Opinion of the European Economic and Social Committee on the ‘White Paper on the review of Regulation No. 4056/86, applying the EC competition rules to maritime transport’

(COM(2004) 675 final)

(2005/C 157/23)

On 13 October 2004 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the ‘White Paper on the review of Regulation 4056/86, applying the EC competition rules to maritime transport’.

The Section for Transport, Energy, Infrastructure and the Information Society was instructed to prepare the Committee’s work on the subject.

At its 413th plenary session of 15 and 16 December 2004 (meeting of 16 December), and in view of the urgency of the matter, the European Economic and Social Committee appointed Dr Bredima-Savopoulou as rapporteur-general and adopted the following opinion by 148 votes to 12 with 10 abstentions:

1. Introduction

1.1 Maritime transport, an international and globalised activity ‘par excellence’, is basically provided according to two types of services: liner and tramp. Since 1875, liner shipping has been organised in liner conferences, i.e., associations of maritime carriers providing cargo transportation of scheduled, advertised services upon uniform or common rates on particular geographical routes. In the tramp sector, transportation of bulk cargoes dry or liquid is provided under non-scheduled, non-advertised sailings and rates are freely negotiated ad hoc case by case according to conditions of supply and demand. As has most ingenuously been observed, liner services operate like buses whilst tramp-shipping services are the taxis of the seas, i.e. liner conferences offer scheduled services with fixed departures and arrivals whilst tramp shipping offers close knit services depending on the specific demand.

1.2 In 1974, the United Nations Conference on Trade and Development (UNCTAD) adopted the Code of Conduct for Liner Conferences to meet the aspirations of developing countries for greater participation of their carriers in the transportation of liner cargoes. The Liner Code provided the cargo sharing formula of 40 %-40 % in the transportation of liner cargoes between carriers of exporter and importer countries leaving 20 % of liner cargoes controlled by liner conferences to carriers of third countries. The Liner Code was ratified by several EU Member States as well as other developed (OECD) and developing countries and entered into force on 6 October 1983. Therefore, the Liner Code is the basic legal instrument governing the liner trades worldwide. The EU adopted Regulation 954/79 (1) providing the conditions for application of the Liner Code to be compatible with the EC Treaty. Regulation 954/79 (2) (the ‘Brussels package’) in the Commission’s view (at the time of adoption) strikes a balance between the wishes of developing countries for access to liner conferences but also maintains commercial principles between OECD countries and complies with the basic principles of the EC Treaty.

1.3 In 1986, the EU adopted Regulation 4056/86 concerning the application of Articles 85-86 EC to maritime transport. The Regulation makes express reference to Regulation 954/79 and to the UNCTAD Liner Code; its recitals are revealing in that respect. Liner conferences were distinguished between open and closed, depending on whether access was automatic to new entrants or whether acceptance by the conference members was necessary. By Regulation 4056/86 the EC adopted the system of closed conferences coupled with open trades, meaning that effective competition by outsiders was safeguarded and other restrictions of competition by liner conferences were not allowed. Regulation 4056/86 was a Council Regulation, which was an oddity for a competition Regulation. This was basically provided as a recognition of the special features of maritime transport and its international character.

(1) 15.5.1979 concerning the ratification of accession by the Member States to the UNCTAD Liner Code.

1.4 According to Regulation 4056/86 liner conferences were granted a block exemption under certain conditions and obligations. Conferences were allowed to perform several activities (e.g. cargo and revenue allocation among members, coordination of timetables, allocation of sailings among members) which are compatible with EU competition law as well as two hard core restrictions of competition: horizontal price fixing and capacity utilisation. The block exemption of the hard core restrictions was justified on the grounds that conferences had a stabilising effect on liner rates, provided indispensable and efficient services to shippers and were subject to effective competition from outsiders. Regulation 4056/86 is the most generous block exemption Regulation afforded to any industry sector in the European Union. No other industry sector has an exemption from European competition rules for price fixing. Regulation 4056/86 is also unique in that it grants a block exemption of indefinite duration.

1.5 Since 1986, the Commission and the European Court of First Instance, in a number of cases (1), considered several aspects of the conference activities. The Court adopted a number of legal principles in the application of Regulation 4056/86. These principles were emulated by the conferences operating in EU liner trades. Over the years conference activities have been reduced dramatically in both size and scope, due to the changing market conditions. More particularly:

a) Conferences can no longer exercise inland price fixing for the land leg of multimodal transport.

b) Tariffs must not only be common or uniform between the conference members but also with regard to all shippers of the same commodity.

c) Conferences cannot place restrictions on members wishing to enter into individual service contracts with shippers

d) Capacity management is allowed only on condition that it will not create an artificial peak season in conjunction with any rate increases.

1.6 Moreover, Regulation 4056/86 provided that tramp services and cabotage services were activities to which it did not apply. In the absence of a special Regulation, the EC Treaty Articles 85-86 were directly applicable on these activities. The tramp sector was considered as one of the very rare examples of perfect competition worldwide and cabotage services were considered as not producing any significant anti-competitive result in EC trade.

1.6.1 The basic characteristics of tramp shipping can be summarized in ten key points:

— globally competitive markets;

— close to perfect competition model;

— different sub-market segments in response to customer needs;

— competition between sub-markets for cargo;

— volatile and unpredictable demand;

— many small entrepreneurial companies;

— global trade patterns;

— ease of entry and exit;

— very cost effective;

— responsive to development of markets and shippers’ needs.

1.6.2 Overall, the tramp services market is highly fragmented (2). In the past thirty years, bulk pools and specialized trades have emerged to fulfil specific needs of shippers and charterers. Therefore, in the vast majority of cases this market has worked to the satisfaction of charterers/shippers without presenting major problems with competition rules either internationally or in the EU context.

1.7 Currently, there are 150 liner conferences worldwide out of which 28 operate in trades to and from the EU. They basically operate on the three main trades to and from the EU, i.e. the transatlantic trade, the Europe-Eastern Asia trade and the Europe-Australia/New Zealand trade. Their members include both European and non-European liner shipping carriers. Moreover, other conferences ply in the EU/South America trade, the EU/West Africa trade and other areas.

1.8 Most OECD countries recognize the liner conference system and have granted some form of anti-trust immunity. The US recognize the open conference system under the Ocean Shipping Reform Act (3) (OSRA) 1999. Australia provides for a limited exemption for liner conferences under the Australian Trade Practices Act 1974 (Part X) reviewed in 1999, which is currently under re-examination. Canada, Japan and China are similarly recognizing the liner conference system and granting anti-trust immunity or exemptions under conditions.

(1) According to Clarkson Research Studies, ‘The Tramp Shipping Market’ (April, 2004) there are about 4,795 companies owning tramp vessels, only 4 have over 300 ships (i.e., 2% market share) and the average number of ships owned is 5.

(2) Amending the US Merchant Shipping Act 1984.
1.9 In the meantime, the Liner Code, as the basic international instrument governing liner shipping between developed and developing countries, and the liner conference system, as the basic international system for coordination of liner activities, have been consecrated in several legal instruments adopted by the EU.

— The Europe Agreements (most of which are now redundant following the 2004 enlargement) provided a standard clause referring to the principles of the Liner Code and the liner conferences as the basic yardsticks to be followed in the liner trades.

— The EU/Russia Agreement (Art. 39(1) a) and the EU/Ukraine Agreement are couched in similar terms.

— Finally, in the ongoing WTO negotiations on services 'offers' between the EU and other countries were based on the understanding that the Liner Code is an applicable instrument.

1.10 Recent liner regulatory developments indicate that most developed countries (US, Australia, Canada, Japan) have approached the EU system and regulated the liner conference system under similar terms to the EU. Market developments are significant: since the 1980s, independent liner operators (outsiders) have increased their market shares on the main trades to and from Europe to the detriment of conferences. This can be proved by an analysis on a trade-by-trade basis but overall the trades remained open to effective competition. Other practices in the framework of conferences have emerged e.g. liner carriers members of conferences offer services on the basis of service contracts with shippers whereby the shipper agrees to commit a quantity of cargo over a certain period of time to be carried under individually agreed rates with the carrier.

1.10.1 The practice of service contracts has been regulated by EU jurisprudence as well as by US legislation (OSRA 1999) as providing services to shippers. Indeed, in the transatlantic trade 90 % of liner cargo and in the Europe/Australia/New Zealand trade 75 %-80 % of liner cargo are transported through service contracts. Service contracts are strictly confidential between the carrier and the shipper.

1.10.2 Containerisation brought about significant developments in the liner trades. Liner operators have been cooperating increasingly in consortia which perform several liner services but do not engage in price fixing, in the context of consortia. Container shipping is a capital intensive business but provides economies of scale. Under certain conditions, consortia have been granted a block exemption under Regulations 479/1992 (1) and 870/1995 (2) amended by Regulation 823/2000 (3) which will expire on 25 April 2005. Liner consortia constitute a form of cooperation widely applied in liner shipping.

1.10.3 Another form of cooperation are the so-called discussion agreements which emerged in the 1980s and are recognized in other jurisdictions (US, Asia, Australia and South America).

1.11 In 2003, the European Commission repealed the procedural part of Regulation 4056/86 and substituted it by Regulation 1/2003 (4) which is nowadays the implementing Regulation applicable on all sectors of economic activities. Hence, the same provisions on decentralisation of competition procedures apply to the liner sector as in all other sectors. However, Article 32 of Regulation 1/2003 provided an exception from its scope for tramp and cabotage services to and from EU ports.

1.12 In the meantime, the OECD secretariat in a report 2002 (5) concluded that anti-trust exemptions to liner conferences for price fixing activities should be reviewed with the aim to be removed, except where specifically and exceptionally justified but left it to the discretion of individual Member States. The correctness of the OECD report was strongly contested. Hence, it was published as a report of the OECD secretariat only. Moreover, key players (Canada, US, Japan, Australia) declared that they had no intention to change their regimes at this stage.

2. The European Commission's White Paper 2004

2.1 The European Commission, prompted by the Lisbon European Council 2000 undertook a review of Regulation 4056/86. The Lisbon Council called the Commission ‘to speed up liberalisation in areas such as gas, electricity, postal services and transport’. The review process started in March 2003 with a publication of a consultation paper and 36 submissions from stakeholders (shippers, carriers, Member States, consumers). The Erasmus University Rotterdam assisted the Commission in processing the replies. Thereafter, a public hearing was conducted in December 2003 and a discussion paper was issued in May 2004 addressed to Member States. On 13 October 2004, the Commission released a White Paper accompanied by an Annex in which it considers repealing the block exemption from liner conferences. It analyses whether to maintain, modify or repeal the current Regulation and whether to replace it by optional regimes such as the proposal of the European Liner Affairs Association (ELAA). For tramp shipping some form of guidance is suggested. The Commission also invites the Committee to submit comments, within a period of two months.

(3) OJ L 1 of 4.1.2003, p. 1
2.2 The White Paper addresses several basic questions: whether there is still a justification for price fixing/capacity utilisation by liner conferences being granted a block exemption under Article 81(3) EC. The Commission concludes that in the present market circumstances there is no justification to maintain the block exemption to liner conferences because stability of prices can be achieved by other less restrictive forms of cooperation and that the four cumulative conditions of Article 81(3) to justify it are no longer fulfilled.

2.2.1 The White Paper examines whether another legal instrument covering a new business framework of cooperation in the liner trades is appropriate. It concludes that suggestions from stakeholders are invited on an appropriate legal instrument and on an alternative cooperation framework among liners.

2.3 The White Paper examines whether there is still a justification for the exclusion of tramp services and cabotage from the competition implementing rules in Regulation 1/2003. It concludes that no credible consideration has been put forward for a different treatment of those services from all other sectors of the economy. It, therefore, proposes to bring these services under the scope of procedural Regulation 1/2003. It also proposes that for the sake of legal certainty it will consider issuing some form of guidance to facilitate the self assessment of pool agreements by carriers.

2.4. It is noteworthy that the newly established (2003) European Liner Affairs Association (ELAA) to deal with this topic proposed a new business framework for liner shipping cooperation. Namely, it proposes a new business framework of discussion between lines regarding capacity utilisation, market shares, cargo developments by trade, a price index publicly available, discussion of surcharges/ancillary charges.

3. General comments

3.1 The EESC has been following closely developments regarding this issue since the 1980s and adopted two Opinions in 1982 (1) and in 1985 (2) the gist of which was given a follow-up in Regulation 4056/86. Hence, it welcomes the White Paper and the brainstorming exercise launched by the Commission and hopes to contribute significantly towards arriving at a meaningful competition regime in the EU and worldwide.

3.1.1 The Annex to the White Paper provides an analysis regarding the compatibility of liner conferences with the four cumulative criteria of Article 81(3) EC. However, in recent years where capacity utilisation under EU jurisprudence is allowed only on condition that it will not create an artificial peak season in connection with rate increases and conference power to fix prices has largely disappeared (3) one can argue whether the four cumulative criteria of Article 81(3) can still be fulfilled.

3.1.2 The EESC wishes to see more analysis regarding the increasing role of outsiders since the 1980’s. Data available indicate that conferences have not hampered the emergence of outsiders which have acquired significant shares. Hence, effective competition exists and the fourth cumulative criterion of Article 81(3) EC is fulfilled (no elimination of competition). Similarly, data available concerning the transport cost elements in shelf price of consumer goods indicate that it has reached marginal level of percentage. Therefore, one can argue about whether there is a negative price setting by conferences upon consumers.

3.1.3 Regulation 4056/86 was the offspring of the market conditions prevailing in the 1980s. It is part of the package of four maritime regulations adopted in 1986 setting the cornerstones of the common shipping policy of the EU. The conferences enjoyed a generous legal treatment for 18 years under EU law.

3.2 The EESC remarks that whilst the Commission refers to the international position of liner conferences and to the regulatory context in the US, Australia, it does not address its legal implications. Fourteen EU Member States and Norway have signed or acceded to the Liner Code: if Regulation 4056/86 is repealed they will have to denounce the Code. It is noteworthy that according to Article 50 of the Liner Code denunciation of its provisions takes effect one year or later following receipt by the depositary. Regulation 954/79 will have to be repealed. ‘Offers’ to the WTO would have to be modified accordingly. The White Paper does not address the treaty law problems emanating from an eventual abolition of the liner conferences system. The EU will have to address the renegotiation of the EU/Ukraine, EU/Russia agreements.

3.3 Conferences may still remain and develop legitimate activities instead of being abolished. A conference organizes the liner trade between developed and developing countries. If a conference is abolished in the EU end of the trade, what will happen to the other end of the trade? For instance, conferences exist between EU/South America and EU/West Africa and the Liner Code is applicable to them. The White Paper has not addressed these problems.

(2) OJ No. C 344 of 31.12.1985, p. 31
(3) October 2004.
3.4 If a conference can exercise activities which are not restrictive of competition why should the conference system be abolished? This alternative is not explored in the White Paper. Activities such as cargo/revenue allocation, coordination of schedules/sailings may be passing the test of the four cumulative criteria. The Dutch and German Governments in a recent discussion paper (1) explore possible forms of cooperation and possible legal instruments. This initiative should be taken into account. Moreover, some other activities proposed by ELAA and by the German and Dutch discussion paper may also be passing the test of the four cumulative criteria. Therefore, it is not the lifting of the existing block exemption that is a source of concern; it is the unilateral abolition of the liner conference system by the EU without consultation with other major industrialized countries (OECD) or developing countries.

3.5 It is obvious from the above that, whilst abolition of the block exemption may be envisaged, abolition of the liner conferences entails a host of legal problems which should be addressed first. Moreover, the compatibility of the new EU regime with the international regulatory framework has to be achieved. A unilateral EU action is unthinkable since liner conferences are a system existing all over the world. The White Paper does not analyze sufficiently the international implications on the regulatory level (i.e. the international commitments of the EU and its Member States) nor the treaty law problems created from the abolition of liner conferences.

3.6 The EESC maintains that irrespective of their shortcomings and outdated, the Liner Code (and the conference system consecrated by it) remain the cornerstones of the 1986 package of four maritime Regulations constituting phase I of the EU common shipping policy. Three out of the four regulations are based on the Liner Code; Regulation 4058/86 (concerning ‘coordinated transport between various jurisdictions’ and by the German and Dutch discussion paper may also be passing the test of the four cumulative criteria. Therefore, it is not the lifting of the existing block exemption that is a source of concern; it is the unilateral abolition of the liner conference system by the EU without consultation with other major industrialized countries (OECD) or developing countries.

3.8 The EESC is aware of the fact that such an exercise may be time consuming. Therefore, until another system be agreed internationally to replace the Liner Code and until a coordination between various jurisdictions takes place regarding the replacement of the liner conference system in the regulatory field, it proposes to repeal Regulation 4056/86 by introducing a new Commission Regulation. The new Regulation should provide a block exemption under strict terms complying with the specific yardsticks of EU jurisprudence (e.g. TACA case and other cases).

3.9 A total deregulation without a new legal instrument in place is not an advisable course of action for additional reasons: Under the newly created European Competition Network (ECN) (2) there will be a decentralisation of the handling of competition cases by national authorities. With the EU enlargement, the ten new Member States may require advice both on substance and procedure. There will be need for an educational period to familiarize them with market economies especially taking into account the absence of competition authorities in some of them. There will be need for a Regulation providing specific yardsticks on eventual anticompetitive practices of various forms of cooperation in the liner trades. Otherwise, it will become a lawyers’ paradise entailing a diverging application of EU law in its Member States.

3.10 The EESC believes that decentralization of competition procedures should not coincide with deregulation of the liner system. For all these reasons, deregulation is not advisable at this stage. Moreover, deregulation may increase concentration and reduce the number of carriers in the market.

3.11 The White Paper proposal regarding the treatment of the tramp and cabotage services can be accepted. It is anticipated that the vast majority of cases would not raise competition problems (3). For the sake of legal certainty, however, it is sensible for the Commission to provide legal guidance regarding bulk pools and specialized trades in their self assessment regarding their compatibility with Article 81 EC bearing in mind that notifications of agreements and opposition procedures are not allowed anymore.

(1) Regulation 1/2003.
(2) Indeed, the tramp services sector has been characterized as a model sector of perfect competition: William Boyes, Michael Melvin, ‘Microeconomics’, 1999 Houghton Mifflin College, 4th Edition.

(3) October 2004.
(4) Regulation 4055/86 of 22.12.1986 (applying the freedom to provide services to maritime transport between Member States and between Member States and third countries) is based on the UNCTAD Liner Code. Article 4(b) provides a phasing out of existing cargo sharing arrangements by direct reference to the Liner Code; Regulation 4058/86 of 22.12.86 (concerning ‘coordinated action to safeguard free access to cargoes in ocean trades’) is based on the Liner Code. Article 1 provides for action depending on Code trades and non-Code trades—OJ L 378 of 31.12.1986, p. 4.
4. Specific comments

4.1 The White Paper fails to address the regulatory safeguarding of the position of outsiders. It takes for granted that there has been an increase of their market share since the 1980s and supposes that this will continue in the future. Yet, the specific safeguards provided in Regulation 4056/86 have to be maintained in any new Regulation to avoid curtailing of their activities and maintain open trades.

4.2 The White Paper accepts that the repeal of the anti-trust immunity may lead to more concentration, i.e., mergers and acquisitions which in turn may entail a unilateral increase of market power or greater risk of collusion due to a reduction of market players (page 19 para. 73,74, Annex to the White Paper). Given that there are no new entrants in the liner trades, due to the high costs involved and the volatility of the market, which do not guarantee results, how can the current EU merger control Regulation safeguard the trades? It is unrealistic to expect small and medium-size carriers struggling for survival to undertake protracted and costly legal proceedings under the merger Regulation to prevent mergers creating big carriers. There should be safeguards in law.

4.3 The Commission argues (p. 17 para. 64, Annex to the White Paper) that if the cyclical nature of the container market remains free from collective action, it might generate a continuous flow of companies entering and exiting the market. Inefficient carriers sell their vessels and new efficient companies enter the market. This is a rather simplistic assessment of the market. Today, we can hardly find new entrants in the liner trades, particularly in the deep sea ones, because of the huge costs involved and the volatility of the trades which do not guarantee returns. Moreover, the distinction between efficient and inefficient carriers is not correct. Inefficient carriers cannot survive in the highly competitive liner trades.

4.4 For the reasons explained in Chapter 3, the conflict of laws provision in Regulation 4056/86 should be maintained in the new regulation.

5. Conclusions

5.1 The EESC welcomes the White Paper initiative and the brainstorming exercise launched by the Commission subject to its comments.

5.2 Any future legal framework should be compatible with Article 81 EC and balanced, i.e., meet the demands of both shippers and carriers. It should cater equally for the demand and the supply side of the liner-shipping business. It should be transparent and provide for the existence of open liner trades (i.e., outsiders).

5.3 The EESC believes that any new regulation should not be a Council regulation but a Commission regulation in order to bring it in line with other EU regulations on competition law. However, if this is accepted, the Commission should be entrusted with checking more carefully the specifics of maritime transport and the international implications of the new legal regime. The EESC considers as positive that the White Paper invites views on alternative systems.

5.4 Traditionally in all jurisdictions, conferences have been granted some form of immunity from the competition rules and none of the competent authorities reviewing it (e.g. USA, Canada, Australia, Japan) have removed that immunity so far. The liner market is currently going through profound changes and will continue to do so. The market shares of conferences have declined considerably and the majority of contracts concluded are individual service contracts which are preferred by shippers and acknowledged by other jurisdictions. Moreover, discussion agreements and consortia/alliances are proliferating worldwide.

5.5 If Regulation 4056/86 is repealed without being substituted by a new regulation granting a block exemption it will require a Herculean legal task of negotiations, renegotiations of agreements with several third countries as well as extensive EU legislative work to amend the acquis communautaire (i.e. Regulation 954/79, Regulation 4055/86, Regulation 4058/86). Moreover, EU Member States will have to denounce (i.e. Regulation 954/79, Regulation 4058/86). In view of the host of legal problems to be created by the abolition of conferences, the EESC urges the Commission to undertake a legal study of the regulatory changes required, if conferences are to be abolished by the EU and retained in the rest of the world. Such a study will reveal that there may be no added value in a deregulation of the liner market at present all the more coinciding at a moment of decentralization of competition authority to the Member States. Otherwise, we will be left with a legal vacuum without specific rules in this sector.

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5.7 In the meantime, the EESC believes that there is still a justification for maintaining the liner conferences in the EU until a new regulatory regime is put in place worldwide. The Conference system is therefore still necessary because it is the basis of the regulation of liner shipping worldwide. The effects on the international framework from an abolition of the EU block exemption, vis-à-vis developing countries as well as other OECD countries, will be complex and significant.
5.8 The EESC maintains that Regulation 4056/86 should be repealed and substituted by a new Commission Regulation for liner conferences granting a block exemption. The new regime should strictly follow the yardsticks established under the jurisprudence of the European Court of First Instance and of the Commission (e.g. TACA case). The conference system should also be maintained in order to defend the competitiveness of Community shipowners worldwide. Whilst for the large carriers ‘alliances’ and other types of cooperation agreements may be appropriate, small and medium size carriers still need conferences in order to maintain their market shares especially in trades with developing countries. The abolition of the exemption may have anticompetitive effects for these small carriers enhancing the dominant position of the larger ones.

5.9 This interim transitional period should be used by the Commission to monitor the liner market developments including trends of consolidation. Moreover, the Commission should undertake consultations with other jurisdictions (OECD) with a view to arriving at a suitable alternative system compatible worldwide.

5.10 The EESC endorses proposals of the White Paper regarding the treatment of tramp and cabotage services since the vast majority of cases in these sectors would not raise competition problems. For the sake of legal certainty, however, the Commission is requested to provide legal guidance regarding the self assessment of bulk pools and specialized trades regarding their compatibility with Article 81 EC.

5.11 The EESC hopes to provide its assistance in the follow-up to the brainstorming exercise launched by the White Paper.

Brussels, 16 December 2004

Anne-Marie SIGMUND

The President
of the European Economic and Social Committee

Opinion of the European Economic and Social Committee on the ‘Proposal for a Decision of the European Parliament and of the Council on establishing a multiannual Community programme on promoting safer use of the internet and new online technologies’

(2005/C 157/24)

On 26 March 2004, the Council decided to consult the European Economic and Social Committee, under Article 153 of the Treaty establishing the European Community, on the abovementioned proposal.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 5 October 2004. The rapporteur was Mr Retureau and the co-rapporteur, Ms Davison.

At its 413th plenary session on 15 and 16 December 2004 (meeting of 16 December 2004), the European Economic and Social Committee adopted the following opinion by 147 votes in favour with 1 abstention:

1. Summary of the draft opinion

1.1 The Commission proposes to launch a new Safer Internet Programme, which is to be enhanced to reflect the rapid development of the Information Society in terms of communications networks. It has therefore been named the Safer Internet Plus Action Plan (2005-2008).

1.2 Besides the proposal for a Decision of the European Parliament and of the Council submitted by the Commission, the Committee has examined the ex ante evaluation of Safer Internet Plus (2005-2008), set out in a Commission staff working paper (SEC(2004) 148), and in COM(2004) 91 final. It supports broadening the scope of the new action plan and its objectives to reflect the rapid development and diversification of Internet access and the very rapid growth of broadband connections. In its general and specific comments on the subject, the Committee offers some additional proposals for political and regulatory measures, in particular:

— technical and legal standards (compulsory and voluntary);

— education and training of users;