports of Cases before the Court 1994, pages I-2067.

Gist of the Opinion

It was with great interest that the Committee took note of this new proposal on cabotage in road-passenger transport, and it welcomes the fact that, compared to the provisions of the current Regulation 2454/92, the principle of the freedom to provide services has been extended.

However, given that regular services are not covered by the current Regulation, the Committee is surprised at the speed with which these services are to be liberalized, and feels that a more gradual liberalization might have been more appropriate.

Moreover, the Committee regrets:

- that the Commission failed to present the report on the cabotage situation mentioned in Article 12 of Regulation 2454/92 before going ahead with the new proposal, and that the sector was not consulted;
- that the proposal was not dealt in tandem with the recently published proposed amendment to Regulation 684/92, with a view to harmonizing the provisions of the different legislation governing road-passenger transport;
- that the Commission did not await the outcome of the discussions of the Green Paper on the Citizens' Network before presenting new regulations for the sector and calls on the Commission to give due consideration to the Committee Opinion on the Green Paper.

Nevertheless, the Committee has some comments to make on the proposal, and would particularly suggest:

- that cabotage operations for special regular services should be governed by the same conditions as those for regular national services, referred to as other regular services in the proposal;
- deferring the extension of cabotage operations for other regular services, so that the sector will have time to gear itself up for competition;
- that the proposal should give a clearer indication of the conditions under which cabotage operations for regular international services may be performed, in order to avoid an unwarranted surge in competition for regular services which are operated nationally only, including regular urban services.

Finally, the Committee calls for clarification and harmonization of the regulations governing the application procedure and granting of authorization for cabotage, and highlights the need for control documents to be kept to a minimum.

17. ROLE OF THE EU IN URBAN MATTERS

Opinion of the Economic and Social Committee on the role of the EU in urban matters

(CES 1084/96)

Rapporteur: Mr Gianni VINAY (Italy - Workers)

Gist of the Opinion

After discussing present political and cultural thinking on urban matters, and outlining new prospects, the Opinion describes current EU activities in the urban sector and explains why an EU urban policy is necessary.

The Opinion looks at the problems and needs of the parties involved in urban development, and stresses the importance of cooperation, city networks and urban partnerships, with due respect for the subsidiarity principle within each Member State.

The Opinion calls for integration strategies which combine economic efficiency with social equity, with a view to sustainable, job-creating development.

The Opinion offers the EU authorities a number of recommendations designed to significantly boost the Community's commitment to urban areas in planning, organizational and financial terms. The Committee feels that the EU should offer greater guidance and coordination.

The Committee thinks that measures should focus on certain priority intervention areas, such as urban mobility and the urban environment.

Whilst the Committee feels that the strategies described in the Opinion can be implemented using existing instruments, it wonders whether it might be worth formally enshrining urban policy in the Treaty, so that the planned strategies can be applied in a more systematic manner.

18. AID TO SHIPBUILDING

Opinion of the Economic and Social Committee on a Proposal for a Council Regulation (EC) on aid to shipbuilding

(CES 1085/96 - 96/0165 CNS)

Rapporteur-General : Mr John SIMPSON (United Kingdom - Various Interests)

Gist of the Commission document

The seventh Council Directive on aid to shipbuilding was last amended on 22 December 1995. It currently limits production aid to the EC shipbuilding industry for all vessels above a certain size.

The Directive was due to lapse on 1 October 1996 when the new international agreement, negotiated within the framework of OECD, was planned to enter into force.

The United States, however, has not ratified the OECD agreement.

The Commission therefore proposes that the provisions of the seventh Directive continue to apply ad interim and until 31 December 1998 at the latest.

Gist of the Opinion

The Committee is concerned that the implementation of the OECD agreement has again been delayed and it considers the proposal to extend the seventh Directive on aid to shipbuilding a necessary and minimal interim response.

The Committee also thinks that the Commission should consider alternative options for influencing the future development of the shipbuilding industry in the European Union in case the OECD agreement is not ratified.

19. FREE TRADE/MIGRATION (Information Report)

Information Report of the Economic and Social Committee on migration and the creation of a free trade area (in preparation for the Euro-Mediterranean Summit)

(CES 595/96 fin)

Rapporteur : Mr Helmut GIESECKE (Germany - Employers)

Co-rapporteurs : Mrs Giacomina CASSINA (Italy - Workers)

Mr Pere MARGALEF I MASIA (Spain - Various Interests)

Reasons for the Information Report

At the Euro-Mediterranean intergovernmental conference held in Barcelona on 27 and 28 November 1995, the 27 delegations from countries within and outside the EU discussed three important aspects of cooperation: a political partnership for common security, an economic and financial partnership for the creation of a free trade area in the run-up to the year 2010 and a partnership for social and human cooperation to draw the Mediterranean peoples closer together.

It has also been recognized that setting up a Euro-Mediterranean partnership would be helped by, among other things, encouraging contacts between the social partners. The work programme appended to the Barcelona Declaration stated that "regular contacts among other European organs, in particular the Economic and Social Committee of the European Communities, and their Mediterranean counterparts, would contribute to a better understanding of the major issues relevant in the Euro-Mediterranean partnership."

At the Euro-Mediterranean summit of economic and social councils that was held in Madrid on 12 and 13 December 1995, plans were laid for new Euro-Mediterranean collaboration founded on decentralized cooperation between civil societies. A decision was also taken to hold a Euro-Mediterranean Summit of economic and social interest groups each year. For this summit each economic and social council - or similar institution - will present a report covering its respective country, dealing with the development of Euro-Mediterranean collaboration. Studies on specific subjects will also be drawn up by two or three of these organizations.

As a permanent member of the working party responsible for coordinating these activities, the ESC needs to ensure the continuation of relations both with the fifteen EU Member States and the associated Mediterranean countries, and with the Community institutions such as the Commission and the Council.

As part of the preparations for the next Euro-Mediterranean Summit of economic and social interest groups to be held in Paris in November 1996, the Committee has been asked to draw up a report on the subject of migration and the creation of a free trade area.

Gist of the Information Report

In its report, the section notes the innovatory nature of the partnership and decentralized cooperation agreed between the European Union and the twelve countries of the southern and eastern shores of the Mediterranean, which expressly includes the economic and social partners.

The section highlights the difficulties currently being encountered by our Mediterranean partners in their development. It would thus seem necessary to redefine the role of the state and social institutions and to review the social and economic policy options if even worse poverty is to be avoided. Such a radical reform will not be possible without popular acceptance. For this, the thrust of the reforms, the measures involved and their foreseeable consequences would have to be the subject of public debate, with the participation of the organizations and institutions of civil society.

This gives the representatives of civil society in Europe the opportunity to provide meaningful support for the measures planned by the EU and the governments of the partner countries by helping them to set up and develop the associations and organizations of a civil society and discussing with them the scope and consequences of the reform process.

On the economic front, the most important thing is to strive for international competitiveness in all viable sectors of agriculture, industry and services, since both the new world trade order and the bilateral EU treaties require a gradual opening-up of hitherto largely protected national markets.

In order to create stable new jobs as rapidly as possible, everything must be done to encourage, in all areas of legislation and administration, a climate which is propitious to the setting-up of private firms. Thus tax legislation and labour and social legislation should be changed. The development and setting-up of small businesses should also be encouraged; the EU could provide technical and financial assistance in this.

The recognition and protection of intellectual and industrial property are important preconditions for all forms of industrial cooperation and international technology transfer. The relevant guarantees are important at a time when counterfeiting of high-value consumer goods is growing at a faster rate than international trade and when software development determines the future, for better or for worse, of whole industrial sectors.

A free trade area does not automatically guarantee a fair distribution of the prosperity which it is intended to create: back-up measures are therefore necessary and involve the responsibilities of the various players, i.e. the socio-economic organizations and governments. The EU should explain this idea which is a basic component of its economic and social development model.

Appropriate advanced training, developed in cooperation between the relevant sectors in the partner countries and EU member states, is the key to building up comparable levels of competitiveness in the Mediterranean region in general. Advanced occupational skills can also pave the way for trade and above all for a channelling of investment towards the partner countries. This would seem vital to the development of productive activities which generate jobs.

A free trade area does not automatically guarantee a fair distribution of the prosperity which it is intended to create: back-up measures are therefore necessary and involve the responsibilities of the various players, i.e. the socio-economic organizations and governments. The EU should explain this idea which is a basic component of its economic and social development model.

The EU can expedite training initiatives by means of specific, flexible technical cooperation in this field and by ensuring that every training scheme organized by European instructors includes above all a section on the training of local instructors; in this way the partner countries can develop their own training instruments and measures with a view to bringing both workers and specialists up to the desired new standard.

The creation of a free trade area cannot side-step the migration issue and must provide, in good time, appropriate solutions designed to make migratory flows an integral part of co-development. With the support of the various players (social partners, national and regional authorities, emigrants' associations, etc.), machinery could be set up for capitalizing on the human resource represented by emigrants (who are first men and women, second workers).

The section considers that thought should also be given to a "Joint Euro-Mediterranean Charter on the rights and obligations of migrants".

The bilateral association treaties take special account of the trade in farm products. The creation of a free trade area without an appropriate transitional period for structural adjustment - on both sides - could turn out to be risky and give rise to economic imbalances and high social costs in both regions.

The failure of the different development policies pursued by the various international bodies, the EU and the individual North African states highlights the need to change the approach and henceforth to place the individual at the centre of a process of comprehensive development which takes account of the economic and social aspects while respecting the cultural identity of all concerned.

20. EQUAL TREATMENT FOR MEN AND WOMEN - EMPLOYMENT/VOCATIONAL TRAINING

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directive 76/207/EEC on the implementation of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (COM(96) 93 final - 96/0095 CNS)

(CES 1086/96 - 96/0095 CNS)

Rapporteur : Mrs Anne Marie SIGMUND (Austria - Various Interests)

Gist of the Commission Proposal

On 17 October 1995 the European Court of Justice delivered its judgement in Case C-450/93 (Eckhard Kalanke v. Freie Hansestadt Bremen), which has given rise to a great deal of controversy throughout Europe. This controversy was caused by the uncertainty created by the judgement concerning the legitimacy of quotas and other forms of positive action aimed at increasing the numbers of women in certain sectors or levels of employment.

The Commission has always adopted a very favourable attitude towards positive action. In 1984 it put forward a proposal for a recommendation on the promotion of positive action²⁰ which was adopted by the Council.

In the Kalanke case, the issue was whether a German law on positive action was compatible with Directive 76/207/EEC²¹ or whether it exceeded the exception for positive action laid down therein. The law of the Land of Bremen on equal opportunities in the public sector provides that, as regards both recruitment and promotion in sectors where women are under-represented, namely if they do not represent 50% of the personnel in the different grades of the category concerned, a woman having the same qualifications as a male applicant must be given preference over him.

The Court had to decide whether it was lawful to give women preference over male candidates in the event of a promotion in sectors where they were under-represented, provided that their qualifications were the same.

In its judgement, the European Court of Justice makes it clear, amongst other points, that "national rules which guarantee women absolute and unconditional priority for appointment or promotion go beyond promoting equal opportunities and overstep the limits of the exception in Article 2(4) of the Directive".

The Commission considers that the Court has only condemned the special feature of the Bremen Law which consists in the automaticity of the measure, giving women absolute and unconditional right to appointment or promotion. Therefore, the Commission takes the position that the only type of quota system which is unlawful is one which is completely rigid and does not leave any possibility of taking account of individual circumstances. Member States and employers are thus free to have recourse to all other forms of positive actions, including flexible quotas.

The Commission is anxious that the controversy to which the Kalanke case has given rise should be ended definitively. Therefore, notwithstanding the limited nature of the impact of this judgement as properly construed, the Commission believes that it is necessary to amend the wording of Article 2(4) of Directive 76/207/EEC so that the text of the provision specifically permits the kinds of positive action which remain untouched by Kalanke. Thus, all kinds of positive action will be permitted, provided they allow for the assessment of the particular circumstances of the individual case.

Summary of the Opinion

The Committee basically welcomes the Commission proposal, which is designed to clarify the question of equal treatment between men and women.

The Committee appreciates the difficulties involved in trying to achieve unequivocal clarification of this question. The Committee therefore believes that the Commission should take a clear stand on whether the principle of positive measures - particularly quotas - should in future be admissible and be incorporated in Community law. In the view of the Committee, however, the Commission's present proposal does not provide the definitive clarification the Commission itself claims to be offering.

The Committee is aware that the conditions for positive measures vary from Member State to Member State. If the Commission is therefore of the view that the right of the individual to equal treatment (as enshrined in the

²⁰ Council Recommendation 84/635/EEC of 13.12.1984 on the promotion of positive action for women (OJ L 331, 19.12.1984, p. 34).

²¹ Council Directive 76/207/EEC of 09.02.1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions (OJ L 39, 14.02.1976, p. 40).

Directive) can be reconciled with the concept of group representation and hence quotas, it should say so clearly and back this up with cogent arguments.

The Committee would once more point out that, in accordance with the subsidiarity principle, Member States must be free to decide what positive measures they take to implement the principle of equal treatment.

In the view of the Committee a Directive is not the appropriate legal instrument for arriving at a clear and definitive clarification of this question of principle.

The Committee takes the view that the proposed amendment anticipates future clarification and primary legislation.

21. CEEC WHITE PAPER

Opinion of the Economic and Social Committee on the *White Paper on the preparation of the associated countries of Central and Eastern Europe for Integration into the internal markets of the Union*

(COM(95) 163 final)

(CES 1087/96)

Rapporteur : Mr Ettore MASUCCI (Italy - Workers)

Reasons

This White Paper forms part of the pre-accession strategy for the associated countries of Central and Eastern Europe (CEECs) adopted at the Essen European Council in December 1994. Poland, Hungary, Romania, Slovakia, the Czech Republic, the three Baltic states and Bulgaria already have association agreements with the European Union.

The White Paper is designed to act as a reference document for the CEECs and to assist them all in preparing their economies to operate in keeping with the requirements of the Union's internal market as defined in Article 7A of the Treaty on European Union; this is to be done by promoting the gradual approximation of national legislation and economic structures within the CEECs.

Alignment with the internal market however is to be distinguished from accession to the Union which will involve accepting the *acquis communautaire* as a whole.

The White Paper first of all sets out the full legislation relating to the 23 sectors of the internal market; it then identifies key measures in each sector and suggests a sequence in which the approximation of legislation should be tackled. However, in the light of economic and social disparities and significant differences in the progress made by the various CEECs in adapting their markets, the White Paper does not insist on any priorities or on any strict framework for implementation. The associated countries themselves have prime responsibility for alignment with the internal market and will establish their own sector priorities.

The key measures are thus conceived in two stages. The first stage sets out basic general measures under which each sector can operate according to the fundamental principles which the Member States of the Union must observe, namely the free movement of goods, persons and capital, free competition and the ban on discriminatory national measures.

The second stage involves enhancing the overall scope specified here by the acceptance of more detailed provisions.

The strategy proposed by the White Paper is accompanied by technical and financial assistance designed to complement the existing PHARE programme. This purpose is to translate the theories propounded in the White Paper into specific, coherent and effective action. A new technical assistance information exchange office, managed by the Commission, will facilitate the provision of assistance by setting up a database on

alignment with the internal market and related assistance, which will be accessible to all interested parties. This office will also act as a clearing house to match applications for assistance with advice and expertise available in the Union. Finally, it will monitor progress made in implementing these recommendations.

Gist of the Opinion

This Opinion is intended to have a broad political thrust.

First and foremost, the Commission's White Paper must be recognized as being of key importance in that it amounts to a genuine "European compendium", which analyzes all the intricacies of the internal market, both from the more specifically legal angle and from the angle of the institutional and administrative structure built up in recent decades.

The CEEC Governments, as well as the socio-economic interest groups of their countries, will clearly find the White Paper a crucial instrument for tackling the various problems connected with membership of the European Union.

The Study Group hearing in Warsaw showed that the White Paper can act as a powerful catalyst within the CEECs.

The Committee sees the White Paper as a major blueprint for speeding up integration of the CEECs into the EU and facilitating their internal cooperation. In the long term integration will benefit both the Eastern and Western European countries and it remains the ultimate aim of EU-CEEC relations.

To promote economic growth and convergence in the CEECs, efforts must be made to encourage the restructuring and modernization of their economies (especially in industry and the public administration) and to stimulate domestic and foreign investment.

These changes must improve living and working conditions as quickly as is feasible, this being the fundamental aim of European integration.

However, the main problem is that alignment of legislation is not sufficient per se; the requisite structures, and hence resources, are also necessary. The technical and financial assistance that the EU can provide under PHARE and other aid programmes will therefore be of key importance in facilitating standardized implementation of internal market legislation.

While recognizing that the Commission has drawn up a blueprint of key importance for both the CEEC accession process and the framing of future Community policies, attention should be drawn to a number of shortcomings that could detract from the objective value of the White Paper.

First and foremost, the approach adopted to the linkage between a) alignment on internal market principles and assimilation of the "acquis communautaire" as a whole and b) between "key measures" and the entire body of Community legislation relating to the internal market does nothing to clarify the conditions required for accession. Indeed it will generate some confusion.

The White Paper's main concern seems to be to ensure that the internal market is as "operational" as possible rather than securing better living standards for Community citizens.

Here a reference to another White Paper on social policy aiming at a coherent social model could have justifiably been expected.

The internal market's four guaranteed freedoms must be closely tailored to the social dimension. Hence social dialogue must be part of the process of creating a single market.

Social policy must be treated as a "red thread" running through all areas of integration - not merely as a sectoral issue. Accession strategy must focus on two main fronts: economic and social.

One very important facet of the problem is undeniably the risk of "social dumping", which could encourage transfer of production, thereby jeopardizing entire EU sectors.

The ESC therefore stresses that the strategy must not be confined to accession but provide for the true integration of the CEECs.

The Committee asks the Commission to analyse the social impact of the measures envisaged in the White Paper and to propose flanking policies.

The aim must first and foremost be the integration of ordinary individuals into a market-economy-oriented model of society in which the social partners play a fundamental role.

It should be noted that all CEEC social partners, as well as academic experts, point out that the integration process is not the exclusive preserve of governments.

The information procedures set in motion by the Commission in the CEECs will obviously not suffice to guarantee public awareness of the ongoing integration processes or their transparency.

For its part, the ESC should insist on the setting-up of joint EU-CEEC economic and social committees to enable the social partners and other interest groups to make their voices heard on subjects currently covered by the structured dialogue between the CEEC Governments and the European Council.

In addition, it is important that the CEECs, while preparing for accession to the EU, seek to maximize integration within their own ranks and harmonize their accession programmes.

Such integration can also be furthered by stepping up regional cooperation.

The Committee urges the Commission to keep it constantly up to date with future EU moves vis-à-vis the CEECs.

22. SINGLE CURRENCY (*Own-initiative Opinion*)

Opinion of the Economic and Social Committee on the impact of economic and monetary union: economic and social aspects of convergence and measures to increase awareness of the single currency

(CES 1089/96)

Rapporteurs : Mr Umberto BURANI (Italy - Employers)
Mr Bernard de BIGAULT du GRANRUT (France - Various Interests)
Mr Michael GEUENICH (Germany - Workers)

Reasons for and objectives of the Opinion

At its plenary session in October 1995, the ESC drew up an Opinion on the Green Paper on the practical arrangements for the introduction of the single currency. At the Madrid Summit the European Council adopted the reference framework for the introduction of the single currency (and decided that the currency would be known as the "euro"). The Council also unreservedly confirmed that the third stage of EMU would begin on 1 January 1999. In the wake of these decisions the Committee authorized its Section for Economic, Financial and Monetary Questions to continue its work and consider in greater detail a number of aspects raised in the earlier Opinion.

The prospect of the introduction of the single currency in the third stage of EMU is already giving rise to considerable concern, amongst bankers, businessmen and, in particular, amongst the public at large in the EU.

There will be choices to be made, decisions to be taken and procedures to be established; these measures cannot be left solely to experts - account must also be taken of the views of the "man in the street", whose acceptance must be secured. If such a step is not taken the single currency will never come into being as the tangible symbol of the reality of the EU in everyday life.

Gist of the Opinion

The ESC welcomes the planned monetary union in Europe.

In order to make the convergence monitoring process transparent, the convergence criteria must be applied clearly (see Points 2.4. and 2.7.).

It is the Council which will finally make a political assessment of the achievements of the Member States with a view to deciding whether they are to be admitted to the third stage of EMU. Too small a group of Member States would not justify the high costs associated with introduction of the new currency.

The ESC recommends that countries which fail to meet only one of the five convergence criteria be examined again on the basis of real convergence criteria.

Exchange rates should be set at a level which ensures that speculative distortions have no lasting impact during the transition to monetary union.

The ESC considers it essentially counter-productive to assume that departure from the convergence principles as a result of circumstances beyond government control can be penalized by financial sanctions.

As regards the derogation countries, the ESC would draw particular attention to the adverse consequences of their long-term exclusion from EMU, especially against the background of EU enlargement.

The ESC would like to see an inflation target published in the future single currency area. An intermediate monetary target should be a main plank of the ECB's monetary policy. In order to make money-market control more effective the ESC would like to see a minimum reserve requirement applied to deposits with commercial banks, attracting a rate of interest close to the market rate.

The ESC urges that monetary relations between the core group of Member States participating in the third stage of monetary union and the other Member States be regulated in order to (a) guarantee the continued smooth operation of the internal market, (b) ensure a high degree of exchange-rate stability between the single currency and the national currencies and (c) facilitate the non-participating countries' subsequent transition to the single currency.

With these aims in view, the ESC supports the establishment of an exchange-rate mechanism on the lines of the EMS in which the single currency would act as an anchor.

In view of the high level of structural unemployment in the EU, the ESC calls for the objective of full employment to be accorded greater priority in European economic policy.

The ESC would remind the governments of the Member States of the guidelines for structural reform of the labour markets adopted by the Essen European summit. The ESC regrets that so far few Member States have submitted programmes for the implementation of these measures.

The ESC points out that the free collective bargaining between employers and workers successfully practised in many EU Member States must retain its place in European economic life.

The introduction of the euro will require a number of back-up measures to prepare those working in the various sectors involved and the public at large. Both the preparatory measures and the back-up measures taken after the introduction of the euro will have to be geared to the target groups. In the ESC's view, we should draw on the French experience (with the introduction of the new franc) and the UK and Irish experience (with the introduction of decimal currency) in order to ensure that citizens are prepared for the changeover in good time.

If the changeover is to take place under optimal conditions, the first step which needs to be taken is to launch information campaigns. Special roles could be played here by administrations, employers and employees, staff in the distributive trades, bank staff, consumer associations and, indeed, by the ESC. The media have a vital role to play; they should be encouraged to issue a countdown to the changeover, in the interests of the general public.

Dual display (national currency followed by the euro in the run-up to 1 January 2002 and the euro followed by national currency post 1 January 2002) in respect of prices, wages and contribution slips could help consumers to avoid confusion. Such a display should take account of the specific characteristics of national markets.

23. FISHERIES - TECHNICAL MEASURES

Opinion of the Economic and Social Committee on the *Amended Proposal for a Council Regulation (EC) laying down certain technical measures for the conservation of fishery resources (consolidated version)*

(COM(96) 317 final - CNS 532)

(CES 1090/96 - 96/0532 CNS)

Rapporteur-General : Mr Nikolaos LERIOS (Greece - Employers)

Gist of the Commission proposal

On 6 December 1995 the Commission presented an amended proposal for a consolidated version of Regulation (EEC) No. 3094/86, as a number of amendments had been made to the Regulation since the original proposal was presented.

Since the Regulation has been further amended in the meantime by Council Regulation (EC) No. 3071/95 of 22 December 1995, the Commission has decided to table a new amended proposal to codify the Regulation under Article 189a(2) of the EC Treaty.

Gist of the Opinion

The Committee endorses the Commission proposal.

24. CONSUMER CREDIT

Opinion of the Economic and Social Committee on the *Report on the operation of Directive 90/88 and proposal for a European Parliament and Council Directive amending Directive 87/102 (as amended by Directive 90/88) for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit*

(COM(96) 79 final - 96/0055 (COD))

(CES 1091/96 - 96/0055 COD)

Rapporteur : Mr Umberto BURANI (Italy - Employers)

Corrapporteurs : Mr Roy SANDERSON (United Kingdom - Workers)

Mr Francisco CEBALLO HERRERO (Spain - Various Interests)

Gist of the Commission proposal

In order to provide a harmonized minimum level of consumer credit protection and to improve the operation of the single market, Council Directive 90/88/EEC of 22 February 1990 introduced a Community method of calculating the "annual percentage rate of charge". This uniform method was provided for under the ninth recital and Article 5 of Council Directive 87/102/EEC of 22 December 1986 on the approximation of laws, regulations and administrative provisions of the Member States concerning consumer credit. The Directive also stipulated the need to disclose the real cost of credit.

In its Opinion (CES 1082/88) of 27 October 1988 (Rapporteur: Mr Meyer-Horn), the Economic and Social Committee recommended, further to harmonization of the method of calculation, a uniform definition of the factors involved in calculating the true interest rate. The aim was to provide the consumer with a clear picture

of the overall cost of credit, and to make it easier to compare different credit deals. The Committee also urged the Commission to take another look at the proposed actuarial method, known as Rule 803, which was particularly advantageous to suppliers of credit.

The proposal under referral is a report on the operation of Directive 90/88/EEC, as provided for under Article 1a(5)(b) of the amended Directive 87/102. It describes the situation in the Member States at the end of the transition period during which the use of a different mathematical formula was allowed. Besides amending certain language versions and deleting references to the transition period ending on 1 January 1996, the report also proposes introducing a common symbol to accompany the terminology used by Member States in advertising and in written contracts.

Gist of the Opinion

The proposal is the logical and scheduled follow-up to previous work on the revision of the first Directive on consumer credit. Accordingly, the Committee supports the proposal's aim to introduce a uniform method of calculating the annual percentage rate of charge (APR) and thus establish a basis for comparing the interest rates used in all EEA countries.

The Committee notes, however, that the objective has only been achieved in part: there are still considerable discrepancies in the definitions and items used in calculating the APR for a single market for consumer credit which has still to see the light of day.

The Committee calls on the Commission to alert consumers to the dangers of simply comparing the rates without taking into consideration the currency or the economy of the Member States, and of taking the European symbol printed beside the APR as a sign of official approval.

The Committee recommends extending the scope given to some Member States to use a different APR formula until the Directive is adopted, and would point out the costs involved in adapting software. Accordingly, and in view of the basically marginal impact of the proposed changes, the Committee calls for the entry into force of the Directive to be deferred to coincide with the switch to the single currency.

25. SOLVENCY RATIO FOR CREDIT INSTITUTIONS

Opinion of the Economic and Social Committee on the proposal for a European Parliament and Council Directive amending Directive 89/647/EEC on a solvency ratio for credit institutions
(COM(95) 709 final - 96/0003 COD)

(CES 1092/96 - 96/0003 COD)

Rapporteur : Mr Robert PELLETIER (France - Employers)

Gist of the Commission proposal

The purpose of this proposal is to amend Directive 89/647/EEC²² on a solvency ratio for credit institutions.

The proposal contains the following two amendments:

Article 6(1)(c)(1) is to include a new subparagraph which allows mortgage-backed securities to be treated in the same way as the mortgage loans referred to in Articles 6 and 11 from the point of view of the risk weighting. This will enable the competent authorities to weight them at 50% instead of the present 100% if they consider that the risk is the same as for the underlying mortgage loans.

The new wording of Article 11(4) extends the existing provision, which ran out on 1 January 1996 and allowed only four Member States (Denmark, Germany, Greece and Austria) to weight certain commercial mortgage

²² OJ C 337 of 31.12.1988.

loans at 50% (instead of 100%). The provision is now to apply to all Member States for a further five years, until 1 January 2001.

Gist of the Opinion

The ESC endorses the Commission's proposal, but wishes to draw the attention of the Commission and Council to future arguments for harmonizing provisions on banking risk cover in order to avoid distortions of competition.

The present draft Directive must be seen as a step in the right direction. The ESC hopes that the Commission will press on with its work to harmonize risk cover, bearing in mind in particular the variability and volatility of the markets in question.

26. FISHERIES/CONSERVATION OF MEDITERRANEAN RESOURCES

Opinion of the Economic and Social Committee on the Proposal for a Council Regulation (EC) introducing transitional measures into Regulation (EC) No. 1626/94 laying down certain technical measures for the conservation of fishery resources in the Mediterranean
(COM(96) 128 final - 96/0091 CNS)

(CES 1093/96 - 96/0091 CNS)

Rapporteur : Mr Jesús MUÑIZ GUARDADO (Spain - Various Interests)

Gist of Commission document

The Commission proposal aims to introduce certain transitional provisions to Council Regulation (EC) No. 1626/94 of 27 June 1994, so as to permit fishermen in the relevant region to adjust their activities gradually to the new rules.

Gist of the Opinion

The Committee does not approve the proposed measures. It considers that although they are transitional and temporary, they form a serious precedent which could jeopardize efforts to secure a more structured fisheries conservation policy in the Mediterranean.

In the Committee's view, the Commission should press third countries which fish for the same Mediterranean resources to make similar efforts, with a view to preventing the over-exploitation of these resources.

Mindful of the economic and social impact on fishermen in the Italian Adriatic of the technical measures introduced under Regulation 1626/94, the ESC asks the Commission to use existing structural instruments to cushion the negative impact and meet the legitimate concerns of those fishermen.

27. TOURISM ACTION PROGRAMME PHILOXENIA (1997-2000)

Opinion of the Economic and Social Committee on the First Multiannual Programme to Assist European Tourism (1997-2000) PHILOXENIA
(COM(96) 168 final - 96/0127 CNS)

(CES 1094/96 - 96/0127 CNS)

Rapporteur : Mr Georgios SKLAVOUNOS (Greece - Various Interests)
Co-Rapporteur : Mr Giacomo REGALDO (Italy -Employers)

Gist of the Commission document

The aim of the PHILOXENIA programme (hospitality) is to stimulate the quality and the competitiveness of European tourism, in order to contribute to growth and employment.

The programme focuses on four objectives, viz:

- the improvement and dissemination of knowledge in the field of tourism (statistics and exchange of experiences)
- the improvement of the legislative and financial environment for tourism (cooperation with the Member States and private sector professionals)
- qualitative improvements to achieve sustainable development and remove obstacles to tourism development (negative aspects of tourism)
- increasing the number of tourists from third countries thanks to promotional campaigns promoting Europe as a tourist destination.

To achieve these objectives the Commission proposes to release ECU 25 million to implement an Action Plan covering the years 1997-2000.

The Commission document lists various types of actions for each of the objectives and proposes a precise, detailed plan for funding.

Members of the Study Group are also advised to read the Price Waterhouse report and its assessment by the Commission, both to be found in document COM(96) 166 final.

Gist of the Opinion

After stressing the importance of tourism in the European economy, the Opinion criticizes the excessive and deleterious development of "mass tourism" which is incompatible with the main objective of PHILOXENIA, namely "sustainable development". The Opinion nonetheless endorses this programme, which constitutes the beginning of an integrated approach and which clearly defines objectives and priorities, even if the resources allocated to the programme are insufficient.

It recommends that the programme be extended not only to Cyprus and Malta, but to all the countries which took part in the Euromed Conference in Barcelona (1995).

It stresses the need for an external policy on tourism with political, economic, social and ethical aspects, comprising in particular measures to combat sexual tourism.

On the other hand, it encourages many forms of alternative tourism, as well as communication between tourists and host populations, a relationship which too often depends solely on profit.

Finally, it emphasises that the PHILOXENIA programme is only part of the measures which influence tourism and that many other European and national policies must be adapted to take account of the impact they have on tourism as a sector of economic activity.

28. CONSUMER PROTECTION

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on injunctions for the protection of consumers' interests
(COM(95) 712 final - 96/0025 COD)

(CES 1095/96 - 96/0025 COD)

Rapporteur : Mr Roger RAMAEKERS (Belgium - Various Interests)

Gist of the Commission proposal

In November 1993 the Commission issued a Green Paper which was accompanied by extensive consultations. The Committee Opinion, adopted on 1 June 1994 (CES 742/94), noted that it was vital for the smooth operation of the single market that EU citizens should have equal access to justice, and that Community action was needed to guarantee this.

The present proposal is designed to coordinate national provisions on consumer disputes within the Community, and more particularly injunctions which consumer representatives can bring against unlawful trading practices.

For the purposes of the Directive, an infringement is a practice which breaches Community consumer legislation (a list of the relevant Directives is appended to the proposal) and harms consumer interests.

Under the proposal, an action may be brought concerning an infringement originating in another Member State. In accordance with the subsidiarity principle, Member States are to draw up lists of entities qualified to bring an action and submit them to the Commission for publication. These entities are covered by the mutual recognition principle.

The proposal also allows Member States to use a pre-litigation procedure, the rules for which must be notified to the Commission and published in the Official Journal.

Gist of the Opinion

The ESC welcomes the Draft Directive which sets out measures for the achievement of the goals defined in the Commission's Green Paper on access of consumers to justice. The Draft Directive broadly meets the wishes expounded by the ESC in its June 1994 Opinion on the Green Paper.

The ESC approves the proposed coordination of national provisions governing injunctions with a view to combatting cross-frontier illegal trade practices. The right to bring injunction proceedings is also to be granted to trade organizations.

In the ESC's view the proposal may help to boost consumer confidence in the internal market. It represents a first step towards improving the access of consumers to justice.

The ESC does, however, take the view that the field of application of the Draft Directive is too limited; it fails to take account of Directives relating to consumer protection, such as those on product safety and financial services.

The central provision of the proposal authorizes qualified entities directly to seize the court having jurisdiction in the country in which the infringement originates, under the principle of mutual recognition. In the ESC's view, however, the provision whereby Member States may stipulate that actions are to be brought via the intermediary of qualified entities in the Member State having jurisdiction runs counter to the prime aim of the Draft Directive, i.e. that action shall be taken quickly.

The ESC endorses the proposal that Member States may make provision for qualified entities to issue a prior notification. He also requests that it be consulted on the action plan on the access of consumers to justice adopted by the Commission.

29. TRANS-EUROPEAN ENERGY NETWORKS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision amending European Parliament and Council Decision No. 1254/96/EC laying down a series of guidelines on trans-European energy networks
(COM(96) 390 final - 96/0203 COD)

(CES 1129/96 - 96/0203 COD)

Rapporteur : Mr Bernardo HERNÁNDEZ BATALLER (Spain - Various Interests)

Summary of the Commission's proposal

The proposal updates the indicative list of projects of common interest contained in the annex to Decision No. 1254/96/EC laying down guidelines for trans-European energy networks²³.

It adds 31 new projects, 9 of which were already included in the Commission's original proposal for that Decision²⁴.

All of these projects comply with the technical definitions, objectives, priorities and criteria laid down by Decision No. 1254/96/EC; the Committee issued its Opinion on the original proposal on 27 April 1994²⁵.

The present proposal has been drawn up following consultations with experts from the member states, EU electricity and gas companies and bodies representing these companies.

The Commission had stated that once the co-decision procedure was completed, it would endeavour to adapt the original list of projects to present circumstances (accession of Austria, Finland and Sweden, connection to the UCPTE network of areas neighbouring on the EU, and rapid development of the gas market.

The urgency of the proposal is reflected in its immediate entry into force.

The Committee's original opinion²⁶ welcomed the Commission's proposals which it regarded as a necessary step in developing an internal energy market, improving the security and quality of supply of electricity and natural gas, and making it possible for the EU's remote and island regions to be provided with adequate supplies at reasonable prices.

The Committee felt that these proposals should be accompanied by an in-depth study of the global impact of the new networks, their social implications, especially in the case of projects which are potentially eligible for support from the Structural Funds and should therefore receive priority.

The legal basis for the present proposal is Article 129d, first paragraph, and it follows the procedure laid down in Article 189b of the Treaty.

Gist of the Opinion

The Committee approves the Commission proposal which updates the guidelines contained in European Parliament and Council Decision No. 1254/96/EC and includes projects in the three new member states, integrating these networks into the EU's new approach to the CEEC and the Mediterranean region.

It does, however, express its doubts regarding:

- the meagre funding earmarked for project viability studies;
- the uncertainties arising from the debate on the future on the internal market in gas;
- the short shrift given to projects in the outlying and most remote regions which could be financed by the Structural Funds;
- the inadequate attention paid to the environmental compatibility of projects.

²³ OJ No. L 161 of 29 June 1996, page 147

²⁴ COM(93) 685 final of 19 January 1994

²⁵ OJ No. C 195 of 18 July 1994, page 33

²⁶ OJ No. C 195 of 18 July 1994, page 33

II. FUTURE WORK

Agriculture Section

- **AGR/612**
Honey, coffee, chicory, preserved milk, cocoa for human consumption
COM(95) 722 final - 96/0112 COD - 96/0113 to 96/0018 CNS
Deadline: October

- **AGR/627**
Animal health conditions governing the placing on the market of aquaculture animals and products - control of certain fish diseases
COM(96) 279 final - 96/0157 CNS - 96/0158 CNS
Deadline: October

- **AGR/625**
European Agency for Veterinary and Phytosanitary Inspection
COM(96) 223 final - 96/0143 CNS
Deadline: November

- **AGR/633**
Health requirements governing trade in and imports of pathogens
COM(96) 393 final - 96/0197 CNS
Deadline: December

- **AGR/631**
Protection of the Community's forests against atmospheric pollution and fire
COM(96) 341 final - 96/0185 CNS - 96/0186 CNS
Deadline: January

- **AGR/632**
Organic production of agricultural products
COM(96) 366 final - 96/0205 CNS
Deadline: February

Environment Section

- **ENVI/435**
Protection and sustainable use of the Danube
COM(96) 269 final 96/0184 CNS
Deadline: November

- **ENVI/433**
Community Strategy for Waste Management
COM(96) 399 final
Deadline: January/February

Industry Section

- **IND/545**
The Information Society: from Corfu to Dublin - Preparation of the new stages
COM(96) 395 final
- People first
(COM(96) 389 final)
- The global information society: the European approach
(COM(96) 359 final)
Deadline: November

IND/591

- Simpler legislation for the Internal Market (SLIM)
COM(96) 204 final
Deadline: January

IND/590

- The role, position and liability of the statutory auditor within the European Union
COM(96) 338 final
Deadline: February

Regional Development Section

REG/118

- Annual Report of the Cohesion Fund for 1995
COM(96) 388 final
Deadline: December/January

Transport Section

TRA/323

- White Paper: a strategy for revitalising the Community's railways
COM(96) 421 final
Deadline: March

Energy Section

ENERG/241

- Inventing tomorrow: European research at the service of citizens
COM(96) 332 final
Deadline: not yet decided

IN ANTICIPATION

Ecofin Section

ECO/220

- Programme for introducing a new common system of VAT)
Deadline: to be decided

ECO/..

- European Advisory Committee on statistical information in the economic and social field
COM(96) 439 final - 96/0223 CNS
Deadline: to be decided

Environment Section

ENVI/436

- Extraction solvents used in the production of foodstuffs
COM(96) 375 final - 96/0195 COD
Deadline: November

- ENVI/437**
 - Operation of aeroplanes covered by Part II, Chapter 2, Volume 1 of Annex 16 to the Convention on International Civil Aviation
COM(96) 413 final - 96/0209 SYN
Deadline: December

- ENVI/438**
 - Monitoring arrangements for CO₂ and other greenhouse gases
COM(96) 369 final - 96/0192 SYN
Deadline: January

- ENVI/434**
 - Classification, packaging and labelling of dangerous preparations
COM(96) 347 final - 96/0200 COD
Deadline: January

Industry Section

- IND/596**
 - Overall assessment of the operation of the Single Market
Deadline: November

- IND/592**
 - Accession of the European Community to the Protocol relating to the Madrid Agreement in the international registration of trademarks
COM(96) 367 final - 96/0190 CNS
Deadline: January
 - Modification of the Regulation on the Community trademark to give effect to the accession of the EC to the Protocol relating to the Madrid Agreement
COM(96) 372 final - 96/0198 CNS
Deadline: January

- IND/594**
 - Procedure for the provision of information in the field of technical standards and regulations
COM(96) 392 final - 96/0220 COD
Deadline: February

- IND/595**
 - Competitiveness of European industry
COM(96) 463 final
Deadline: to be decided

Transport Section

- TRA/324**
 - Universal telecommunications service (ONP)
COM(96) 419 final
Deadline: to be decided

- TRA/325**
 - Conditions to be met by ships transporting dangerous substances or pollutants
COM(96) 455 final
Deadline: to be decided

Social Section

- **SOC/327**
Equality of opportunity for people with disabilities
COM(96) 406 final - 96/0216 CNS
Deadline: November

- **SOC/330**
Green Paper on education, training and research: obstacles to cross-frontier mobility
COM(96) 462 final
Deadline: to be decided

- **SOC/329**
Amendments to social security schemes for migrant workers
COM(96) 452 final
Deadline: to be decided

- **SOC328**
Future of the social dialogue at European level
COM(96) 448 final
Deadline: to be decided

Agriculture Section

- **AGR/637**
Reference laboratory - control of marine biotoxins
COM(96) 464 final
Deadline: November/December

- **AGR/634**
System for identifying, registering and labelling beef and beef products
COM(96) 460 final
Deadline: January

- **AGR/636**
Olive oil - COM reform
Deadline: to be decided

- **AGR/635**
EU rules governing fisheries and aquaculture
COM(96) 350 final
Deadline: to be decided

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Ecofin Section

- **ECO/...**
Market implications of legislation and regulations necessary for transition to the single currency
Deadline: October

