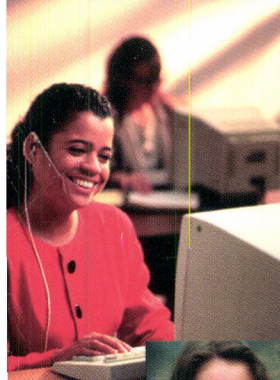
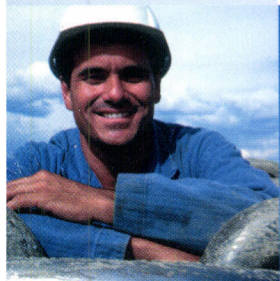




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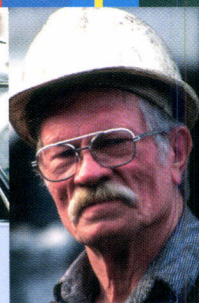
Economic and Social Committee

European Communities



98

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CES: 1

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Facts and figures - November 1997

Presidency

President: Tom Jenkins
(United Kingdom - Workers)

Vice-presidents: Giacomo Regaldo
(Italy - Employers)

Johannes Jaschick
(Germany - Various Interests)

Secretary-General: Adriano Graziosi

Origins

The ESC was set up by the 1957 Rome Treaties in order to involve economic and social interest groups in the establishment of the common market and to provide institutional machinery for briefing the European Commission and the Council of Ministers on European Union issues.

The Single European Act (1986), the Maastricht Treaty (1992) and the Amsterdam Treaty (1997) have reinforced the ESC's role.

Membership

The 222 members of the ESC are drawn from 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: Roger Briesch - France), 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 task of members is to issue opinions on matters referred to the ESC by the Commission and the Council, as well as the European Parliament pursuant to the Amsterdam Treaty.

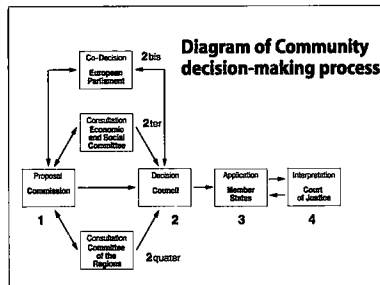
The ESC is the only socio-occupational advisory body that can be consulted by the EU Council of Ministers.

Advisory role

Consultation of the ESC by the Commission or the Council is mandatory in certain cases; in others it is optional. The ESC may, however, also adopt opinions on its own initiative. The Single European Act (17.2.86), the Maastricht Treaty (7.2.92) and the Treaty of Amsterdam (signed on 2.10.97) extended the range of issues which must be referred to the Committee: regional policy, environmental policy, employment policy, broad guidelines for economic policies, combating social exclusion, etc. The ESC produces 170 advisory documents and opinions a year (of which 15% are issued on its own initiative). All opinions are forwarded to the Community's decision-making bodies and then published in the Official Journal of the European Communities.

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. It acts as a forum for the single market and has hosted, with the support of other EU bodies, a series of events aimed at bringing the EU closer to the people.



Internal organization

1. Presidency and Bureau

Every two years the ESC 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 by the vice-presidents, who deputize for him in the event of his absence.

The president represents the ESC in relations with outside bodies.

Joint briefs (relations with EFTA, CEEC, AMU, ACP countries, Latin American and other third countries, and the Citizens' Europe) fall within the remit of the ESC Bureau and the president.

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

2. Sections

The Committee has nine sections:

- Economic, Financial and Monetary Questions
secretariat tel. 546.92.86
(president: Göke Frerichs
Group I - Germany)
- External Relations, Trade and Development
Policy - secretariat tel. 546.93.27
(president: Thomas Ety
Group II - Netherlands)
- Social, Family, Educational and Cultural Affairs
secretariat tel. 546.95.12
(president: John F. Carroll
Group II - Ireland)
- Protection of the Environment, Public Health
and Consumer Affairs
secretariat tel. 546.94.06
(president: Manuel Ataíde Ferreira
Group III - Portugal)
- Agriculture and Fisheries
secretariat tel. 546.96.87
(president: Pere Margalef i Masià
Group III - Spain)
- Regional Development and Town and Country
Planning
secretariat tel. 546.96.11
(president: Robert Moreland
Group III - United Kingdom)
- Industry, Commerce, Crafts and Services
secretariat tel. 546.95.98
(president: John Little
Group I - United Kingdom)
- Transport and Communications
secretariat tel. 546.93.60
(president: Elke Eulen
Group II - Germany)
- Energy, Nuclear Questions and Research
secretariat tel. 546.98.19
(president: José Ignacio Gafo-Fernandez
Group I - Spain)

3. Study groups

Section opinions are drafted by study groups. These usually have 12 members, including a rapporteur who may be assisted by experts (normally four).

4. Sub-committees

The ESC has the right to set up temporary sub-committees, for specific issues. These sub-committees operate on the same lines as the sections.

5. Plenary session

As a rule, the full Committee meets in plenary session 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.

External Relations

1. 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.

The ESC also liaises worldwide with other economic and social councils at the "International Meetings" held every two years.

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

The ESC 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 ESC sets up 15-30 member delegations headed by the president or a vice-president. It is expected that some meetings involving the countries of central and eastern Europe will be institutionalized under the Europe Agreements, as is currently the case with Hungary and Turkey.

Publications

The ESC regularly distributes a number of publications, including its main opinions in brochure format, a monthly newsletter entitled ESC INFO and its Annual Report.

Secretariat-General

The Committee is serviced by a secretariat-general, headed by a secretary-general who reports to the president, representing the Bureau.

135 staff work exclusively for the Economic and Social Committee. Since 1 January 1995, the Economic and Social Committee and the Committee of the Regions have shared a common core of departments whose staff, numbering 519, are mostly members of the ESC secretariat.



BULLETIN

Economic and Social Committee

European Communities

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CES: 1

This Bulletin reports on the activities of the Economic and Social Committee, a European consultative assembly. It is published after plenary sessions in French, English and German. Versions in the eleven official languages of the European Union are available on the ESC Internet site (<http://www.esc.eu.int>).

The complete texts of ESC opinions are available:

- *in the Official Journal of the European Communities,*
- *on the CELEX database,*
- *at the ESC Internet site,*
- *on written request from the ESC General Secretariat.*

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I. 354th PLENARY SESSION HELD ON 29-30 APRIL 1998

The 354th plenary session of the European Economic and Social Committee was held in Brussels on 29-30 April 1998. The ESC president, Mr Tom Jenkins, was in the chair.

Mr Yves Thibault de Silguy, Commissioner responsible for economic, financial and monetary affairs, attended the meeting.

Mr de Siguy spoke on the subject of the economic policy of the euro area and cutting unemployment. It was not possible to achieve economic and monetary union for a total of 300 million citizens without trying to find solutions for fifteen million jobless, and without making the euro zone work to the benefit of employment.

In order to increase the capacity of businesses to take on new workers, all Member States needed to make efforts to maintain:

- a monetary policy that favoured price stability;
- a policy to build up budgets by reducing deficits;
- a responsible incomes policy that promotes transparency and aims to reduce wide differences in salaries in the EU, while at the same time recognizing that pushing up wages may only be possible in the long term as the result of increased productivity in a number of Member States.

All of the above would require social dialogue.

The Treaty of Amsterdam now provided a legal basis for Community action. It gave Member States the option of setting common goals and guidelines, with regular follow up and study at European level - which in turn would put psychological pressure on governments. The move towards structural reform includes reducing social costs on the lowest paid, cutting red tape for business, promoting geographic mobility and extending ongoing training.

With the common determination that was evident at Amsterdam, Europe can be firm and act constructively. It should soon reap the rewards of its drive to cut unemployment.

In the course of the session, the Committee adopted the following opinions:

Section for Industry, Commerce, Crafts and Services
Joao Pereira dos Santos, Head of Division - ☎ (32-2) 546 9245

1. COMPETITIVENESS OF THE CONSTRUCTION INDUSTRY

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, on the competitiveness of the construction industry* (COM(97) 539 final)

(CES 625/98)

Rapporteur: Eugène MULLER (Luxembourg - Various Interests)

Gist of the Commission document

The Commission stresses the importance of the construction sector in the EU. The sector represents around 11% of Community GDP, and provides jobs for 7% of the working population as well as generating jobs in related sectors. More than 26 million workers in the EU can thus be said to depend, directly or indirectly, on the construction sector. After several years of growth, however, output in building and civil engineering has been stagnant since 1991.

The communication identifies four strategic objectives aimed at enhancing the competitiveness of the sector:

- **To develop a coherent quality policy for the sector**

Though lack of quality is generally blamed on the need to cut costs, low quality can add as much as 10% to project costs. The Commission recommends the widespread adoption of quality schemes.

A proactive attitude both from the actors in the construction sector and from public authorities appears necessary to ensure the achievement of environmental objectives such as reducing the use of resources and energy, increasing re-use and

recycling, and proper final disposal of waste. This would enhance the competitiveness of the construction industry, along with its job creation potential. Systematic integration of environmental concerns in technical specifications and norms, as well as in purchasing procedures, can contribute to this process.

- **To improve the regulatory environment**

Because of its impact on health, safety and the environment, the construction sector is highly regulated, both at the level of individual products and construction works. This inevitably has cost implications for business. The existence of national rules for public procurement can also make tendering more difficult for non-national companies. The Commission will act to consolidate and simplify legislation related to the single market and public procurement in order to create a favourable and transparent framework for competitiveness, and remove existing barriers to trade.

- **To improve provision of education and training**

Chronic lack of investment in education and training for the workforce is found right across the sector, stifling progress and creating a shortage of skilled workers in times of expansion. The communication calls upon Member States and industry to create the conditions necessary for sustained growth in provision of education and training at all levels. The Commission will help to create these conditions.

- **To reorient and reinforce research and development**

New products and new techniques represent key factors in allowing any sector to keep pace with the constantly changing needs of the marketplace. Considerable benefits can be achieved by, for example, shortening project lead times, lowering construction costs, reducing building defects and improving management structures. The

Commission proposes measures to reorient resources towards the real, and continually changing needs of the sector, and better dissemination of research findings.

The communication proposes more than 60 specific actions aimed at fulfilling these strategic objectives.

Gist of the opinion

The guidelines and proposals set out in the Committee's opinion should be seen in the context of a forthcoming decision by the Council on an action programme for the construction sector. The Committee looks forward to a decision by the Council which will prove beneficial to this sector. With regard to the nature and implementation of the action programme, the Committee:

- Endorses and supports the course of action pursued by the Commission. As a representative body at EU level for the economic and social interest groups directly and indirectly concerned, the Committee will seek to be closely involved in the consultation process of the action programme;
 - highlights the urgent need to set out a framework and guidelines for the implementation of this programme at EU, Member State level and company level;
 - stresses that the four key objectives will prompt action by the parties involved, namely: public and private clients commissioning building work, the persons responsible for overseeing the work (engineers, architects, advisors and coordinators), building entrepreneurs and their workforces;
 - points out that the action programme should aim to achieve a high level of horizontal and vertical integration, given the linkages between EU sectoral policies and the operation and responsibility of players in the construction sector;
 - believes that the action programme should be based on a timetable for the various levels of decision-making and action, and on constructive, dynamic application of the subsidiarity principle;
- urges that the action programme include machinery based on consultation and cooperation, for assessing the implementation of the programme, facilitating the regular exchange of experience and carrying out the appropriate adjustments;
 - highlights the vital role played by labour management and the economic and social interest groups concerned in the effective implementation of the proposed measures;
 - calls for compilation and updating of data banks which provide a basis for realistic decisions.

As regards the measures to be included in the action programme, the Committee:

- urges that, initially, such measures pursue the avenues opened up by the key objectives;
- considers that it would be beneficial to draw up a systematic inventory of best practice in the various fields referred to in the present opinion; this would facilitate problem-solving and making it unnecessary to carry out expensive studies and analyses which are expensive and frequently duplicate previous work;
- underlines the importance, in the context of the key objectives, of a number of areas and measures, such as those set out below:
 - suitable training schemes at all levels;
 - improvements in the image projected by the construction sector's working conditions and work-organization, and safety and health-protection measures in respect of construction sites;
 - improvements in the management and organization of the construction process;
 - the establishment of a list of the R&D fields covered at present and which should be covered in future;
 - the transfer and application of new technologies through close links between enterprises and research bodies;
 - encouraging new forms of cooperation which can offset the inherent weaknesses of small enterprises;
 - the establishment of more transparent policies and rules in respect of public procurement and the procedures for awarding contracts;

- the promotion of intangible investments, particularly in the management of human resources and the exploitation of new data in the fields of safety, the environment, energy and finance;
- consistent implementation of effective medium and long-term investment plans, and the identification of suitable forms of public-private partnership.

2. PROTECTION OF MINORS IN AUDIO-VISUAL SERVICES

Opinion of the Economic and Social Committee on the *Proposal for a Council Recommendation concerning the protection of minors and human dignity in audiovisual and information services* (COM(97) 570 final - 97/0329 CNS)

(CES 626/98 - 97/0329 CNS)

Rapporteur: Dame Jocelyn BARROW (United Kingdom - Various Interests)

Gist of Commission document

The development of the audiovisual and information services industry in the European Union requires not only the right economic and political conditions but also a certain level of protection for the general interests of the European citizen.

The work on the Green Paper on the Protection of minors and human dignity (COM(96) 483 final) showed that while the principle of the protection of fundamental rights is clearly applicable to all audiovisual and information services, its practical application varies considerably from service to service. In the field of television, a coherent and tested regulatory framework is in place at national and Community level, but the use of digital technology makes it necessary to look at new methods of protecting minors.

The Commission's proposal for a recommendation relates to all audiovisual and information services, regardless of the medium (broadcasting, proprietary on-line services, the Internet). It sets out a common reference framework at European Union level, in three sections:

- a specific methodology for dealing with questions on the protection of minors and human dignity;
- common guidelines for the implementation of a self-regulation framework at national level;
- initiatives, for all the parties concerned, aimed at giving the public greater access to new services, promoting quality content for minors, fighting against content offensive to human dignity and developing new means of parental control.

Gist of the opinion

The Economic and Social Committee recognises that the development of the new services is essential for Europe in a number of significant areas. The Committee believes that any policy for the development of the new services should be underpinned by the protection of certain basic principles including the protection of minors and human dignity. Indeed, the Committee believes that these new services can only achieve their full potential in a climate of trust, and that such a climate can only be achieved by securing the protection of minors and human dignity.

To this end, access to and classification of content on the new services is crucial. It is essential to differentiate between content which is illegal and content which is harmful, as they pose different issues of principle and therefore different legal and technological approaches must be taken.

The Committee believes that the Commission's proposal for a Council Recommendation - when coupled with its general principles, its proposals on the coordination of national responses and on the cooperation and pooling of experience at a European and international level - provides an appropriate regulatory framework.

In conclusion the Committee:

- seeks an international approach to finding solutions to the issues facing the new services;
- seeks a harmonised approach to regulation;
- encourages the use of rating systems and filtering software;

- recommends educational and awareness-raising initiatives;
- encourages self-regulation where appropriate;
- seeks clarification on responsibility for content and the distinction between illegal and harmful content;
- seeks increased co-operation and co-ordination between national, European and international organisations on all aspects of the new services;
- proposes the establishment of a European (or even internationally accepted) framework of codes of conduct, guidelines and grass-roots measures such as "hot-lines" and youth protection officers;
- proposes that all measures, policies and initiatives introduced in relation to the new services ensure the use of the new services is encouraged, so that the number of users will increase.

3. SAFE USE OF THE INTERNET

Opinion of the Economic and Social Committee
on the *Proposal for a Council Decision adopting a Multiannual Community action Plan on promoting safe use of the Internet*
(COM(97) 582 final - 97/0337 CNS)

(CES 627/98 - 97/0337 CNS)

Rapporteur: Dédée DRIJFHOUT (Netherlands - Workers)

Gist of the Commission document

The proposed Action Plan is an important element to combat illegal and harmful content on the Internet. To be effective it will be closely coordinated with other action in the area of illegal and harmful content. Illegal content is sometimes thought to be synonymous with child pornography. However, illegal content comprises more; it relates to a wide variety of issues:

- *national security* (instructions on bomb-making, illegal drug production, terrorist activities);

- *protection of minors* (abusive marketing, violence, pornography);
- *protection of human dignity* (incitement to racial hatred, racial discrimination);
- *economic security* (fraud, instructions on pirating credit cards);
- *information security* (malicious hacking);
- *protection of privacy* (unauthorized communication of personal data, electronic harassment);
- *protection of reputation* (libel, unlawful comparative advertising);
- *intellectual property* (unauthorized distribution of copyrighted works, e.g. software or music).

Harmful content means both content which is allowed but whose distribution is restricted and content which may offend certain users.

As part of a multi-annual Action Plan, the Commission has identified areas where concrete measures are needed and where Community resources should be made available to encourage an environment propitious to the development of the Internet industry:

- promotion of self-regulation;
- demonstration and application of effective filtering services;
- promotion of an awareness campaign directed at users.

Gist of the opinion

The Committee is, generally speaking, very favourably disposed towards the Commission's action plan. The Committee notes that the planned actions actually attempt to address the problem. Even more important than this is attempting to change mentalities, thus curbing excesses. The Committee realizes however that this is somewhat idealistic.

The Committee is very glad that the Commission has drawn a distinction in its action plan between illegal and harmful content, but notes that, in translating this into specific measures, very little attention has been paid to illegal content in relation to protection of intellectual property, human dignity and privacy or to offences relating to national and economic security. Although these issues are specifically listed in the action plan under the heading of illegal content, the bulk of

the funding has been reserved for the action lines aimed at protection of minors.

In the light of the proposed action lines, the Committee considers the action plan over-ambitious and considers it highly unlikely that the proposed measures will in the long term result in a "safe" Internet. Careful selection of content at source is, and will continue to be, necessary for a safe environment. But the Committee does not consider this a realistic possibility for the worldwide Internet. Moreover, communication (chat, e-mail, discussion fora) is simply impossible to rate. The Committee therefore sees little future in the active promotion of filtering systems based on rating.

The Committee therefore proposes that the scope of the action plan be restricted to combating illegal content (action line 1) by means of self-regulation and application of the law, and that lower priority be assigned to the development of means of combating harmful content (action line 2).

The Committee suggests that a major part of the action line 2 budget be reallocated to the establishment and maintenance of hotlines and that this be done in close coordination with the responsible government department.

The Committee, on the other hand, considers action line 3 (the preparation and dissemination of basic material tailored to the Member State) to be the most important. It is impossible to over-stress the importance of parents and teachers being aware that their monitoring and educational role extends to the Internet.

Lastly, the Committee is of the opinion that it is necessary to have contact points dealing with consumers' interests, so as to establish uniform, effective representative bodies for the plethora of services, service providers and network operators which are expected to appear. It will be necessary to step up consumer protection by appointing "consumer advocates" in telecommunication regulator authorities.

4. ELECTRONIC INTERCHANGE OF DATA BETWEEN ADMINISTRATIONS (IDA)

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision on a series of guidelines, including the identification of projects of common interest, for trans-European networks for the electronic Interchange of Data between Administrations (IDA) and the Proposal for a Council Decision adopting a series of actions and measures in order to ensure interoperability of and access to trans-European networks for the electronic Interchange of Data between Administrations (IDA).

(COM(97) 661 final - 97/0340 COD - 97/0341 SYN)

(CES 628/97 - 97/0340 COD - 97/0341 SYN)

Rapporteur: José BENTO GONÇALVES (Spain - Various Interests)

Gist of the Commission document

On 30 June 1993 the ESC gave a generally favourable opinion on the Commission's proposal of 12 March 1993 (COM(93) 69 final) for the IDA 1995-1997 programme. The Commission presented a modified proposal on 27 September 1995 (COM(95) 446 final) and the Council decided on the matter on 6 November 1995.

The Commission has now put forward two proposals for prolonging and modifying the IDA-programme for the period 1998-2000 (IDA 2) with a total financial framework of ECU 71.6 million.

The first proposal (EP and Council co-decision, Treaty Article 129 d, first paragraph) lists a number of priorities for the IDA 2 projects: implement the Single Market and EMU, fight fraud, facilitate enlargement and industrial competitiveness, and, in general, provide a direct benefit to the citizens of the Union. Financial framework: ECU 38.5 million.

It sets a series of guidelines and objectives:

- the establishment of the operational, interoperable, trans-European telematic communication infrastructures between Member State administrations and between administrations and the European institutions as appropriate, enabling the efficient and cost-effective interchange of information in support of the administrative requirements of the internal market;
- the use of telematic solutions fully integrated into the day-to-day management of EU policies and activities and the Community decision-making process;
- the availability of trans-European administrative network services, characterized by a high degree of interoperability, within and across different administrative sectors and with the private sector, and providing cost-efficiency, flexibility and adaptability to technological change and market evolution;
- ready access by all European administrations to an international, up-to-date repository of knowledge and experience concerning telematic networks.

The second proposal (for a Council decision, Treaty Article 129 d, third paragraph) aims at ensuring interoperability of and access to trans-European networks for the IDA. This is mainly pursued through a series of horizontal actions and measures, such as feasibility studies and demonstrators, the establishment of working groups of Member State and Community experts, and the procurement of goods and services for the Community. Financial framework: ECU 33.1 million.

Both decisions are to be reviewed two years after their respective entry into force.

Gist of the opinion

The ESC backs the proposals for IDA II, as complemented by the ideas and proposals contained in the opinion.

The IDA programme as a whole constitutes a key instrument for realizing the four freedoms of movement within the EU, and all concerned should view the programme as being something which must not fail.

Analysis of the financial statement appended to IDA II shows operational costs of ECU 71.6 million (for the 1998-2000 period) which, in view of the objectives and tasks involved, does not appear to be excessive.

Cooperation between all protagonists by means of frank and constructive dialogue is an essential prerequisite.

Community-level coordination and cooperation, and links between this and the relevant sectoral units in each administration, as well as links with operators of service-providing networks and firms, will have to be effective, considering the importance of the project for the future of the European Union.

Information, security and compliance with legal aspects as regards the guarantee of confidentiality and protection of personal information constitute another set of prerequisites which must be fully guaranteed.

IDA II will have to boost the development of European SMEs, both in the hi-tech and service sectors.

A key task for the programme will be the training of staff to operate the various aspects of the network, including the vocational retraining of current staff and the training of young people, and involving educational establishments at all levels in all Member States.

5. CONVERGENCE OF THE TELECOMMUNICATIONS, MEDIA AND INFORMATION TECHNOLOGY SECTORS

Opinion of the Economic and Social Committee on the *Green Paper on the Convergence of the telecommunications, media and information technology sectors, and the implications for regulation - Towards an information society approach*
(COM(97) 623 final)

(CES 670/98)

Rapporteur: Peter MORGAN (United Kingdom - Employers)

Gist of Commission document

Digital technology now allows both traditional and new communication services - whether voice, data, sound or pictures - to be provided over many different networks. Operators from the sectors affected by convergence are acting on the opportunities provided by technological advances to enhance their traditional services and to branch out into new activities.

The implications of these developments are far reaching. The changes described in the Commission's green paper have the potential to substantially improve the quality of life for Europe's citizens; to better integrate Europe's regions into the heart of the European economy, and to make businesses more effective and competitive on global and national markets.

However, the Commission argues that the development of new services could be hindered by the existence of a range of barriers, including regulatory barriers, at different levels of the market and wishes to establish a forum for debate.

The green paper analyses the convergence phenomenon, identifies actual and potential barriers which may hold back these technological and market developments, and provides a detailed discussion of issues associated with existing and possible future regulatory frameworks or approaches.

Finally, it sets out principles for future regulatory policy in the sectors affected by convergence and identifies possible options for future regulatory approaches.

On the basis of the comments received over the five-month public consultation period planned, the Commission intends to produce a communication by June 1998.

Gist of the opinion

The ESC recognizes that the Green Paper is a major initiative within the "Rolling Action Plan for Europe at the Forefront of the Global Information Society" while at the same time creating a new regulatory framework for the future of that society. In its opinion, the Committee has focused on the specifics of convergence and regulation.

Convergence is already impacting employment significantly, and is likely to have a bigger impact as the converged services further penetrate European society. There is also a generational effect. The young have an easy familiarity with the technology, whereas redundant 50 year olds do not. As far as training is concerned, not everyone can have the aptitude to work with technology. The move to the information society is putting a premium on information technology skills. Unless sufficient hardware and software engineers are trained in Europe, key jobs will be exported e.g. software to India.

There is no reason to suppose that these impacts will not be felt in all regions of the European Union. The objective should be that the negative job impact is not disproportionately concentrated in Europe whereas job creation benefits non-European regions. For all regions to benefit fully from the information society, it will be necessary that universal broadband access be provided everywhere and at competitive prices. There is no doubt that the success of the Internet in the USA has been encouraged by the universal low-cost local call regime.

It seems likely that the traditional copper wire based PTO (Public Telecommunications Operator) is going to come under most attack. It may become necessary to restructure these PTOs to enable them to diversify and compete in new markets as indicated in the draft Cable Directive. Whatever happens in that respect, the introduction of xDSL technology to increase the bandwidth available for twisted pair telephone lines is a strategic priority for the PTOs to address.

At the level of consumer equipment, the cost of the set top box is likely to inhibit the take up of digital TV. Nevertheless, the ability of the manufacturing industry to continue to miniaturize and reduce cost suggests that there are ultimately few barriers to the power, mobility or the multi-media functionality which can be achieved. What is needed is an easy-to-use PC for broadcast reception which will undoubtedly be produced in due course. For full exploitation of the converged services, especially in the home, an "ease of use" revolution is needed. The PC user interface is unacceptable for the lay user.

From a market perspective, regulation is only necessary where competition does not yet fully apply or does not fully meet the objectives of the

market. Otherwise, the competition rules alone should be relied upon. Current developments emphasize the advantages of eliminating monopolies and establishing alternative means for providing services of general economic interest. These require guaranteed access to networks and unrestricted competitive markets as well as price transparency with a view to guaranteeing the highest quality service to consumers. Beyond the market perspective, regulation may be needed to meet the general public interest objectives.

Convergence does indeed challenge existing regulation. It is clear that legislation must conceptually separate infrastructure from content services and recognize the novel character of the digital infrastructures. Clearly, the 1999 review of the EU telecoms legislation should ensure that this separation is properly reflected, and that the definitions currently in use should be updated. As for the development of new "converged" services such as electronic commerce, a new class of regulation is not necessary. Consumer protection, privacy etc., should be handled by the adaptation of existing laws in the public interest and to ensure that the market keeps growing.

The US government has recently produced a "Green Paper" on the technical management of the Internet. For these purposes, the ESC believes that the Commission should pursue the policy outlined in its recent Communication on the need for strengthening international co-operation. Convergence will also require continued support within the WTO and other relevant international bodies to ensure open access to infrastructure for new and converged services.

In conclusion, the Committee considers that in the immediate future regulation should build on the existing principles, but as competition emerges the regulation can become less onerous. Looking forward to when the new infrastructures and services are more established and new user preferences known, the whole regulatory infrastructure can then be reconsidered.

6. ELIMINATION OF BARRIERS TO EXCHANGE OF GOODS

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) creating a mechanism whereby the Commission can intervene in order to remove certain obstacles to trade*

(COM(97) 619 final - 97/0330 CNS)

(CES 643/98 - 97/0330 CNS)

Rapporteur: Bo GREEN (Danmark - Employers)

Co-rapporteur: Klaus SCHMITZ (Germany - Workers)

Object of and reasons for the opinion

At its meeting on 16 and 17 June 1997, the Amsterdam European Council, in its conclusions on the action plan for the single market, requested the Commission "to examine ways and means of guaranteeing in an effective manner the free movement of goods" including the possibility of imposing sanctions on the Member States, and to "submit relevant proposals before its next meeting in December 1997".

The Commission is proposing the adoption of a Regulation creating a specific Commission intervention mechanism so that certain obstacles to the free movement of goods are rectified rapidly.

Under this mechanism, the Commission would request the Member State concerned, by means of a decision, to take the measures necessary to bring to an end a clear and unmistakable obstacle to the free movement of goods within the meaning of Articles 30 to 36 of the Treaty. The power given to the Commission would be confined to certain cases for which rapid action is necessary.

Where the Member State concerned does not comply with the Commission's decision, an intervention mechanism, which would take the

form of penalty payments or fines to be established by the Commission at the end of the period laid down for compliance with the Commission decision, could be envisaged. The Commission considers that the appropriate legal basis for this purpose would be Article 235.

Gist of the opinion

The ESC is in favour of ensuring free movement of goods within the internal market. Hence it welcomes speedier intervention against illegal obstacles to trade; at present, action in cases covered by Treaty Article 169 normally takes 4-5 years.

Nevertheless, the Committee is unable to support the proposal in its present form.

In the ESC's view, the Commission - in conjunction with the Member States - should frame arrangements to make prompt use of the procedure provided for in Treaty Article 169, especially in cases of obstacles to trade requiring a speedy solution, instead of opting for Article 235 as legal basis.

The ESC wonders why the proposal focuses only on the free movement of goods and does not encompass the other three internal market freedoms - services, capital and persons.

In view of the problems connected with this proposal and the disapproving stance of the Council¹, the ESC urges that the Commission intervention mechanism should be an option only when a Member State can be shown to be treating EU citizens or enterprises differently on grounds of nationality. The Commission should take Treaty Articles 6, 7a and 5, along with Treaty Articles 169 and 186, as a guide in developing a new legal basis for the intended intervention mechanism.

7. EUROPEAN TEXTILE INDUSTRY

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: Plan of action to increase the competitiveness of the European textile and clothing industry*
(COM(97) 454 final)

(CES 645/98)

Rapporteur: Henri MALOSSE (France - Employers)

Gist of the Commission document

This communication has been drawn up with the participation of the various industry-specific associations, the trade unions, Member State governments and the European Commission.

Among the subjects dealt with, the Commission considers that particular attention should be given to jobs and training, to the transfer of technologies, to the use of information technology, to the promotion of synergies between Community and national programmes in order to maximize the results, to the operation of the internal market and to market access.

The Commission document focuses on the fact that, over recent years, the textile and clothing industry has borne the brunt of a whole series of major events: the recession in Europe followed by a moderate recovery, the gradual liberalization of imports, the growth in competition and the impact of technological developments.

The far-reaching restructuring and modernization measures undertaken in the face of challenges on all sides have enabled the sector to demonstrate its considerable competitive prowess in terms of

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Single Market Council of 30 March 1998, 6875/98 - MINUTES/CCIL 16-MI 19.

productivity and exports, i.e., in 1996, +6% for textile product exports and +11% for clothing product exports. Furthermore, the transformation which it has achieved through the application of new technologies, particularly in the areas of communications and information, has provided it with "modern" credentials, while at the same time enabling it to maximize its traditional strengths.

However, these changes have been accompanied by a drop in production (-5% for textiles and -4% for clothing in 1996 as compared to 1990) and, above all, by a reduction in jobs (600,000 jobs lost in the period 1990-96). This, in itself, is a phenomenon of major concern, given the high levels of regional concentration and the social impact on the textile and clothing employment sector.

The measures envisaged by the Commission are centred on employment and training, development of new products, processes and equipment, application of information technologies, effective functioning of the internal market and the promotion of regional development. The Commission confirms its intention to ensure the access to third country markets and strict compliance with the rules and disciplines freely accepted under the various international agreements.

Gist of the opinion

The Committee notes that the textile and clothing sector is a promising one with real growth and employment potential for Europe. In particular, it would stress the positive role played by SMEs and craft workers who ensure that the sector is creative and flexible. In this context it welcomes a European plan of action to improve competitiveness, provided that it contains a precise timetable, properly identified resources and a mechanism for follow-up and monitoring. The Committee takes the view that this plan of action should concentrate primarily on the fields where the European Union is directly competent.

The Committee, after hearing the views of the main interested parties, makes the following suggestions for practical measures :

- Making it easier to use the European Union's existing financial resources (European Structural Funds, Leonardo programme) for measures to improve skills and speed up the dissemination of new technology, especially

towards SMEs, craft industries and subcontracting in general.

- Reorientating a significant share of the future framework programme for R&D towards support for innovation, creative design and the use of information technologies (CRAFT and Eureka innovation procedures). The textile and clothing sector must also have a chance to benefit from the new "Growth and Employment" financial engineering measures decided at the Luxembourg Summit, to cover inter-enterprise cooperation, launching of enterprises and their relaunching under new management, and introduction of new technologies.
- Providing the plan of action with significant resources (pilot projects, "benchmarking") to encourage cooperation between firms: collective promotion measures aimed at third countries, use of EDI to set up rapid-response systems involving SMEs, craft industry, subcontractors and the specialized retail sector, strengthening of the JEV instrument for firms, and finally the networking of specialized training institutes, in association with the operators.
- Commissioning a study of the effects of Asian monetary, stock-market and structural disturbances on the activities in the sector which are among those most affected.

The Committee, aware of the social stakes in a sector which is still very largely dominated by highly labour-intensive activities and in view of a worrying and unacceptable decline in employment, advocates:

- a broadened and intensified sectoral social dialogue to achieve progress in reorganization of working hours, in improving skills and in employment, particularly by identifying the most innovative agreements;
- effective measures at national level to ease the charges and taxes affecting unskilled labour;
- anticipation of foreseeable industrial changes through a high-level group composed of qualified representatives of the various parties concerned;
- a more determined policy on the part of the European Union to promote the basic ILO

- Conventions and the code of conduct signed by the European social partners;
- combating illegal work at European Union level through coordinated action by the Member States;
 - a regional strategy to develop a priority area of commercial and industrial cooperation with eastern European and Mediterranean countries.

Aware of the fact that this communication must be regarded as a starting point, the Committee recommends the drawing-up of a precise timetable for implementing the plan of action. Through an assessment published annually, it would be possible for the parties concerned, including the Economic and Social Committee, to ensure its effective implementation.

Section for Protection of the Environment, Public Health and Consumer Affairs

Sylvia Calamandrei, Principal Administrator - ☎ (32-2) 546 9657

8. AMBIENT AIR

Opinion of the Economic and Social Committee on the Proposal for a Council Directive relating to limit values for sulphur dioxide, oxides of nitrogen, particulate matter and lead in ambient air

(COM(97) 500 final - 97/0266 SYN)

(CES 620/98 - 97/0266 SYN)

Rapporteur: Klaus BOISSEREE (Germany - Various Interests)

Gist of the Commission proposal

Directive 96/62/EC² on ambient air quality assessment and management provides the framework for future EC legislation on air quality. Annex I of the directive lists sulphur dioxide, nitrogen dioxide, particulate matter and lead as the first priorities for action, and Article 4 requires that daughter legislation should include provisions for:

- setting limit values, including the attainment dates by which they should be met;
- setting any temporary margins of tolerance during the period between the coming into force of the directive and the attainments date for the limit value;
- setting alert thresholds if appropriate and listing details to be supplied to the public if an alert threshold is exceeded;
- setting out criteria and techniques for measurement;

- setting out criteria for the use of other techniques for assessing ambient air quality, particularly modelling;
- defining upper and lower assessment thresholds for the determination of the assessment requirements applicable in an agglomeration or other zone.

The present proposal amends existing EC legislation on sulphur dioxide, nitrogen dioxide, particulate matter and lead in fulfilment of obligations under Directive 96/62/EC (supra), and is part of an integrated package of measures designed to combat problems of air pollution (further proposals are now being developed for other air pollutants). It is based on Article 130S of the Treaty as its objectives relate to conservation, protection, and improvement of the quality of the environment, and the protection of health.

As required by Directive 96/62/EC, the proposal has been based on strong technical and scientific grounds. There has also been a cost-benefit analysis of the proposed measures, to determine whether additional action would be needed beyond that already planned in order to meet the proposed limit values and if so, to estimate the costs using the most cost effective solutions and to assess the additional benefits which could be expected from meeting the limit value. Where possible, benefits have been quantified in monetary terms.

Content of the opinion

The Committee broadly supports the draft directive and makes the following comments:

- The Committee welcomes the procedure used in preparing the scientific and technical

²

Air Quality Framework Directive, OJ No. L 296, 21.11.1996

groundwork for the commission proposal. The use of working groups made up of experts from all interested parties has proved to be very successful.

- The cost-benefit analysis presented in the Commission's explanatory memorandum is not yet satisfactory. Even though the costs have not been fully assessed, the definition and assessment of the benefits is incomplete. The Committee therefore endorses the Commission verdict that the benefits of implementing the proposed directive are expected to outweigh the costs. The Committee feels at any rate that the scientific basis of environmental legislation can never be fully water-tight. Where there is doubt, the environmental principles enshrined in the EC Treaty must be taken as a basis, particularly the high level of protection stipulated in Article 130 R (2) and the damage prevention principle.
- The ESC welcomes the fact that human health takes priority in the definition of what is to be protected, and that some of the limit values also refer to the protection of vegetation. The ESC notes that when setting the limit values no account is taken of material damage caused by air pollution.
- In the light of the Fifth Environmental Action Programme and the relevant ESC opinion³, the Committee endorses the Commission proposals to base the limit values for four substances largely on recent WHO recommendations.
- The fact that the new limit values are to be phased in over time should be seen as a compromise. For some areas, thought should be given as to whether the grace periods allowed are appropriate.

The Committee therefore makes the following comments:

- As regards the limit values for SO₂, the ESC would ask the Commission to look into whether the limit values should be made more stringent, in the interests of human health and in order to protect against material damage. Consideration could also be given to setting a

limit value for protection against material damage.

- As regards limit values for NO₂ the ESC would ask the Commission to consider whether these values could not come into effect in 2005, along with the values for other pollutants, rather than in 2010, as provided for in the draft directive.
- As regards limit value's for particulate matter, the ESC feels it is correct to apply the limit values to particles with a diameter of up to 10 µm in the first instance and to indicate only "action levels" for smaller particles (2.5 µm). These reference variables should be revised, as soon as more refined measuring techniques are available. The Commission should report on this no later than two years after the directive has come into force. Consideration should also be given to bringing forward the deadliness for implementing the limit values for particles up to 10 µm, since, in some Member States, the values envisaged for 2010 in the draft directive will already apply in 2005. Finally the ESC expresses regret at the lack of material damage limit value's for particulate matter.

9. INCINERATION OF HAZARDOUS WASTE

Opinion of the Economic and Social Committee on the Proposal for a Council Directive amending Directive 94/67/EC on incineration of hazardous waste

(COM(97) 604 final - 97/0314 SYN)

(CES 621/98 - 97/0314 SYN)

Rapporteur: Kenneth J. GARDNER (United Kingdom - Employers)

Co-rapporteurs:

Francisco CEBALLO HERRERO (Spain - Various Interests)

Sergio COLOMBO (Italy - Workers)

Gist of the Commission document

Directive 94/67/EC⁴ on incineration of hazardous waste lays down provisions to prevent or minimize

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See part 3 of the ESC Opinion on the Fifth Action Programme - OJ C 287 of 4.11.1992

⁴

OJ N° L 365 of 31.12.1994, page 34

the effects of incineration of hazardous waste on the environment and on human health, in accordance with an integrated approach in order to prevent the transfer of pollution from one medium to another. The pollutants produced during incineration of hazardous waste are basically organic compounds, HCl, HF, heavy metals and dioxins and furans

In order to complete the integrated approach, the current proposal - based on Article 130 s(1) - sets out emission standards as well as associated conditions for the treatment of waste water from incineration plants, and for the monitoring of the discharge of those specific pollutants, contained in waste water resulting from separate treatment (cleaning) of exhaust gases, into the aquatic environment. These waste waters must be

discharged in accordance with the following conditions:

- limitation of the volume of waste water to the minimum possible
- compliance with the relevant Community, national and local provisions
- reduction of the discharged mass of heavy metals, dioxins and furans in relation to the quantity of processed hazardous waste so as to be less than that allowed to be discharged into air.

Adequate measures based on Best Available Techniques (BAT) must be taken to prevent or minimize emissions of such pollutants. Moreover, dioxins, furans, mercury and cadmium have to be as strictly controlled in waste water discharges as they are in air emissions. Their proposed emission limit values are as follows:

Pollutants	Daily average	Monthly average	Annual
Mercury and its compounds	0.02 mg/l	0.01 mg/l	-
Cadmium and its compounds	0.05 mg/l	0.02 mg/l	-
Dioxins and furans	-	-	0.5 ng/l

Gist of the opinion

The Economic and Social Committee agrees there is a need to prevent the transfer of pollution and hence considers the incorporation of relevant measures into Directive 94/67/EC as a necessary contribution to environmental control.

The proposal aims at limiting aquatic pollution through the setting of the same uniform limits for all discharges throughout the EU. The Committee believes that a number of the proposed limit values appear to have been culled from some national legislations, and has reservations on whether sufficient research has been performed, and whether adequate data on practical operational situations has been gathered, to ensure that the proposed values are the most appropriate for EU-wide use.

Furthermore, the Committee considers that, for some of the pollutants (i.e. metals 5-14) included in the Annex, uniform emission values, are

"minimum" values so each Member State can set more stringent limits where necessary, taking into consideration the quantity of the pollutant mass released, receptor sensitivity and the local environment (e.g. natural variation in the composition of water).

In the opinion of the Committee, the proposal is at variance with some of the principles agreed under the recent IPPC Directive, in particular Article 9(4). The Commission, however, appears to present the proposal only in accordance with Article 18(1) of the IPPC Directive: *Community emission limit values*. Clarification is, therefore, required over the conflict between these Articles of the IPPC Directive, and confirmation over which is the dominant Article, within the context of this proposal, is vital to prevent any confusion among Member States.

In this context, clarification is required as to what is considered the point of discharge from the incineration plant to reduce confusion. The

proposal should take into account the situation of complex arrangements such as a multi-incineration facility feeding effluent into a complex waste water treatment works, where it would not be feasible to carry out any mass balances due to the fluctuations in composition and flow. It should also be pointed out that the proposal does not consider the sensitivity of the receptor and whether it is foul drainage, where further treatment will be carried out by the sewerage company, inland water or tidal water.

The Committee is concerned that the full costs and impact of this proposal have not been worked out because the number of installations and scope of installations covered may have substantially changed since 1994. Other factors adding to the cost are: the lack of information on numbers of non-commercial in-house hazardous waste incineration facilities (e.g. a small hazardous waste incinerator located in a research facility), the proposed requirement for separate effluent treatment - which might incur significant additional costs, particularly where such treatment is not easily incorporated into an existing facility, and lack of clarity regarding what does and does not constitute hazardous waste.

In this context, the number of installations affected could greatly increase as a result of proposed additions and revisions of the EU Hazardous Waste List (94/904/EC)⁵ and the European Waste Catalogue (94/3/EC)⁶, and of the possibility of clinical waste becoming classed as hazardous, due to the presence of cytotoxic wastes and other potentially hazardous wastes within the waste stream. The Committee considers that these borderlines need to be clearly defined.

The Committee estimates that only waste water with a risk of contamination should be subject to a permit granted by the competent authorities. Thus, an incineration plant's infrastructure for collecting and piping rainwater will intercept such water - preventing it from entering the plant and possibly becoming contaminated by contact with equipment - and so the proposed directive should not apply to this intercepted rainwater. As a result intercepted

and hence uncontaminated rainwater should not need to be stored either.

10. NO_x EMISSIONS FROM AIRCRAFT

Opinion of the Economic and Social Committee on the Proposal for a Council Directive to limit emissions of oxides of nitrogen (NO_x) from civilian subsonic jet aircraft
(COM(97) 629 final - 97/0349 SYN)

(CES 622/98 - 97/0349 SYN)

Rapporteur: José Ignacio GAFO
FERNÁNDEZ (Spain - Employers)

Co-rapporteurs:
Turid STRÖM (Sweden - Various Interests)
Georgios TSIRIMOKOS (Greece - Workers)

Gist of the Commission proposal

The proposal aims at tightening emission standards of nitrogen oxides (NO_x) by civilian jet aircraft, establishing a 16% reduction over a two-phase period: as from 2000 for new engines and as from 2008 for existing ones. The Directive would only apply to aircraft added to the national registers of Member States after the effective dates (the so-called "non-addition rule") and would thus not affect aircraft on third country registers.

The proposal is based on the Recommendations made by the Committee on Aviation Environmental Protection (CAEP) of the International Civil Aviation Organization (ICAO) in 1995. For various reasons the ICAO itself has been unable to follow these recommendations to date. Therefore, the Commission - in anticipation of an international agreement - now seeks to apply the CAEP recommendations to the Community aircraft fleet.

The Commission points out that NO_x emissions from aircraft in the upper troposphere contribute to ozone formation ("bad" ozone, as opposed to stratospheric ozone) and thus to climate change. In addition, aircraft emissions in the vicinity of airports also contribute to local problems of air pollution.

⁵ Council Decision of 22.12.1994, OJ N° L 356 of 31.12.1994

⁶ Commission Decision of 20.12.1993, OJ N° L 5 of 7.1.1994

Gist of the opinion

The Committee approves the proposed directive, but puts forward a few additional suggestions.

It thinks that greater emphasis should be placed on the role which the proposed measures can play in implementing the Kyoto agreement. With regard to the proposed legal base, the Committee would have preferred to see a reference to Article 130s in addition to Article 84. The Commission would also have done well to make a fuller reference in the preamble to how this proposal relates to Directive 92/14/EEC (reduction of aircraft noise). Finally, the preamble should refer explicitly to the proposal's application in the countries of the European Economic Area and the countries applying for EU membership.

11. NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Council Directive 92/109/EEC relating to the manufacturing and placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances
(COM(98) 22 final - 98/0017 COD)

(CES 623/98 - 98/0017 COD)

Rapporteur working without a study group:
Christoph FUCHS (Germany - Various Interests)

Gist of the Commission proposal

The growing development of synthetic drugs has become an acute problem in the European Community and the rest of the world. At Community level the Communication on the control of new synthetic drugs⁷, committed the Commission to present proposals on chemical precursors of synthetic drugs. These proposals imply an amendment to the current legal instruments dealing with the control of precursors, namely Council Directive 92/109/EEC⁸ - dealing with the EC market, and Council Regulation

⁷ COM(97) 249 final, 23.5.1997

⁸ OJ No. L 370, 19.12.1992

3677/90⁹ - dealing with trade between the EC and third countries.

At present, the placing in the Community market or the external trade in 22 substances commonly used in the illicit manufacture of drugs ("scheduled substances") is submitted to a stringent system of controls. However, no agreement exists at Community or international level about a significant number of other substances which have also been identified as precursors to (and could be diverted into) the illicit manufacture of synthetic designer drugs ("non-scheduled substances").

To subject these "non-scheduled substances" to the same strict controls as those for "scheduled substances" would present an unnecessary obstacle to trade involving licences to operate and documentation of transactions. Therefore, there is a need for a more flexible mechanism at Community level.

The current proposal aims at :

- establishing a surveillance mechanism whereby close cooperation is sought between authorities and operators. This would entail a voluntary system of reporting from the industry to the competent authorities of suspected consignments of non-scheduled substances;
- extending the powers of the competent authorities concerning the possibility of intervening on suspicious shipments of non-scheduled substances, providing that there are reasonable grounds for suspecting their diversion;
- ensuring a coherent approach across the Community to benefit from experiences of national voluntary monitoring systems on synthetic drug precursors. The Precursor's Committee shall be responsible for drawing up a list of those non-scheduled substances to be monitored.

Gist of the opinion

The Economic and Social Committee welcomes the Commission proposal amending Directive 92/109/EEC, which seeks to extend a number of its provisions to non-scheduled chemicals, as a step in the right direction.

⁹ OJ No. L 357, 20.12.1990

The Committee endorses the proposed drawing-up of two lists to include other chemicals which, in addition to, or instead of, the precursors specified in Annex I of Directive 92/109/EEC, are known to be improperly used in the manufacture of narcotics and psychotropic substances. It does so for the following reasons:

- the arrangements do not envisage any additional, burdensome administrative control measures for economic operators;
- the lists also fulfil an important function as requisite standard guidelines for the Community's economic operators in respect of voluntary notification of the authorities;
- the proposed arrangements for drawing up the restricted list make for the quick and flexible inclusion of new chemicals with proven involvement in improper use;
- thanks to the committee set up under Article 10 of Directive 92/109/EEC and to Member States' reporting commitments under Article 9 of the Directive, pertinent information coming to light either nationally or within the appropriate EU level body is directly available to help tackle the task in hand;
- the inclusion of chemicals in the supplementary list mentioned above does not prejudice any subsequent incorporation into the annexes of the 1988 UN convention and, by the same token, the possible expansion of Annex I to Council Directive 92/109/EEC;
- there is no provision for penalties to be imposed by Member States on economic operators who fail to meet voluntary reporting commitments;
- the Committee agrees that the lists to be drawn up are not suitable for widespread publication in order to ensure that, as far as possible, criminals and criminal organizations are denied access to information on the chemicals which are subject to voluntary surveillance;
- the ESC presumes that, when selecting chemicals to be placed under voluntary surveillance across the Community, the committee for precursors referred to in Directive 92/109/EEC will apply clear criteria

in order to ensure flexibility when incorporating chemicals into the list, while limiting the number of chemicals involved.

The Committee feels that consideration should be given to the case for amending the present wording of Article 1, paragraph 3 to take better account of the issue of official intervention. Thus, Directive 92/109/EEC seeks to provide optimum security when dealing with the 22 precursors listed in its Annex I and, under the terms of the proposed amendment, other chemicals which could be improperly used for illicit drugs manufacture; the aim is to ensure that these substances can legally remain within the commercial cycle. For this reason, the authorities should be able to take action at an early stage where "... there is cause to assume that the substances are intended for the illicit manufacture of narcotic drugs or psychotropic substances".

12. FERTILIZERS CONTAINING CADMIUM

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending Directive 76/116/EEC on the approximation of the laws of the Member States relating to fertilizers, as regards the marketing in Austria, Finland and in Sweden of fertilizers containing cadmium
(COM(98) 44 final - 98/0026 COD)

(CES 624/98 - 98/0026 COD)

Rapporteur working alone: Rudolf STRASSER
(Germany - Various Interests)

Gist of the Commission proposal

"Article 7 of Directive 76/116/EC¹⁰, the mother Directive on fertilizers, stipulates that Member States may not on grounds of composition, identification, labelling or packaging prohibit, restrict or hinder the marketing of fertilizers marked 'EC-Fertilizers' which comply with the provisions of Directive 76/116/EEC and are included in the Annexes thereto.

¹⁰ OJ N° L 24, 30.1.1976, as last amended by Council Directive 97/63, OJ No. L 335, 6.12.1997

In particular, Member States may not prohibit, restrict or hinder the marketing of EC-Fertilizers because of their content of cadmium as a cadmium limit is not specified in Directive 76/116/EEC and the Annexes thereto. However, when Austria, Finland and Sweden - which for years have restricted the marketing on their territories of fertilizers containing cadmium - acceded to the EU, they negotiated derogations from Article 7 up until 1 January 1999.

The Accession Treaties provide that Article 7 of Directive 76/116/EEC does not apply to Austria, Finland and Sweden, and that such article has to be reviewed within the derogation period according to EC procedures. In the context of this revision, the Commission has now concluded that further work is needed to identify data requirements, gather data, analyze the data, and come to definitive conclusions on the risk posed by cadmium in fertilizers in the EU. This means that the review will not be completed on the four years as planned but will continue beyond December 1998 (estimated completion 31 December 2001).

As a result, and with regard to the specific situation in Austria, Finland and Sweden, the derogations from Article 7 should be supplemented by a further derogation beyond 1 January 1999. The purpose of the present Directive is, therefore, to amend Article 7 of Directive 76/116/EEC so as to provide a derogation for Austria, Finland and Sweden allowing them to restrict the marketing of fertilizers because of cadmium content during the period 1 January 1999 to 31 December 2001."

Gist of the opinion

The Economic and Social Committee endorses the Commission proposal that, notwithstanding Article 7 of Directive 76/116/EEC, Austria, Finland and Sweden should be allowed to retain their limit values for cadmium from 1 January 1999 to 31 December 2001, bearing in mind that cadmium is a highly sensitive issue in these countries.

The Committee also endorses the further studies planned by the Commission to investigate the environmental impact of cadmium in fertilizers and the possible human risks involved. However, these studies should be concluded in time for Community rules restricting cadmium in fertilizers to be drawn up by 31 December 2001 on the basis of their findings. The Committee trusts that the

Member States will lend sufficient support to the Commission in its work.

13. DANGEROUS SUBSTANCES - 18TH AMENDMENT

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive amending for the 18th time Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations
(COM(97) 738 final - 98/0005 COD)

(CES 639/98 - 98/0005 COD)

Rapporteur-General: Bo GREEN (Danmark - Employers)

Gist of the Commission proposal

The 22nd technical adaptation¹¹ of Directive 67/548/EEC¹² on the classification, packaging and labelling of dangerous substances has added 16 new substances that are either carcinogenic, mutagenic or toxic for reproduction (c/m/r) to its Annex. The current proposal seeks to amend Directive 76/769/EEC¹³ on restrictions on the marketing and use of certain dangerous substances and preparations, by incorporating these substances into its Annex so that, in view of their toxicity, they cannot be sold to consumers.

Gist of the opinion

The Economic and Social Committee approves the Commission proposal to amend for the 18th time Directive 76/769/EEC and especially welcomes the steps being proposed by the Commission at Community level to protect consumers from exposure to c/m/r substances.

The Committee, nevertheless, considers that it would be better if the restriction on the sale of such substances would follow automatically after their

11 OJ No L 248, 30 September 1996

12 OJ No L 196 of 16 August 1967

13 OJ No L 262 of 27 September 1976

classification under the requirements of Directive 67/548/EEC.

In this case, it notes that the use of a committee procedure would help to speed up the process of implementing a restriction on the marketing and use of c/m/r substances, although there would have to be prior consultation of the various socio-economic partners and interests involved.

14. SHIPMENTS TO CERTAIN NON-OECD COUNTRIES OF CERTAIN TYPES OF WASTE

Opinion of the Economic and Social Committee on the Proposal for a Council regulation (EC) establishing common rules and procedures to apply to shipments to certain non-OECD countries of certain types of waste
(COM(94) 678 final - 95/0029 ACC)

(CES 640/98 - 95/0029 ACC)

Rapporteur-General: José Ignacio GAFO FERNÁNDEZ (Spain - Employers)

Gist of the Commission proposal

The Commission proposal, which dates back to 1995, aims at establishing common rules and procedures for shipments from the EC to certain non-OECD countries of so-called "green" list (i.e. non-dangerous) waste destined for recovery.

The proposal builds on art. 17 of Council Regulation 295/93/EEC which sets out a general system of supervision and control for shipments of waste within, into and out of the EC. Art. 17 of this Regulation provides that the Commission communicate with all non-OECD countries asking them whether or not they would accept shipments of "green" list waste for recovery without recourse to one of the control procedures set out in the Regulation. A number of countries have either not responded at all the missives sent out by the Commission or have indicated that they do not wish to receive some or all types of "green" list waste. For these cases art. 17 requires that the Commission shall make a proposal to the Council.

For *countries which do not wish to receive shipments* the Commission proposes to apply the so-called "red" list procedure, which means that the proposed shipment may only proceed if and

when the authority in the country of destination gives its prior written consent. This same procedure is also proposed for *countries which have not responded* to the missives of the Commission. Finally, the proposal also contains provisions on a review and a simplified procedure for the amendment of the proposed control system.

The original Commission proposal tabled in 1995 was based on art. 113 of the Treaty (trade with third countries). However, the Council of 20 January 1997 decided that the legal base was to be art. 113 *and* 130 S(1) (environmental protection). This meant that both the European Parliament and the ESC had to be consulted. The "lettre de saisine" of the Council was sent to the Parliament on 30 January 1997; the one to the ESC followed on 31 March 1998. In the meantime, the Parliament gave its opinion in first reading (mid 1997). The Council unanimously reached a "political agreement" in December 1997; a formal common position still has to be adopted.

Gist of the opinion

The Economic and Social Committee:

- acknowledges that Article 113 is the main legal basis, although it takes the view that Article 130 S should also be included;
- considers it necessary that the customs authorities of a Member State should, before authorizing the export of "green" list waste to a non-OECD country, check that the customs and environmental authorities of the receiving country have given formal consent to the shipment. They should also be satisfied that the applicant Community exporting country has properly checked and proven that the receiving plant in the country of destination has the facilities to process, recycle and upgrade the exported waste. This should possibly be endorsed by the authorities of the country of destination before final authorization is given.
- wishes to echo a request made by the European Parliament that certain types of waste, textile waste in particular, which have been appropriately processed and packaged, should no longer be considered as waste and should be transferred to the general regime governing the free movement of goods.

Section for Transport and Communications
Luigi Del Bino, Head of Division - ☎ (32-2) 546 9353

15. SAFETY REQUIREMENTS - CIVIL AVIATION CABIN CREWS

Opinion of the Economic and Social Committee
on the *Proposal for a Council Directive on safety requirements and attestation of professional competence for cabin crews in civil aviation*
(COM(97) 382 final - 97/0212 SYN)

(CES 629/98 - 97/0212 SYN)

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

Gist of the Commission document

The Commission has always maintained that liberalisation of the civil aviation sector should be accompanied by complementary measures in the technical, safety and social fields in order to ensure fair competition, maintain high safety standards and limit socially regressive consequences.

If these objectives are to be achieved, there is a need, in particular, to lay down minimum training and medical requirements for all cabin crew members responsible for safety-related functions.

Current provisions for the training and attestation of competence of cabin crew personnel within the Community vary widely. Given this disparity of approach and the diversity of existing systems within the Community, the Commission sought expert advice to establish if there are objective arguments to support one or other of the approaches.

In the light of the opinions received, and after careful examination of the latest ICAO training manual and current practices in Member States and the industry, the Commission has drawn up this proposal for a Directive which covers, in particular, requirements in respect of initial and recurrent training, procedures for checking compliance and recording of training carried out and attestations of professional competence.

The proposal for a directive is without prejudice to other Community rules on the respective responsibilities of employers and employees. In

particular Directive 89/391/EEC¹⁴ stipulates that the employer has a duty to ensure the safety and health of workers in every aspect related to work, including training.

Gist of the opinion

The Committee welcomes the Commission's initiative, which is aimed at ensuring a high level of safety in the internal air-transport market and constitutes a first major step towards the setting-up of a uniform framework for competition.

The Committee feels that the proposal for a directive is preferable to the JAA procedure (which was the other possible alternative), since the involvement of democratically chosen bodies is important to the creation and acceptance of a single internal market.

The Committee also makes the following comments:

- the Commission must define the term "cabin crew" (Article 1(1)) more tightly; the Committee feels that all persons employed on board in the cabin are cabin crew, so the directive must apply to the entire cabin staff without exception;
- communication on board must also be ensured between passengers and cabin staff, so knowledge of a foreign language would be a sensible and useful prerequisite for admission to initial training;
- it would probably be better if the minimum age of air-transport employees who are in positions of authority over cabin staff (Article 4(1) in the proposal) were set at 21, as is the case in other branches of passenger transport, since authorized cabin crew, who have a big responsibility especially in emergency situations, must have a certain experience of life as well as practical experience of cabin duties.

The Commission should create a clear set of transitional regulations to guarantee legal certainty

for cabin crews who are already appointed and for cabin crews who are not appointed at the time when the directive comes into force. One possibility here is offered by the recurrent training in Annex III which has to be carried out each year. As part of this training the necessary checks have to be passed and the attestations issued in accordance with Article 7(3).

Finally, the Committee calls upon the Commission to adapt the deadline for transposing the directive into national law to current realities. Because of the stage reached in discussions at the Council it is impossible for the Member States to meet the deadline of 1 April 1998.

16. T.E.N. - PORTS AND TERMINALS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision amending Decision No. 1692/96/EC as regards seaports, inland ports and intermodal terminals as well as project N° 8 in Annex III

(COM(97) 681 final - 97/0358 COD)

(CES 630/98 - 97/0358 COD)

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

Gist of the Commission document

The present Commission proposal provides for two amendments to Decision 1692/96/EC on Community guidelines for the development of the trans-European transport network¹⁵, namely:

- **Amendment concerning seaports, inland ports and intermodal terminals**

Decision 1692/96/EC provides a broad framework for the establishment of an integrated, multimodal infrastructure network.

In a statement made during the conciliation stage of the co-decision procedure, and appended to the Decision, the Commission announced its intention to submit in 1997, after consulting interested parties and the Member States concerned, a report and, if appropriate, a proposal for seaport projects

using an approach similar to that used in the case of airports.

The present proposal follows from this declaration and therefore seeks to clarify and strengthen the position of seaports, inland ports and intermodal terminals in the trans-European transport network. As a result, it includes several changes to the legal text of Decision 1692/96/EC. The main modifications relate to the identification of 300 seaports, 210 intermodal terminals and 35 inland ports in the outline plans (schematic maps) in Annex I to the Decision.

- **Amendment of project No. 8 in Annex III**

At the European Council held in Essen on 9 and 10 December 1994, the Council endorsed a list of 14 priority projects which was included as Annex III to Decision 1692/96/EC. In accordance with Article 19 of the Decision, Annex III lists those projects identified in Annexes I and II and other sections of this Decision to which the Essen European Council attributed particular importance.

Owing to changes in national planning priorities, the Portuguese and Spanish governments proposed to change project No. 8 "Motorway Lisbon-Valladolid". The project as a whole and its components comply with the objectives and criteria set out in the Decision.

The European Council held in Dublin on 13 and 14 December 1996 endorsed the suggestion by the Portuguese and Spanish governments that priority project No. 8 in List 1 from the Essen European Council should be changed to "Multimodal link Portugal/Spain with the rest of Europe".

The present proposal is therefore to amend accordingly the description of project No. 8 in Annex III and in Article 19 of the Decision.

Gist of the opinion

Though it generally welcomes the Commission's recognition of the important part which ports must play in the European transport network and the vital necessity for them to have effective links with other transport modes, the Committee feels that it is particularly difficult to assess the overall effect of the Commission's proposals in the form in which they are presented. The document should reproduce the amended decision in its entirety with

¹⁵

OJ No C 397 of 31.12.1994.

the proposed changes indicated by typestyle or underlining.

The Commission approach is essentially a fragmented one, dealing as it does with each mode separately and in specific terms. The Committee perceives the necessity for the development of an overall strategy relating the proposals in the various modes to the purpose and objectives of the TEN as set out in Articles 1 and 2 of the 1996 decision. Without such a strategy a conclusive evaluation of the TEN will not be possible.

Although there are references to coastal and short sea shipping in Article 12 and the amended Section 5 of Annex II, there is insufficient recognition of the contribution which the development of these modes can make to the concept of sustainable mobility and the Committee believes that the proposals are an inadequate response to the thrust of its Opinion on the Development of short sea shipping in Europe.

The Committee is unhappy with what appears to be the almost total elimination of road transport from the development of seaports and combined transport in the context of the TEN network. While fully supporting the development of intermodal transport as an essential factor in the maintenance of sustainable mobility it suggests that the Commission cannot ignore the fact that a very substantial proportion of the goods passing through Community ports is currently carried by road and that road transport projects must have some part to play in the integration of ports and terminals in the TEN.

Lastly, the Committee would welcome the presentation in the near future of an overview of the entire trans-European transport network. This should be followed by an assessment based on setting targets in particular for intermodal networking. The Economic and Social Committee would also like to be consulted on this matter as well as on the reports which the Commission is required by Articles 18 and 19 to make on the implementation and revision of the Guidelines.

17. MOBILE AND WIRELESS COMMUNICATIONS

Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Decision on the coordinated introduction of mobile and wireless communications (UMTS) in the Community
(COM(98) 58 final - 98/0051 COD)

(CES 644/98 - 98/0051 COD)

Rapporteur: Michael MOBBS (United Kingdom - Employers)

Gist of the Commission document

The proposal, which follows on from the two communications submitted by the Commission in 1997¹⁶, responds to calls from the mobile sector for greater legal certainty given the scale of investments UMTS requires. The need for certainty was also recognized by both the Telecoms Council¹⁷ and the European Parliament¹⁸ in their recent positions on the development of mobile services.

The proposal therefore lays down the specific conditions for the coordinated introduction by the Member States of the third generation of mobile and wireless communications (UMTS) in the European Union. UMTS will offer users a wireless access to the Internet and other multi-media services in addition to the mobile telephony and messaging services already available today.

¹⁶

Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on the further development of mobile and wireless communications - Challenges and choices for the European Union - COM(97) 217 final, 29.05.97

Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - Strategy and policy orientations with regard to the further development of mobile and wireless communications (UMTS) - Outcome of the public consultation and proposals for creating a favourable environment - COM(97) 513 final, 15.10.97

ESC opinion 1042/97

¹⁷

Council conclusions of 1.12.97

¹⁸

European Parliament Resolution of 29.01.98 - A4-0027/98

The introduction of UMTS will require the following:

- Member States will have to put in place a harmonized system for authorizing such systems by 1 January 2000 in order to allow the provision of UMTS services by 1 January 2002;
- UMTS licensing should seek to ensure the development of pan-European services. This implies that the systems licensed should support roaming;
- authorization systems applied by Member States for the harmonized provision of UMTS services shall take into consideration European standards developed by ETSI with particular importance being attached to a common, open and internationally competitive air-interface standard;
- the timely availability of spectrum will directly impact on how competitive the UMTS market will be. This will be achieved by way of mandates given to the European Conference of Postal and Telecommunications Administrations;
- end-to-end interoperability in a pan-European UMTS environment is vital.

Gist of the opinion

The Committee congratulates the Commission on the speed of its actions in connection with UMTS where the need to capitalize on Europe's success of GSM is paramount. A clear and stable regulatory framework is needed to enable development to proceed which will advance European mobile and wireless technologies.

The Committee welcomes the proposed decision and endorses the Commission's objective of facilitating the rapid introduction of UMTS. UMTS will be developed taking into account the existing GSM platform. The GSM systems will not become redundant and the currently proposed developments for GSM will last for years.

The Committee is particularly pleased to read in the explanatory memorandum that the Commission expects that UMTS should lead to the creation of tens of thousands of new jobs in the Community. However, the Committee would like to see evidence to substantiate this welcomed forecast.

The date for full liberalization of telephony (subject to some derogations) on 1 January 1998 has passed. Whilst the Commission achieved its objective of having in place all the rules and regulations for liberalization by the required dates, their implementation by all Member States is far from complete. The Commission's Third report on the implementation of the telecommunications regulatory package (COM(98) 80 final) highlights a number of areas where progress is far from satisfactory, in fact legal proceedings are being undertaken in a number of instances.

Some of the unsatisfactory areas relate to mobile telephony. This indicates that progress on telephony (fixed or mobile) liberalization varies from one Member State to another. This could be a problem as there may well be difficulties in implementing to schedule and to the same extent and time, the various actions contained in the Commission's proposed decision.

Section for Energy, Nuclear Questions and Research
Nemesio Martinez, Principal Administrator - ☎ (32-2) 546 9794

18. FRAMEWORK PROGRAMME FOR ACTIONS IN THE ENERGY SECTOR (1998-2002)

Opinion of the Economic and Social Committee on the Proposal for a Council Decision adopting a multiannual framework programme for actions in

the energy sector (1998-2002) and connected measures

(COM(97) 550 final - 97/0302 CNS)

(CES 631/98 - 97/0302 CNS)

Rapporteur: Claus-Benedict von der DECKEN
(Germany - Various Interests)

Gist of the Commission's proposal

This proposal for a Council Decision is composed of one explanatory memorandum and seven Annexes:

- Annex I is the decision project.
- Annex II outlines financial aspects of the first area covered by the horizontal action of the prospective analyses and market monitoring.
- Annex III outlines financial aspects of the second area covered by the horizontal action that of the international energy cooperation at present tackled by the SYNERGY programme.
- Annex IV deals with the first area covered by the thematic programmes that of renewable energy sources together with the financial aspects related to it. At present this is covered by the ALTENER II programme.
- Annex V deals with the second area covered by the thematic programmes of energy efficiency and CO₂ emissions together with the financial aspects related to it. At present this is covered by the SAVE II programme.
- Annex VI deals with the development of the CARNOT programme and its financial aspects.
- Annex VII deals with the financial aspects related to cooperation with the New Independent States and the transport of radioactive materials, including the fight against illicit trafficking.

The aim of an Energy framework programme is to ensure the coherence and effectiveness of actions undertaken under energy policy. Programmes have to be incorporated into a more integrated, transparent and effective approach established for a period of five years. The logic of this approach will be based on the links between horizontal actions and thematic actions or programmes.

a) Horizontal actions

By their nature, these actions go beyond any specific programme, making a global contribution to the priority objectives. While they have their own purpose, they will also ensure that actions taken under the thematic programmes in the framework programme are coordinated and will

contribute towards coherence with other Community policies. They cover:

• Prospective analyses and market monitoring

The fundamental aim of this programme and of the actions is to ensure that decisions at national and Community level on energy matters can be taken on common analytical bases. The main areas for actions covered by this programme are *climate change, the opening up of energy market and world energy market.*

• International energy cooperation

The cooperation will take the form of: *advice on energy policy, visits by experts to bodies in third countries, energy studies and forecasts, training actions, coordination of Community instruments involved in international, dissemination of information and exchanges of information.*

The breakdown of the required funding is indicated in Annex III.

b) Thematic programmes

These programmes correspond to specific priority themes under the Union's energy policy.

- Promotion of renewable energy sources and implementation of a strategy and Community action plan in this area. The aim, as emphasised in the ALTENER II programme, is to promote renewable energies through market penetration, extension of infrastructure and circulation of information. The budget is detailed in Annex IV.
- Encouragement of energy efficiency deals with the SAVE II programme.
- Promotion of clean and efficient use of solid fuels deals with the CARNOT programme.
- Cooperation in the nuclear sector on safety: The aim of these measures is to help to improve and computerise the system of accounting and safeguards at all levels industrial collaboration with Russia and the New Independent States and the transport of radioactive materials, including the fight against illicit trafficking: this programme should revolve around six fields of activity

facilitating the functioning of the internal market, evaluating incidents occurring during transport and cooperating between the countries of Central and Eastern Europe and the NIS States to improve safety of transport.

c) Coordination of energy components under other Community programmes and policies

This concerns particularly two types of action:

- **Support for research and technological development (RTD)**

As in the fourth framework programme, programme projects such as JOULE, THERMIE and RTD programme in the field of nuclear safety and controlled thermonuclear fusion based on the

Euratom Treaty with the participation of Joint Research centre, will remain unchanged.

- **Trans European energy networks**

They will remain unchanged.

Attention will also be paid to improve coordination between other programmes such as those of external relations (Phare, Tacis or MEDA), structural funds or investment support.

d) General financial elements

The table below gives an indicative breakdown in million ECU. The estimated budgets are outlined in detail in the Financial Statements in the different Annexes:

	1998	1999	2000	2001	2002	Total
Energy markets analyses and monitoring	1.50	1.53	1.56	1.59	1.62	7.8
International cooperation in the energy sector	7.00	7.14	7.28	7.42	7.57	36.4
Renewable energy sources	14.4	15.6	17	17	17.1	81.1
Energy efficiency	12.5	12.8	13.9	14.6	14.6	68.4
Solid fuels sector	0.80	0.81	0.82	0.83	0.84	4.1
Nuclear security	0.5	0.51	0.52	0.53	0.54	2.6
Total	36.7	38.39	41.08	41.97	42.47	200.4
Nuclear security B7-535	2.5	2.5	2.5	2.5	2.5	12.5

The Economic and Social Committee has issued two opinions regarding the ALTENER II¹⁹ and SAVE II²⁰ programmes.

Gist of the opinion

The Committee welcomes the Commission document as a first step towards a uniform, coherent and efficient approach to energy policy measures, aimed at flexibility and transparency. The need to do more in this priority area is recognized, and a start can now be made on targeted coordination of the many and varied efforts required.

Community energy policy faces major challenges in view of growing import-dependence, worldwide globalization, liberalization of the electricity and

gas markets and the need to consider the environmental situation.

The Committee welcomes the Commission's concentration on three priorities: security of supply, competitiveness and environmental protection and the consequent thrust of its energy policy

The Committee regrets that the energy framework programme contains no summary of major energy policy measures, and that it comprises only DG XVII programmes. Explicit mention should be made in the document of this selection criterion, as it will not be immediately clear to outsiders. The Committee calls on the Commission to make further progress with the integration of energy policy measures.

The network of Directors-General and the single committee will be responsible for coordination at Community or framework programme level. The Committee endorses this approach, provided that

¹⁹ OJ No. C 19 of 21 January 1998

²⁰ OJ No. C 82 of 19 March 1996

future energy policy is consciously reshaped with these two new bodies.

The single committee, which is still to be fleshed out and which will contribute actively to the coordination and transparency of the energy policy measures, must provide added value compared with the existing committees which it is to replace, and it should be suited to taking on their functions.

The Committee agrees with the Commission that coordination between the Directorates-General should be stepped up and an annual summary drawn up of all energy policy actions carried out in the various areas of Community policy, to prevent any future clashes between measures, and it welcomes the Commission's plan to set up a network of Directors-General.

The Committee considers it appropriate, in carrying out prospective analyses and market monitoring, to use and build on other studies and experience. This programme should cover only additional material.

With regard to international cooperation in the energy sector, the Committee supports the SYNERGY programme, but regrets that it was not consulted.

The Committee is in favour of promotion of renewable energy sources and calls for the name ALTENER to be retained, the name being inseparably linked with renewable energy sources; it should also be listed in the title of annex IV.

With regard to promotion of energy efficiency, the Committee agrees with the Commission and is glad that the funding of SAVE II is now secure and that the programme has been extended in time to coincide with the framework programme.

With regard to promotion of clean and efficient use of solid fuels, the Committee can support the CARNOT programme, but points out that the Commission is responsible for ensuring complementarity with other research programmes, such as ECSC and THERMIE II programmes, and for preventing any duplication of work.

The Committee feels that incorporating a small part of the large field of cooperation in the nuclear energy sector into an energy framework programme in such a formal way (financial statement), thus creating uncertainty in the minds

of European citizens, is not the right approach. It has to be established whether perhaps it might be preferable to remove annex VII from the framework programme.

19. RULES FOR PARTICIPATION IN RESEARCH AND DISSEMINATION OF RESULTS

Opinion of the Economic and Social Committee on the Proposal for a Council Decision concerning the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the Treaty establishing the European Community and Proposal for a Council Decision concerning the rules for the participation of undertakings, research centres and universities for the Treaty establishing the European Atomic Energy Community
(COM(97) 587 final/2 - 97/0309 SYN - 97/0310 CNS)

(CES 632/98 - 97/0309 SYN - 97/0310 CNS)

Rapporteur: Henri MALOSSE (France - Employers)

Gist of the Commission's proposals

The document to be examined contains:

- A) Proposal for a Council Decision concerning rules for the participation of undertakings, research centres and universities and for the dissemination of research results (97/0309 (SYN)), the legal basis of which are Article 130j and the second paragraph of Article 130o of the Treaty establishing the European Community and
- B) Proposal for a Council decision concerning the rules for the participation of undertakings, research centres and universities for the Euratom Treaty (97/0310 (CNS)), the legal basis of which is Article 7 of the Euratom Treaty.

These proposals follow the lines of the existing rules which were drawn up for the 4th Framework Programme. They also reflect the conclusions of the Davignon panel assessment, the structure and priorities of the 5th Framework Programme and the

experience gained in managing the 4th Framework Programme.

They are the result of an operation of the innovation within continuity type and they have been carried out with a concern to make the proposed rules transparent and comprehensible.

With regard to continuity, mention should be made of the calls for proposals, published in the Official Journal of the European Communities.

The following are innovations: the inclusion of common definitions for all specific programmes; rules governing the participation of third countries; the participation of legal entities in third countries which have signed an international agreement; the definition of eligible costs and the obligation to disseminate results even if they are not being used.

– **Common points within the proposals**

1. *Number of participants in indirect RTD action*
2. *Conditions for the participation of legal entities from the Member States and Associated States*
3. *Conditions for the participation of the JRC*

The JRC shall be bound by the same conditions and have the same rights and obligations as the legal entities established in a Member State or an Associated State taking part in indirect RTD actions.

4. *Conditions related to resources*

Any legal entity or international organization and the JRC must, when filing a proposal for an indirect RTDT action, have at least the potential resources needed for carrying it out.

5. *Procedures to be applied*
6. *Selection criteria and conditions applicable in accordance with the type of procedure*

The innovative nature of the proposals for an indirect RTD action.

7. *Community financial participation and eligible costs*

Community financial participation shall consist of the reimbursement, in part or in whole, of the eligible costs of the indirect RTD action, in

compliance with the provisions of Annex IV of the 5th Framework Programme. It shall be reimbursable provided the amount has actually been spent and the expenditure recorded in the accounts or the tax documents.

By agreement with the Commission another method may be used: a) in the case of small-scale projects, fixed amounts determined on the basis of an assessment of the estimated costs of the work b) fixed amounts linked to the achievement of contractually agreed objectives.

– **Additional points in proposal A**

8. *Interest of the Community*

The objective of strengthening the international competitiveness of Community industry, the existence of scientific and technical co-operation agreements between the Community and third countries or international organizations and the objective of providing appropriate incentives for maintaining and creating jobs in the Community.

9. *Conditions for the participation of legal entities from third countries and international organizations*

10. *Rules for the dissemination and use of research results*

11. *Final provisions*

– **Additional points in proposal B**

12. *Conditions for the participation of legal entities from third countries and international organizations*

13. *Final provisions*

Provisions which may be laid down in the research and training programme relating to controlled thermonuclear fusion and to energy systems connected with nuclear fission and implementing procedures.

Gist of the opinion

The Committee seeks to present a set of general comments on four main requirements: an administrative framework which must not be a succession of obstacles; consistency between the 5th Framework Programme for RTD, cohesion policy,

employment and involvement of SMEs; the competitiveness of European industry; a radical reform of the procedures for allocating Community assistance to research projects.

Given the innovative nature of the fifth RTD framework programme, the Committee proposes a tool for comparison with the fourth framework programme and a "vademecum" to enable the user to find a summary of all the new rules and the philosophy of the fifth framework programme.

The Committee regards it as essential to lay down uniform rules for participation in all types of action (research, applications etc.) and recommends clarification and extension of the definitions proposed, such as flat-rate payments of general costs, proximity to the market and protection of know-how.

The Committee regrets that the proposed rules for participation in and dissemination of RTD are based on an insufficiently precise definition which excludes large numbers of SMEs, and proposes a distinction between three categories of enterprise: those which have a well-established RTD capacity and supply or make use of technology; those which can be described as "vanguard" enterprises and are able to identify, define and express RTD requirements, but have to outsource research work; and those which merely make use of the products of technological research.

Taking account of the difficulties which SMEs have in defining their real technology needs, the Committee stresses the need for complementary measures for participation in the RTD framework programme, and in particular rules giving access to the programme to intermediaries as "technological mediators", and the strengthening of the advisory and flanking role of information networks in the field.

The Committee proposes the insertion of a specific paragraph on this third category of enterprises, differentiating on the basis of technological level and guaranteeing a priori access to research for non-high-tech SMEs (cooperation).

The Committee stresses the importance of seeking consistency between the new approach of the 5th RTD framework programme and the priorities of Community policy, in the forefront of which are cohesion and employment.

The Committee takes the view that the coherence of RTD actions in Europe must be ensured by coordination with other Community programmes, integration of information and advice networks and by more active promotion of technology dissemination and its commercial use.

The Committee calls for any reflections and proposals on technological and economic development to take full account of the international competitiveness factor, and indicate this more explicitly.

The ESC advocates trying out simplified procedures, and recommends decentralization of the "preselection" arrangements, a permanent, generally available mechanism for calls for expression of interest, and coordination with national arrangements or the Eureka programme.

20. ENERGY FOR THE FUTURE: RENEWABLE SOURCES OF ENERGY (WHITE PAPER)

Opinion of the Economic and Social Committee
on the *Communication from the Commission on Energy for the Future: Renewable Sources of Energy (White Paper for a Community Strategy and Action Plan)*
(COM(97) 599 final)

(CES 633/98)

Rapporteur: Peter MORGAN (United Kingdom - Employers)

Gist of the Commission communication

The Communication from the Commission *Energy for the Future: Renewable Sources of Energy - White Paper for a Community Strategy and Action Plan* (COM(97) 599 final) is divided as follows;

1. The general framework

Introduction

The contribution of renewable sources of energy (RES) to the overall energy consumption is less than 6%. RES are indigenous, and can therefore contribute to reducing dependency on energy imports and increasing security of supply. Development of RES can contribute to job creation especially among SMEs.

The need for a Community strategy

Significant technological progress has been achieved thanks to the various Community RTD and demonstration programmes such as JOULE-THERMIE, INCO and FAIR. With the ALTENER programme, the Council adopted for the first time a specific financial instrument for renewables promotion. Without a clear and comprehensive strategy accompanied by legislative measures, their development will be retarded.

The debate on the green paper²¹

As a first step towards a strategy for RES, the Commission adopted a green paper in 1996. The Council Resolution²² stated that priorities should be based on regulatory measures to stimulate the market, investment aid and dissemination of information. The European Parliament proposed a goal of 15% share of renewables by 2010.

2. Main features of the action plan

Internal market measures

The following is a list of priority measures aimed at overcoming obstacles and to reach targets:

- Fair access for renewables to the electricity market:¹
 - with regard to network access, avoiding discrimination between electricity produced from solar radiation, biomass (below 20 MWe), hydroenergy (below 10 MWe) and wind.
- Fiscal and finance measures:
 - flexible depreciation of renewable energies investments;
 - favourable tax treatment for third party financing of RES;
 - start up subsidies for new production plants, SMEs and new job creation;
 - financial incentives for consumers to purchase RE equipment and services.

²¹ OJ No. C 206 of 7 July 1997

²² Council Resolution No. 8522/97 of 10 June 1997.

- New Bioenergy initiative for Transport, Heat and Electricity
- Improving building regulations: its impact on town and country planning

Reinforcing Community policies

- Environment
 - RES will play a key role in meeting the Union's CO₂ emission reduction
- Growth, Competitiveness and Employment
 - strengthening the competitive edge of European Industry in the global renewable energies market;
 - investigating opportunities for the creation of new SMEs and jobs;
 - introducing RES issues in the actions addressed to SMEs under the social fund.
- Competition and State Aid
- Research, Technological, Development and Demonstration
- Regional Policy
 - favouring the use of local resources and therefore indigenous development;
 - being labour intensive, they could create jobs.
- Common agricultural policy and rural development policy
 - developing energy crops and utilising agricultural and forestry residues as raw material;
 - giving support for bio-based renewable;
 - supporting the regions by co-financing RES projects as it is already possible under the LEADER programme.
- External Relations
 - support for cooperation with emerging economies;
 - support for exporters;
 - cooperation with international financing organizations.

Support measures

- Targeted promotion
 - In order to enhance the impact of ALTENER in RES actions will be targeted on assisting biomass, solar thermal and PV, buildings, wind, small hydro and geothermal to penetrate the market.
- Market acceptability and consumer protection
 - consumer information on quality goods and services for renewable energies;
 - the EU joint research has an important role giving technical support to the CEN and CENELEC in the Framework of ALTENER;

- the SAVE II programme is ideally situated to perform as an information point and consumer advice.

- Better positioning for RES on the institutional banks and commercial finance market

3. Campaign for take-off

Many parties can be potentially active in a campaign to promote renewables: (the regions, municipalities, the oil and car industries, town and country planning bodies, industry associations).

Key Actions

- 1,000,000 Photovoltaic Systems
- 10,000 MW of large Wind Farms
- 10,000 MWth of biomass installations
- integration of Renewable Energies in 100 Communities

Estimates of some costs and benefits

CAMPAIGN ACTIONS	PROPOSED NEW INSTALLED CAPACITY	ESTIMATED TOTAL INVESTMENT COST (IN ECU BILLION)	SUGGESTED PUBLIC FUNDING (IN ECU BILLION)	TOTAL AVOIDED FUEL COSTS (IN ECU BILLION)	CO ₂ REDUCTION (MILLION Tn/YEAR)
1,000,000 PV systems	1,000 MWp	3	1	0.07	1
10,000 MW Wind farm	10,000 MW	10	1.5	2.8	20
10,000 MW Biomass	10,000 MWth	5	1	-	16
Integration in 100 Communities	1,500 MW	2.5	0.5	0.43	3
Total	-	20.5	4	3.3	40

The Commission's document contains also three annexes:

Annex 1:
Preliminary Indicative Action Plan for RES 1998-2010

Annex 2:
Estimated Contributions by Sector - A scenario for 2010 (Biomass, Hydro Power, Wind Energy, Solar

Thermal, Photovoltaics, Passive Solar, Geothermal and heat pump, other renewable technologies, achieving the overall Community objective for RES, estimated RES contributions in electricity and heat generation, assessment of some of the costs and benefits)

Annex 3:
Member States' plans and actions for the development of renewables (+ six tables)

The Economic and Social Committee was consulted and issued an opinion on the Green Paper on SAVE II²³, JOULE THERMIE²⁴ and ALTENER II²⁵ programmes. However, it was not consulted on the SYNERGY programme.

Gist of the opinion

The Economic and Social Committee endorses the EU strategy and action plan set out in the white paper and supports the proposals for its implementation over the period to 2010. However the scale and radical nature of the programme means that it can only succeed if there is a fundamental change of attitude in a number of areas.

The Committee endorses the view that fair access for renewables to the internal electricity market is central and fundamental to the whole renewable energy project; such access must be provided for when the directive is being transposed into national law.

In order to boost the production of renewable energies and to promote investment funding by the private sector, the Committee emphasizes that, in addition to other fiscal and financial measures the Member States will have to put into place guaranteed long term price programmes.

The programme for biofuels should take account of the likely place of technological development.

As regards improving building regulations, the Committee agrees that it is important to integrate measures for rational use of energy with the use of renewable energy technologies. All buildings used by central and local government and public authorities need to be checked for energy efficiency and if possible for photovoltaics.

The Committee notes that the measures proposed under other Community policies are consistent with the green paper and the Committee's response to it.

The Committee endorses the need to strengthen cooperation between the Member States despite the serious discrepancies in levels of advancement both as regards renewable energy implementation in the Member States and between the technologies themselves. In order to achieve the 12% target the Member States must make maximum use of their available renewable energy potential.

The Committee agrees that action programmes designed to meet the penetration objectives for the targeted technologies will provide a move focused framework for actions under ALTENER II. The projects supported by both ALTENER II and the Fifth Framework Programme need to be specifically linked to the white paper initiative.

The Committee endorses the take-off campaign for renewable energy sources, but stresses that the list of interested parties is incomplete. The Committee approves the three technologies chosen for the campaign, but is seriously concerned by the scale and complexity of the biomass programme. Moreover, the other technologies will need sustained support.

Implementation by the Member States must be coordinated at EU level. The Committee welcomes the intent of the Commission to produce a regular communication to evaluate the success of the strategy and to recommend a revised direction and/or new actions.

21. PROPOSAL FOR A COUNCIL DECISION APPROVING AMENDMENTS TO THE STATUTES OF THE JOINT EUROPEAN TORUS (JET), JOINT UNDERTAKING

Opinion of the Economic and Social Committee
on the *Proposal for a Council Decision approving amendments to the Statutes of the Joint European Torus (JET), Joint Undertaking*
(COM(98) 13 final)

(CES 634/98)

Rapporteur: Neville BEALE (United Kingdom - Employers)

23 OJ No. C 82 of 19 March 1996.

24 OJ No. C 393 of 31 December 1996.

25 OJ No. C 19 of 21 January 1998

Gist of the Commission proposals

The proposals provide for:

Amendment of the regulations applicable to the staff of the Project Team

In its judgement of 12 December 1996 the Court of First Instance held that Articles 8.4 and 8.5 of the Statute were illegal, insofar as they establish or help to maintain a difference in treatment that is without objective justification and is thus unlawful. The Jet Council confirmed that the JET statutes should be amended.

Acting on the judgement of the Court of First Instance, the JET Council approved a proposal to amend Articles 4 and 8 of the JET Statutes, aimed at replacing the provisions concerning the composition of the Project Team by a new uniform system of secondment of personnel from the Members of the Joint Undertaking having Association Contracts.

Amendments of the membership of the Joint Undertaking JET

- Withdrawal of KFA (Federal Republic of Germany) as Member
- Membership application by FZK (Federal Republic of Germany)
- Ireland to be represented by the DCU (Dublin City University)
- Portuguese replacement of the JNCIT by the ICCTI
- Admission of Austria as a new Member.

Other amendments

- Art. 22 which refers to UK Companies Act 1948 and 1967
- Art. 1.3 concerning membership amendments of the Joint Undertaking
- Art. 4.1.1 which stipulates the composition of and voting rights in the JET Council
- Art. 24.2 empowering only the Commission to submit these amendments to the statutes of the JET Joint Undertaking to the Council of the European Union for approval.

All the amendments to the Statute are set out in an appendix.

The ESC was consulted and issued an opinion on the JET programme on 25 October 1995, as well as opinions on thermonuclear fusion in the framework of the RDT framework programmes.

Gist of the opinion

The Committee endorses the proposed amendments to the JET Joint Undertaking (Point B.2) and the proposed amendments in respect of the 1948 and 1967 UK Companies Act; these are purely administrative amendments.

The Committee feels that the Commission proposal reflects the aim to comply with the Court of First Instance judgement of 12 December 1998 and to end staff problems and their adverse impact on the effective operation of the JET programme.

Section for Social, Family, Educational and Cultural Affairs

Alan Hick, Head of Division ad interim - ☎ (32-2) 546 9302

22. EUROPEAN PATHWAYS FOR WORK-LINKED TRAINING AND APPRENTICESHIP

Opinion of the Economic and Social Committee on the Draft Decision of the Council on the Promotion of European pathways for work-linked training and apprenticeship
(COM(97) 572 final - 97/0321 SYN)

(CES 635/98 - 97/0321 SYN)

Rapporteur: Gérard DANTIN (France - Workers)

Gist of the decision

The recent Commission Communication on the development of apprenticeship in Europe, prepared following the request of the Florence European Council (June 96) showed the importance of apprenticeship, and more generally of work-linked training, in strengthening the employability of young people in training. Cooperation between

enterprises and training establishments/centres - which is one of the objectives stated in Article 127 of the Treaty - facilitates a better integration of young people into the labour market.

The Commission's Communication "Proposal for guidelines for Member States' Employment Policies 1998" anticipating the application of the procedures set out in the Amsterdam Treaty (Article 109Q) has also brought out the key role of apprenticeship systems. This report highlights examples of good practice in work-linked training and apprenticeship systems considering their effects on the integration of young people in the labour market.

In the context of the completion of the single market, and more generally that of the construction of the European Union i.e. a frontier-free area, the mobility of people undergoing training becomes an increasingly important dimension of European citizenship, as well as an instrument of multi-cultural and social integration.

The experience acquired from Community programmes and initiatives, in particular the Leonardo da Vinci programme, show that there is a very strong demand for transnational placements of young people in training including those in higher education (over 100,000 young people have benefited from support of this kind 1995-97). The nature of such placements is very varied - ranging from placement aiming simply to raise awareness to longer more systematic training periods in a company or training centre in another participating country. In a great many cases, however, this training period in another country was not an integral part of the original training: often it represents an additional element without any real impact on the training followed by the participant.

The proposal for a Council Decision presented by the Commission fully respects the spheres of competence of the Member States with regard to the content and organization of their training systems and structures. It is voluntary in nature whenever such systems and structures foresee work-linked training including one or several elements of mobility. It has the dual aim of:

- Defining the content and common underlying principles for those periods of training in another Member State (known as "European pathways for work-linked training and

apprenticeship" or "European pathways") in the context of work-linked training and whenever those periods are integrated into the training followed in the original Member State.

- Making these periods of training more transparent and more visible by means of formal recognition ("EUROPASS-training") of which the content and presentation are defined at Community level and which, for the participants, validate the training and/or work experience undertaken in another Member State.

As indicated above, the "European pathways" and the "EUROPASS-training" do not aim to modify either the organization or the content of Member States' systems or structures, including the rules and arrangements in force in each Member State relating to the procedures and practicalities of awarding diplomas, titles and vocational training certificates. These "European pathways" are voluntary in nature and are not only reserved for those benefiting from an aid for mobility under Community programmes and initiatives in the domain of training. Initially they require a partnership structure to be set up between the organization responsible for training in the original Member State and the "host partner" (enterprise, training establishment or centre) in the other Member State - partnership defining notably the content, the objectives in terms of competences, the duration as well as the practicalities of monitoring "European pathways" in particular to ensure that the quality of the content is maintained.

The implementation of the "European pathways" as well as the monitoring and diffusion of the "EUROPASS-training" require overall animation and coordination at Community level, in close cooperation with the Commission, Member States and the social partners which play an important role in the domain of vocational training. This is the reason why the proposal for a decision foresees accompanying and facilitating measures: designation for each Member States of a unit for the purposes of ensuring promotion, diffusion and qualitative evaluation of the actions implemented but also to make the necessary arrangements to facilitate equal opportunities in accessing the "European pathways". For its part, the Commission will set up a mutual information and coordination system.

The Council is invited to rapidly adopt this proposal for a decision. The setting-up of "European pathways" and of "EUROPASS-training" should, in turn, support the development of work-linked training and apprenticeship in Member States in the more general context of policies implemented to support growth, competitiveness and employment.

Gist of the opinion

The Committee has issued a number of opinions on the general subject of vocational training. The Committee's appraisal of the draft Council decision takes account of these earlier opinions.

The Committee takes the view that, although a significant number of questions have yet to be answered, the draft Council decision is a step in the right direction; it does, however, fall far short of constituting an acceptable vehicle for implementing the views expressed earlier by both the Commission and the ESC. The Committee urges that this proposal should not be regarded as an end in itself; it does in fact represent only a small step towards the establishment of the legal framework, in particular the specific legal framework for apprenticeship, advocated by the Committee. Moreover the proposal must not exclude EU citizens solely on the grounds that the domestic legislation in their country makes no provision for intra-EU training.

The Committee would ask the Commission to pursue its appraisal with a view to drawing up a legal framework, in line with the terms of its

communication on the promotion of apprenticeship training in Europe (COM(97) 300 final). The objective should be to promote the mobility of apprentices and the recognition of diplomas (CES 110/98). The Committee awaits with interest the outcome of this overall appraisal. The Committee considers it necessary to avoid dispersion of resources and proposes adoption of an effective overall strategy for apprenticeship, in the form of an internally consistent package of measures for promoting and developing apprenticeship. This system should be introduced in the Member States where it does not yet exist. The Committee urges the Commission to lose no time in extending the legal basis of its proposal to embrace Articles 48 and 51 of the Treaty and Directive No. 93/96/EEC on the right of abode of students.

On the subject of EUROPASS Training, in particular, the Committee takes the view that the "significant duration" should be a minimum of three weeks; it calls for appropriate budgetary provision in order to guarantee the scheme a minimum of credibility.

The Committee recalls that the development of mobility and the success of the EUROPASS scheme hinge on participation in the development and monitoring of the scheme by all the relevant public and private operators involved in work-linked and apprenticeship training. The Committee also considers that the mobility must concern not only persons in training but also those providing that training.

Section for Agriculture and Fisheries

Francisco Vallejo, Head of Division - ☎ (32-2) 546 9396

23. FARM PRICES 1998/1999

Opinion of the Economic and Social Committee
on the *Commission proposals on the prices for agricultural products (1998/1999)*

(COM(98) 51 final - 98/0034 CNS au 98/0049 CNS, 98/0805 CNS et 98/0806 CNS)

(CES 636/98 - 98/0034 CNS au 98/0049 CNS, 98/0805 CNS et 98/0806 CNS)

Rapporteur: Pedro Mauricio BARATO TRIGUERO (Spain -Various Interests)

Gist of the Commission proposal

The proposals renew, to a large extent, existing price provisions, and peg the 1999 agriculture budget at 1998 levels, pending arrival of the CAP reform proposals announced in Agenda 2000.

There are some minor adjustments concerning:

- **hemp**: in view of the steady growth in output, a 25% reduction in per hectare aid, from ECU 716.63/ha to ECU 537.47/ha;
- **wine**: pending reform of the sector, extension for a further marketing year of the ban on new planting of vines for the production of table wine, and of the scheme for the permanent abandonment of wine-growing areas;
- **beef**: increase in the regional ceilings for Spain and Portugal on the number of male bovine animals eligible for the special premium, and extension for one year of the reduction in the ceiling for male bovine animal and suckler cow premium rights, granted in 1996 for the marketing years 1997 and 1998;
- **rice**: pursuant to the reform adopted by the Council in 1995, the intervention price for paddy rice is lowered from ECU 333.45 per tonne (marketing year 1997/98) to ECU 315.9 per tonne.

Gist of the Opinion

The Committee is critical of the Commission proposal which involves freezing prices and related measures already in force. The ESC feels that the Commission does not take account of the slump in farm incomes in 1997, or of the fact that budgetary commitments are almost ECU 2,500 million under budget.

The Committee refers to the proposed funds earmarked for the various products and comments on cereals, rice, protein crops and hemp. The ESC says that the 25% cut in production aid for hemp is not the best way of stabilizing areas used for this crop.

24. SPECIAL PROVISIONS FOR WINES

Opinion of the Economic and Social Committee on the *proposal for a Council Regulation (EC) amending Regulation (EEC) No. 823/87 laying down special provisions relating to quality wines produced in specified regions*
(COM(98) 86 final - 98/0053 CNS)

(CES 637/98 - 98/0053 CNS)

Rapporteur: José Maria ESPUNY MOYANO
(Spain - Employers)

Gist of the Commission proposal

The aim of this regulation is to allow the Member States to make bottling in the specified region of production compulsory for certain quality wines psr under certain objective conditions, i.e. if:

- bottling within the region of production gives the wine special characteristics or constitutes an important factor in preserving the special characteristics acquired;
- the overwhelming majority of the operators in the sector are in favour of such an obligation regarding bottling.

Gist of the opinion

The Committee welcomes the Commission proposal.

25. CMO IN SHEEPMEAT AND GOATMEAT

Opinion of the Economic and Social Committee on the *Proposal for a Council Regulation (EC) on the common organization of the market in sheepmeat and goatmeat*
(COM(98) 88 final - 98/0062 CNS)

(CES 638/98 - 98/0062 CNS)

Rapporteur: Leopoldo QUEVEDO ROJO (Spain - Various Interests)

Gist of the Commission proposal

The purpose of this proposal for legislative consolidation of Council Regulation (EEC) No. 3013/89 of 25 September 1989 on the common organization of the market in sheepmeat and goatmeat, is to undertake official codification. The content of the various directives incorporated in it is fully preserved.

Gist of the opinion

The Committee approves the Commission proposal.

Section for External Relations, Trade and Development Policy

Georgina Willems, Head of Division - ☎ (32-2) 546 9471

26. TACIS TECHNICAL ASSISTANCE TO THE COMMUNITY OF INDEPENDENT STATES AND MONGOLIA (*Own-initiative opinion*)

Opinion of the Economic and Social Committee on TACIS - Technical assistance to the Community of Independent States and Mongolia

(CES 641/98)

Rapporteur: Filip HAMRO DROTZ (Finland - Employers)

Case for drawing up an own-initiative Opinion on TACIS

After the collapse of communism, the European Council at the Rome summit of December 1990 set up an assistance programme intended to develop new economic and political links. This programme was formally established by a regulation adopted by the Council of Ministers in July 1991. Five priority sectors were identified: training in public and private administration, energy, transport, financial services and food distribution.

The Community's TACIS programme (Technical Assistance to the Community of Independent States) is the largest international programme of support for the economic and democratic reforms in the former Soviet Union. Over its first four years of operation (since 1991), more than ECU 2,200 million was devoted to launching about 2,500 projects. The European Union as a whole and its Member States provided two thirds of the total world aid allocated to the newly independent states.

The new regulation, adopted for this programme in 1996, broadens the scope of cross-frontier cooperation and of the funding projects developed at the same time under the INTERREG and TACIS programmes, and the TACIS and PHARE programmes. The list of priority sectors in this regulation has been extended to include environmental protection. The new TACIS programme remains essentially a technical assistance programme, even though it now makes

possible the funding of joint ventures and small infrastructure projects. In future TACIS will also help to prepare the beneficiary countries for their accession to the WTO, and in internal affairs, such as measures to combat organized crime and drug dealing.

Thus, assistance no longer focuses exclusively on economic and political transformation, but also covers support for the institutions, NGOs, associations and foundations that play a role in civil society.

The introduction of multiannual programming has given TACIS a medium-term perspective and planning capacity. The grant of assistance is linked to respect for human rights, democratic values and the establishment of a state governed by the rule of law.

An Own-Initiative Opinion on the TACIS programme is justified by

- the scale of the programme and its importance for the beneficiary countries;
- the fact that it is an established programme and an assessment can be made on the basis of the many projects already carried out or in progress;
- the innovations recently made in the TACIS programme, and its development;
- the strategic importance to European stability of effective cooperation with Russia and the newly independent states.

Gist of the Opinion

The Community's Tacis-programme (Technical Assistance to the Commonwealth of Independent States) was created in 1991 to provide *essentially technical assistance* to the New Independent States (NIS) and Mongolia (from 1992) to make the transition to a market economy and promote the democratisation process. The three Baltic states were transferred to Phare programme in 1992.

The Economic and Social Committee notes that so far the Tacis programme has been successful in achieving its stated objectives. The ESC sees that the Tacis programme is a prominent tool for developing relations between the EU and partner countries which is to be strengthened by the entry into force of the Partnership and Cooperation Agreements (PCAs).

The ESC makes several recommendations to improve efficiency of the current Tacis programme and also gives guidelines to the preparation of the new Tacis Regulation:

- adequate attention to be paid to the effective maintenance and developments of programmes;
 - dissemination of information on Tacis in the partner countries should be improved;
 - continued efforts to be made in supporting reform processes and the creation of a well-functioning market economy along with an effective labour market and an effective social dialogue;
 - consider the separation of the Nuclear Safety Programme from the framework of the Tacis programme and increase resources devoted to regional programmes. Improve the management and coordination of projects under the Tacis Cross Border Cooperation (CBC) Programmes;
 - need to simplify and streamline administration of programming under Tacis and speed up project preparations and implementations to use funds allocated to Tacis more efficiently;
- transfer more responsibility to partner countries in managing Tacis programmes and encourage partner initiatives. It should be endeavoured to link Tacis projects to actual development projects in partner countries in part to secure better co-financing;
 - improve social dialogue in managing Tacis and to this end, efforts to be made in setting up advisory mechanisms in partner countries;
 - encourage participation of socio-economic operators in the EU in passing their expertise and know-how to Tacis countries;
 - secure adequate funding for the new Tacis Regulation and better coordination of financial sources with other international and national donors;
 - boost domestic and foreign investment through Tacis assistance in creating stable banking system, stock market and improving stable ownership base and legal framework in the partner countries.

Appendix A draws on relevant information and background documents of the European Commission. The questionnaire that was sent to some of the European professional organizations as well as to their counterparts in the Tacis partner countries along with the answers is presented in *Appendix B*. Record of the Hearing, that was held in Brussels in January 1998, makes up the *Appendix C*.

Section for Economic, Financial and Monetary Questions
Arie Van de Graaf, Head of Division - ☎ (32-2) 546 9227

27. 1998 ANNUAL ECONOMIC REPORT

Opinion of the Economic and Social Committee on the *Communication from the Commission entitled Growth and Employment in the stability-oriented framework of EMU - Economic policy reflections in view of the forthcoming 1998 Broad Guidelines*

(COM(98) 103 final)

(CES 646/98)

Rapporteur: Bernard de BIGAULT du GRANRUT
(France - Various Interests)

Gist of the Communication from the Commission

The Commission has submitted its 1998 annual economic report:

- has been issued in a new form: it summarizes the major challenges confronting the EU, namely growth and employment;
- comes at a historic moment in time, namely in the run-up to the decisions on the third stage of economic and monetary union (participating states, rates of exchange); and
- coincides with a period of exceptional stability, in view of the degree of convergence achieved by the Member States as they move towards EMU.

The Commission's Communication is entitled "Growth and employment in the stability-oriented framework of EMU - Economic policy reflections in view of the forthcoming 1998 Broad Guidelines". The Broad guidelines of the economic policies of the Member States and of the Community" will increasingly function as the benchmark for the economic policies of the EU and its Member States and also for the policies which fall within the remit of the EU social partners and socio-economic associations.

Gist of the opinion

Employment remains the major challenge facing not only the Member States and the EU, but also the socio-economic organizations. The goal should be sustained strong growth in order to generate a sufficient number of jobs to offset productivity gains and the number of new arrivals on the labour market and thereby bring down the level of unemployment, as soon as possible, to levels which can be supported by society. Unemployment continues to have serious consequences in terms of individual suffering and hardship; it is therefore unworthy of a highly-developed industrial society. Unemployment brings about the destruction of human resources, thereby giving rise to enormous costs. Unemployment jeopardizes the credibility of politics in the eyes of the public, whereas we should endeavour to increase this credibility and acceptability with a view to future projects, such as the single currency and EU enlargement.

The driving forces of growth should shift more quickly towards increased investment and private consumption. Vocational training and other structural measures to facilitate the achievement of a better balance between supply and demand on the labour market remain necessary.

The broad economic policy guidelines are a very important tool for coordinating the economic policies of the Member States. These guidelines should continue to target growth and job-creation, whilst being backed up by: EMU, the Stability and Growth Pact, the social dialogue, the macroeconomic strategy geared to growth and employment and appropriate structural measures.

Finally, the Committee calls upon the EU, the Member States and the social partners to reach the consensus in respect of structural policy that they have already achieved for macro-economic policy, so as to enable the latter policy to fulfil all its job-creating potential.

II. FUTURE WORK

FOR INFORMATION

- Deliberate release into the environment of genetically modified organisms (**ENV-SEPT**)
COM(1998) 85 final - 98/0072 COD
- Registration and use of recertificated subsonic aircraft (**ENV-JULY**)
COM(98) 98 final - 98/0070 SYN
- Public health policy (**ENVI-SEPT**)
COM(1998) 230 final
- Examination requirements for safety advisers for road, rail or waterway transport of dangerous goods (**TRA-SEPT**)
COM(1998) 174 final - 98/0106 SYN
- Transport and CO₂ (Communication) (**TRA-SEPT**)
COM(98) 204 final
- Common organization of the market in raw tobacco (**AGR-MAY**)
COM(1998) 19 final - 98/0027 CNS
- Protection of laying hens kept in various systems of rearing (**AGR-SEPT**)
COM(98) 135 final - 98/0092 CNS
- Reform CMO/olive oil (**AGR-MAY**)
COM(1998) 171 final - 98/0098 CNS
- Community aid for agriculture and rural development in the CEEC (**EXTREL-NOV**)
COM(1998) 153 final - 98/0100 CNS
- Community statistical programme 1998-2002 (**ECO-MAY**)
COM(97) 735 final - 98/0012 CNS
- Common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (**ECO-MAY**)
COM(98) 67 final - 98/0087 CNS
- 17th report on competition policy (**IND-DEC**)
SEC(1998) 636 final
- Action plan against racism (Communication) (**SOC-SEPT**)
COM(1998) 183 final
- Undeclared work (Communication) (**SOC-TO BE DETERMINED**)
COM(1998) 219 final

IN ANTICIPATION

- Interior fittings of motor vehicles (**IND-TO BE DETERMINED**)
COM(1998) 159 final - 98/0089 COD
- Community Customs code (**IND-SEPT**)
COM(1998) 226 final
- Approximation on legislation on fuel tanks (**IND-JULY/SEPT**)
COM(1998) 97 final - 98/0071 COD
- Free movement on maritime transport services (**TRA-TO BE DETERMINED**)
COM(1998) 251 final
- Obligation to maintain minimum stocks of crude oil (**ENERG-SEPT**)
COM(1998) 221 final - 98/0137 CNS
- Strategy for rational use of energy (**ENERG-SEPT**)
COM(1998) 246 final
- Social action programme 1998-2000 (**SOC-TO BE DETERMINED**)
COM(1998) 259 final
- Reform of the CAP (**AGR-JULY**)
 - Financing of the CAP
COM(1998) 158 final - 98/0112 CNS
- Additives in feedingstuffs (**AGR-JULY**)
COM(1998) 216 final - 98/0131 CNS
- Financial Regulation (**ECO-JULY**)
COM(1998) 206 final - 98/0130 CNS

OTHER WORK

- Fostering entrepreneurship in Europe (Communication) (**additional opinion**) (**IND-MAY**)
COM(1998) 222 final

III PRESENCE AND INFLUENCE OF THE ECONOMIC AND SOCIAL COMMITTEE

Activities of the ESC president

The ESC president, Mr Tom Jenkins, addressed the 8th general assembly of the Institut de la Protection Sociale Européenne (French Institute for Social Welfare in Europe), which was held in London on 3 April. His speech was entitled "The Committee's outlook on the construction of Europe, with particular regard to a Social Europe".

During the April plenary session (29-30 April) Mr Jenkins held talks with:

- Mr de Veirman, chairman of the American European Community Association;
- a delegation from the Algerian Economic and Social Council; and
- his opposite number at the Committee of the Regions, Dr Manfred Dammeyer.

Activities of the ESC sections and members

The second conference of European regions and metropolitan areas - held to discuss planning and spatial development in Europe and their implications for the regions - was attended by Mr Moreland, president of the regional development section, on behalf of the Committee (Nice, France, 26-28 March).

Mr von Schwerin took part in the European Seminar on Quality in Local and Public Transport, on 30-31 March in Brussels.

The second international transport conference for the development of transport connections between western Europe, the Mediterranean and the Black Sea was held in Sochi, Russia on 2-3 April. Mr Konz, the president of the Committee's transport section, attended this event. He also attended the XXVI congress of the International Road Transport Union in Marrakech on 22-25 April.

On 6-8 April Mr Pellarini and Mr Moreland represented the ESC at the conference on the European audiovisual industry: Challenges and opportunities of the digital age. The event was held in Birmingham, UK.

Mr Byrne, meanwhile, represented the Committee at a conference in Brussels on 21 April on the Green Paper on supplementary pensions.

The 1998 European Defence Procurement Conference held in Brussels on 23 April was attended by Mr Mobbs on behalf of the Committee.

On 27-28 April Mr Moreland, Mr Sequeira and Mr Boussat took part in a conference on the subject of making preparations for a political strategy for the continent of Europe, held in Berlin.

Other news and activities

On 16 April the ESC's Department for Information and Visits hosted a **Phare-sponsored seminar for a group of senior civil servants from Latvia's State Chancellery**. The day-long event included presentations by departmental staff on the Committee's role in the EU consultative process, and by representatives of the European Commission's DGs IV and XV on various subjects of interest.

The ESC also announced this month this year's recipients of the **François Staedelin bursary programme**. This award enables young people from organizations representing socio-occupational interests or trade unions to carry out research into areas of direct interest to the Economic and Social Committee. More details can be found at the ESC web site at <http://www.esc.eu.int>.

IV. APPOINTMENTS

The Council of the European Union has appointed the following members:

- Mr Ernest Erik Ehnmark (Sweden) to replace Mr Anders Lönnberg, outgoing member of Group II;
- Mrs J.F.E. van der Hooft (Netherlands) to replace Mrs H.C.J. van den Burg, outgoing member of Group II; and
- Mr A.A. Jaarsma (Netherlands) to replace Mr Antoon Stokkers, outgoing member of Group III.

V. INFORMATION VISITS

During the period in question, the following groups visited the ESC:

- Scuola di formazione all'impegno sociopolitico (Italy)
 - Karl-Arnold-Stiftung (Germany)
 - Bisowe des DBB (Germany)
 - St. Philip's High School (United Kingdom)
 - Lycée Lépine (France)
 - Institut européen des Hautes études internationales (France)
 - FOA, Holbæk - delegation of trade unionists (Denmark)
 - Universidad del País Vasco (Spain)
 - Lycée Jacques Coeur (France)
 - Escola superior de Tomar (Portugal)
 - Lycée Dury (France)
 - Universidade Lusiada do Porto (Portugal)
 - Europäisches Institut für öffentliche Verwaltung (Austria)
 - Universidad de Valencia (Spain)
 - ESC du Havre (France)
 - Novo Nordisk (Denmark)
 - Universidade Moderna do Porto (Portugal)
 - Istituto G. Tagliacarne (Italy)
 - Confartigianato (Italy)
 - SKTL Helsinki (Finland)
 - Landeszentrale für Politische Bildung (Germany)
 - JCIS: European Union interpreters (mixed)
 - Delegation of French and Belgian trade unionists (mixed)
 - Lycée Jean-Baptiste Corot (France)
 - University of Wales (United Kingdom)
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