

Official Journal

of the European Communities

ISSN 0378-6986

C 129

Volume 39

2 May 1996

English edition

Information and Notices

<u>Notice No</u>	<u>Contents</u>	<u>Page</u>
	I Information	
	
	II Preparatory Acts	
	Committee of the Regions	
	Session of January 1996	
96/C 129/01	Opinion of the Committee of the Regions on 'the regional consequences of the Common Fisheries Policy'	1
96/C 129/02	Opinion of the Committee of the Regions on 'the proposal for a Council Directive relating to access to the groundhandling market at Community airports'	9
96/C 129/03	Opinion of the Committee of the Regions on: — 'the draft Commission Directive amending Directive 90/388/EEC with regard to mobile and personal communications', and — 'the draft Commission Directive amending Directive 90/388/EEC regarding the implementation of full competition in telecommunications markets'	11
96/C 129/04	Opinion of the Committee of the Regions on 'the regional consequences of the CAP reform'	15



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(Continued overleaf)

<u>Notice No</u>	Contents (Continued)	Page
96/C 129/05	<p>Opinion of the Committee of the Regions on:</p> <ul style="list-style-type: none"> — ‘the proposal for a Council Resolution on the common organization of the market in fruit and vegetables’, and — ‘the proposal for a Council Regulation (EC) on the common organization of the market in processed fruit and vegetables’ 	24
96/C 129/06	<p>Opinion of the Committee of the Regions on the communication of the Commission concerning ‘The development of short sea shipping in Europe: Prospects and challenges’</p>	28
96/C 129/07	<p>Opinion of the Committee of the Regions on:</p> <ul style="list-style-type: none"> — ‘the communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on a methodology for the implementation of Information Society applications’, and — ‘the proposal for a European Parliament and Council Decision on a series of guidelines for trans-European telecommunications networks’ 	32
96/C 129/08	<p>Opinion of the Committee of the Regions on:</p> <ul style="list-style-type: none"> — ‘the communication from the Commission concerning the promotion of energy efficiency in the European Union (SAVE II programme)’, and — ‘the proposal for a Council decision concerning a multi-annual programme for the promotion of energy efficiency in the Community (SAVE II)’ 	36
96/C 129/09	<p>Opinion of the Committee of the Regions on ‘the communication from the Commission to the Council and to the European Parliament accompanied by a proposal for a decision from the Council to adopt a multi-annual Community programme for purposes of stimulating development of a European multimedia content industry and of encouraging utilisation of this multimedia content in the emerging Information Society — INFO 2000’</p>	39
96/C 129/10	<p>Opinion of the Committee of the Regions on:</p> <ul style="list-style-type: none"> — ‘the proposal for a Council Directive on the right of third-country nationals to travel in the Community’, and — ‘the proposal for a Council Directive on the elimination of controls on persons crossing internal frontiers’ 	46
96/C 129/11	<p>Opinion of the Committee of the Regions on:</p> <ul style="list-style-type: none"> — ‘the communication from the Commission concerning a Community action programme on health monitoring in the context of the framework for action in the field of public health’, and — ‘the proposal for a European Parliament and Council Decision adopting a programme of Community action on health monitoring in the context of the framework for action in the field of public health’ 	50

II

(Preparatory Acts)

COMMITTEE OF THE REGIONS

Opinion of the Committee of the Regions on 'the regional consequences of the Common Fisheries Policy'

(96/C 129/01)

On 19 July 1995, the Committee of the Regions, acting under the first paragraph of Rule 10 of its Rules of Procedures and in accordance with Article 198c of the EU Treaty, decided to draw up an Own-initiative Opinion on the above-mentioned subject.

Commission 2 for Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas is responsible for preparing the Committee's work on the subject. The Rapporteur is Mr Simon Day.

At its 11th Plenary Session on 17 and 18 January 1996 (meeting of 18 January), the Committee of the Regions adopted the following Opinion.

1. Introduction

Crisis in the Community's fishing industry

1.1. According to a communication from the Commission to the Council and the European Parliament, the Community's fishing industry is in crisis⁽¹⁾. The causes of this crisis are thought to be many, including adverse changes in the general economic environment. However, serious problems internal and specific to the fishing industry have been identified as explanatory variables, including excess capacity, overfishing, operating losses and unsuitable marketing structures and channels.

1.2. In the Commission's view, the crisis is seen as essentially structural in origin but will only be overcome by a package of coordinated measures with action taken at the Community level and at the level of national governments and industry.

1.3. At the Community level measures for implementation focus on resource conservation and control, markets and structures.

1.4. So far as structural measures are concerned, Community financing is available for the adaptation of structures in fisheries [Objective 5(a)] under the Financial Instrument for Fisheries Guidance (FIFG) and the fisheries sector is also eligible for assistance from the European Regional Development Fund (ERDF) and the European Social Fund (ESF) in the regions covered by Objectives 1, 2 and 5(b) for the implementation of measures which will assist in economic diversification⁽²⁾. In addition, under the PESCA Community Initiative targeted assistance is now available to assist the industry to successfully respond to changes and to diversify through the development of job-creating activities⁽³⁾. Finally, an extension of accompanying socio-economic measures has been proposed by the Commission, including part-financing of national early-retirement schemes for fishermen, granting of individual compensatory payments to fishermen and aid for the establishment of bad weather unemployment funds and for financial

⁽¹⁾ The crisis in the Community's fishing industry (COM(94)335 final, 19. 7. 1994).

⁽²⁾ Commission of the European Communities, Community Structural Funds 1994-1999, OOPEC 1993.

⁽³⁾ European Commission, Guide to the Community Initiatives 1994-1999, OOPEC 1994.

compensation as a result of sharp fluctuations in the market value of products⁽¹⁾.

1.5. It is in this context where it has been stated that the overcapacity of the fishing fleet is incompatible with the declining resources and where this incompatibility between capacity and resource necessitates the diversification of the fisheries sector and the re-employment of fishermen that this Opinion is given. Furthermore, within this context it is appropriate and it has been requested that an Opinion be given on the proposed socio-economic measures to accompany restructuring measures in the fisheries sector⁽¹⁾.

2. General comments

The Common Fisheries Policy

2.1. Given that fish do not always respect fixed boundaries, particularly those created by forces other than nature, it has been argued that the Common Fisheries Policy provides a solution to a major international problem related to the exploitation and allocation of a trans-national resource. Essentially, to efficiently and effectively manage the production and distribution of fish from primary producer to consumer requires agreement between its 'owners' but legal entitlement to the fish is less easy to agree at the primary stage of production.

2.2. While agreement is achieved through the adoption of management measures at the Community level, their implementation is the responsibility of the Member States themselves.

2.3. Such a management structure is likely to lead to differences in the actual practice of management within the waters of the European Community and the link between the 'owners' of the resource and the 'users', particularly the fishermen, is likely to be arbitrary especially in terms of policy formulation and implementation.

Regions highly dependent on fisheries

2.4. The arbitrary link between the 'owners' of the resource and the 'users' is often seen demonstrated in relation to regions highly dependent on fisheries. The definition of an 'area dependent on fisheries' would seem to indicate that the inter-relationships between the fishing industry and the local/coastal or regional economy are well-documented, i.e. '... an employment

area (or a group of municipalities) where the contribution of the fisheries sector to economic activity (as measured in terms of jobs or value added) is such that the difficulties of the fisheries sector have resulted or will result in the slackening of activity and job losses which seriously undermine the socio-economic fabric...' (2). However, the emphasis is on the inter-relationship as it takes place on the land-ward side of the coast. Consideration of the links between the industry and its basic resource, i.e. the sea-ward side of the relationship, is often less precise and may make the present definition and measures of dependency inappropriate if better specified (3).

An objective, systematic description of areas dependent on fisheries is needed. This should extend even beyond regional level and go right to local level. It should be drawn up in relation to specific resources and fleets, with a view to identifying areas seriously affected by particular CFP measures and allaying their adverse social effects in areas which genuinely have few socio-economic alternatives to fishing and related industries.

2.5. This lack of knowledge of the precise relationship of areas dependent on fisheries to specific basic resources/fisheries would be expected to lead to significant problems.

2.6. The pursuit of policy goals of maintenance of employment and income (socio-economic goals) is likely to be constrained by lack of knowledge and of user involvement in the management and control of those basic resources important to specific fisheries dependent areas.

2.7. If the opportunity to manage the resources for the benefit of the specific region(s) is not taken, continued 'high dependency' on fisheries may represent the only realistic employment choice in the long term. By not considering explicitly the natural resource and its wealth creating possibilities, the dependency is likely to be strengthened through unplanned dissipation of that wealth and under-investment in land-ward side resources. Using the wealth of the basic resource itself to create alternative employment could perhaps lead to a reduction of fisheries dependency in the longer term and an increase in the incomes received in the fishing

(1) Commission of the European Communities, Socio-economic measures to accompany restructuring measures in the fisheries sector and proposal for a Council Regulation (EC) amending Regulation (EC) No 3699/93 (COM(95) 55 final, 20. 3. 1995).

(2) European Commission, Notice to the Member States laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance within the framework of a Community initiative concerning the restructuring of the fisheries sector (PESCA) (94/C 180/01) under title III. BENEFICIARIES.

(3) Commission of the European Communities — Regional, socio-economic studies in the fisheries sector, Directorate-General for Fisheries, 1993.

industry itself⁽¹⁾. Additionally, the use of a more planned and coordinated approach to resource use would assist in integrating the management of fisheries into the management and development of the coastal areas and also assist in taking into consideration environmental issues when deciding on fisheries policy.

Impact of measures

2.8. Various attempts have or are being made to consider the impact of measures under the Common Fisheries Policy⁽²⁾. The completed studies all faced the problem of attributing specific developments in the sector to policy rather than to concurrent economic trends. As a result the impact of many of the measures could not be explicitly quantified.

2.9. However, given the identified crisis in the Community's fishing industry, it is likely that the planned impact, at least in the short-term, will be negative with 'regions highly dependent on fisheries' suffering disproportionately in terms of job losses and a decline in the socio-economic structures. It is for those reasons that the Commission has considered it necessary to implement additional and wide-ranging accompanying measures of a socio-economic nature at the Community level to assist⁽³⁾.

Attention should be drawn to the fact that until the Community PESCA initiative (1994) and the accompanying socio-economic measures mentioned in the preceding paragraph (1995), there were no flanking measures to ease the restructuring of the sector. This failure to integrate structural policy and social policy may be one of the causes of the failure of the CFP as recognized in the report on monitoring implementation of the CFP; its roots lie in the lack of political will shown by national governments and the minimal involvement of the sector.

⁽¹⁾ The 'fishing industry is comprised of those engaged in economic and social activities in the sector', as referred to in Council Regulation (EEC) No 3699/93 of 21. 12. 1993 (OJ No L 346, 31. 12. 1993, p. 1).

⁽²⁾ a) Commission of the European Communities — Regional, socio-economic studies in the fisheries sector, Directorate-General for Fisheries, cited above;
b) Commission of the European Communities — In-depth study of the socio-economic impact of the multi-annual guidance programmes for the fishing fleets, forthcoming (as cited in a communication from the Commission on socio-economic measures to accompany restructuring measures in the fisheries sector, COM(95) 55 final, 20. 3. 1995, p. 2).

⁽³⁾ Commission of the European Communities, Proposal for a Council Regulation (EC) amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products, cited above.

2.10. While the planned short-term impact may be negative in order to secure positive results in the medium to long-term, actions (both legal and illegal) have been taken and are likely to be taken to alleviate the costs imposed by management measures⁽⁴⁾. Furthermore, actions of avoidance have often led to longer-term distortions in the structure of the industry such that it may now better reflect the demands of the regulations than those of the market in some Member States.

2.11. Given the above and the uncertain links between regions highly dependent on fisheries and the basic resource(s), it is probable that the impact of measures under the Common Fisheries Policy will be arbitrary and variable across the Community as a whole and in any case will not always result in the planned impact.

2.12. Community measures are often not of a horizontal nature, but concern specific fishing grounds and ICES zones. A detailed census is therefore needed of the fleet operating in these areas, according to type of fishing and region of origin, so as to evaluate the impact of the measures.

3. Specific comments

3.1. The Common Fisheries Policy and associated measures can be separated into four separate but inter-related parts concerned with structures, markets, conservation and international fisheries agreements. However, given the context in which this Opinion is given the focus will be on those measures concerned with conservation and structures.

3.2. Since the end of 1992 the Common Fisheries Policy has been based on a new basic Regulation⁽⁵⁾. While this new Regulation is primarily concerned with conservation, it recognizes the need to integrate the markets, structures and conservation elements of the Policy and, in particular, establishes an explicit link between conservation of resources and the restructuring of catching capacities to achieve the general objectives defined as follows:

'... As concerns exploitation activities, the general objectives of the Common Fisheries Policy shall be to protect and conserve available and accessible living marine aquatic resources, and to provide for rational and responsible exploitation on a sustain-

⁽⁴⁾ Commission of the European Communities, Report on monitoring implementation of the Common Fisheries Policy, SEC(92)394 final, 6. 3. 1992.

⁽⁵⁾ Council Regulation (EEC) No 3760/92 of 20. 12. 1992 establishing a Community system for fisheries and aquaculture (OJ No L 389, 31. 12. 1992).

able basis in appropriate economic and social conditions for the sector, taking account of its implications for the marine eco-system, and in particular taking account of the needs of both producers and consumers...' (1).

Conservation measures

3.3. The various conservation measures essentially concern rules governing access to waters and resources and the pursuit of exploitation activities together with their management and monitoring in order to '... ensure the rational and responsible exploitation of resources on a sustainable basis...' (2). These measures are to be drawn up in the light of the available biological, socio-economic and technical analyses and in particular in the light of reports from the Scientific, Technical and Economic Committee for Fisheries (STECF).

Rules of access to waters

3.4. Within the 200 mile fishery limits of Member States, access to waters continues to be restricted even for Community fishing vessels (3). Under Article 6 of Council Regulation (EEC) No 3760/92 '... Member States are authorized to retain, from 1 January 1993 until 31 December 2002, the arrangements defined in Article 100 of the 1972 Act of Accession and generalize up to 12 nautical miles for all the waters under their sovereignty or jurisdiction the limit of six miles laid down in that Article...'. Within these limits specified arrangements are made for the pursuit of fishing activities, fixing for each Member State the geographical zones within the coastal bands of other Member States where these activities are pursued and the species concerned. Furthermore, the arrangements for the so-called 'Shetland Box' have been retained.

3.5. It would appear that in determining the general rules of access to waters a 'regional' principle was being followed given that Article 100 of the 1972 Act of Accession refers to restricting fishing to... 'vessels which fish traditionally in those waters and which operate from ports in that geographical coastal area...'. However, the intended impact of these measures restricting access to the six and 12 mile zones on the conservation of the stocks and on the coastal regions where fishing is the main if not the only activity has been diluted insofar as Member States have not limited the intensity of fishing

in the coastal zone and not given preference to vessels operating from small coastal communities or protected them from the fishing activities of larger more nomadic fishing vessels. Resolute application of the subsidiarity principle and regional involvement in decision-taking would give the regions a greater say in management and a greater share of responsibility for the development and implementation of fisheries' policy.

Rules of access to resources

3.6. Measures for each fishery or group of fisheries may include establishment of zones in which fishing activities are prohibited or restricted; the limitation of exploitation rates; setting quantitative limits on catches; limiting time spent at sea: fixing the number and type of fishing vessels authorized to fish; laying down technical measures regarding fishing gear and its method of use; setting a minimum size or weight for individual fish and establishing incentives, including those of an economic nature, to promote more selective fishing.

Restrictions on fishing activity

3.7. Regulation No 3760/92 retains the measures for managing fishing activity through the regulation of catches (landings) by Total Allowable Catches (TACs) and quotas allocated to the Member States according to the principle of 'relative stability' (4). However, the possibilities for regulating inputs as well as outputs is added to the available management tools and these measures are placed in a multiannual (and multi-species) framework and subject to not only biological but socio-economic analysis. The Regulation permits the Council to fix for each fishery different kinds of limitations on exploitation activities and in relation to specific management objectives. So catches can be fixed through the usual TAC/quota arrangements and/or limitations can be placed on effort by restricting the number of vessels and the number of days spent at sea. The increasing importance placed on managing fishing effort is reflected in Article 5 of Regulation 3760/92

(1) Article 2 of Council Regulation (EEC) No 3760/92, cited above.

(2) Article 4.1 of Council Regulation (EEC) No 3760/92, cited above.

(3) 200 mile fishing limits have not been adopted in the Mediterranean and consequently the Community system for the conservation of marine resources does not apply to Mediterranean fisheries.

(4) The principle of 'relative stability' concerns the allocation to the Member States of a fixed percentage of the TAC for a given stock to which they have access. This 'distribution key' was applied for the first time in 1983 and established by taking into account a number of criteria, including the specific needs of regions particularly dependent on fisheries, in accordance with the Council Resolution of 3 November 1976 ('Hague Preferences').

which provides for the introduction by the Council of a Community system of fishing licences⁽¹⁾.

3.8. However, despite certain changes in these measures the management structure remains strictly hierarchical with Community based decisions implemented by Member States with impacts of measures on regions highly dependent on fisheries not always specifically and formally considered⁽²⁾. Such impacts as do or are likely to occur become issues external to the process and the subject for remedy by other instruments of policy such as the proposed Socio-Economic Accompanying Measures.

Technical conservation measures

3.9. Protection of marine resources is also attempted by the use of minimum mesh sizes for nets, minimum landing sizes, restrictions on fishing activity in certain zones and restrictions on the level of by-catch.

3.10. From an economic viewpoint, technical conservation measures are likely to lead to a reduction in the net benefits of producing fishing effort through short-term reductions in efficiency and in revenue. Given their potential short-term negative impacts and, in certain cases, their complexity, they have proved difficult to enforce as have many of the other measures of the Common Fisheries Policy.

Control and enforcement

3.11. A new Community control system was adopted by the Council in October 1993⁽³⁾. The scope of this

⁽¹⁾ Subsequent Commission proposals on this issue were divided into two elements: (a) arrangements laying down certain rules for minimum information to be contained in fishing licences essentially providing every Community fishing vessel with identity papers and (b) arrangements to restrict the fishing effort of individual vessels through special fishing permits; see, for example:

- a) Council Regulation (EC) No 3690/93 of 20. 12. 1993 establishing a Community system laying down rules for the minimum information to be contained in fishing licences (OJ No L 341, 31. 12. 1993).
- b) Council Regulation (EC) No 163/89 of 24. 1. 1989 concerning the fishing vessels register of the Community (OJ No L 20, 25. 1. 1989).
- c) Council Regulation (EC) No 1627/94 of 27. 6. 1994 laying down general provisions concerning special fishing permits (OJ No L 171, 6. 7. 1994).

⁽²⁾ General socio-economic concerns have provided reasons for ignoring the scientific advice and increasing TACs although where this has involved Hague Preferences it has not always been the case that they have been allocated specifically to the regions on which they are based.

⁽³⁾ Council Regulation (EEC) No 2847/93 of 12. 10. 1993, establishing a control system applicable to the Common Fisheries Policy (OJ No L 261, 20. 10. 1993). As provided for, and required, by Article 12 of the new basic Regulation No 3760/92.

new system is considerably wider than before covering all the elements of the Common Fisheries Policy and concerned, therefore, not only with conservation but also with the structural and marketing measures of the Policy and applicable throughout the entire industry from the primary sector to the final consumer. It also allows the introduction of modern technology into control and enforcement activities. However, as before and according to the principle of subsidiarity where responsibility is allocated to the most appropriate level, it is the Member States who must ensure that the rules are followed and policed and the penalties decided and applied through national courts.

3.12. The necessity for a new Community control system was indicated in detail in a report from the Commission in 1992⁽⁴⁾. This report identifies major shortcomings in the implementation of inspection legislation. These shortcomings were related to difficulties regarded as inherent to fishery management policies in general, the lack of inspection resources and dissuasive penalties, the lack of political commitment, practical difficulties associated with Community inspection, the lack of an overall approach to inspection in the Common Fisheries Policy, and lack of coordination between the various inspection bodies and imperfect information concerning the need for conservation measures. As a result of those shortcomings, the impact of measures under the Common Fisheries Policy on individual enterprises and on regions highly dependent on fisheries cannot be expected to have been that which was planned nor equitable in the distribution of the costs and benefits of control.

3.13. While many of these identified shortcomings have been addressed in the new legislation, the system itself and the role of the players within it remains as before. In particular, the inherent difficulties encountered by all fishery management policies, i.e. the lack of property rights in the resource and constant tension between the individual short-term interest and the collective long-term interest, would seem better solved, according to the legislation, by essentially stricter enforcement and higher penalties.

3.14. However, there may be other determinants of compliance or non-compliance with the rules than those which can be characterized as economic, i.e. the expected benefits of violating a regulation weighed against the expected costs (the probability of detection and conviction multiplied by the size of the penalty). Some, for example equity of impact on individuals and regions, are being addressed in the new legislation through attempts to harmonize the level of national penalties. However, it may be that the present management system

⁽⁴⁾ Report from the Commission to the Council and the European Parliament on monitoring implementation of the Common Fisheries Policy, cited above.

which is essentially that of command and control from the top down, is not seen as fully legitimate from the point of view of individual fishermen and particularly from the point of view of regions which are highly dependent on fisheries when faced with measures which may inflict considerable economic pain in the short-run. Legitimacy may be improved through the promotion of justice by involving the regions and industry more formally in the implementation of policy. At all events, the Community authorities must apply the inspection and control mechanisms needed to guarantee uniform compliance with fisheries' law in all regions. This harmonization should ideally extend to the dissuasive measures and penalties established by the various Member States.

International fishing agreements and international waters

3.15. The recent UN conference on trans-zonal and highly migratory stocks, which is currently at the ratification phase, provides a basis for the rational exploitation of resources located in international waters through regional cooperation. This is a priority concern for the Community, since major fleets depend on such resources. The Community must be actively involved in the control bodies of existing or future regional resource management organizations wherever Community interests are at stake, and should promote such bodies if necessary, in order to ensure rational and durable exploitation and to avoid these organizations coming under the sway of coastal states to the detriment of Community interests and the coastal regions and communities which depend on the sector.

Structural measures

3.16. The objective of the technical conservation measures is to protect fish stocks through minimum mesh sizes, minimum fish sizes and controls over fishing activities in specified zones or on levels of by-catches. Setting TACs and allocating them between the Member States also has the intention of setting catch restrictions but neither these or the technical conservation measures can directly control catching capacities.

3.17. Consequently structural measures are now seen as an important and integral part of the conservation policy, as formally recognized in Regulation No 3760/92. Given that surplus catching capacity is regarded as present in the Community fishing fleet and an important contributor to the identified crisis in the Community fisheries sector, a major concern of the structural

measures is related to the direct and indirect effects of catching capacity reduction⁽¹⁾.

3.18. Substantial reductions in fishing effort are required through the adopted third-generation Multi-Annual Guidance Programmes (MAGPs) over the period 1993-1996, i.e. a reduction of 20 % for segments of the fleet using bottom trawls for demersal species, a reduction of 15 % for those segments using dredges and beam trawls targeting benthic stocks and no reduction (or increase) for those vessels fishing all other stocks⁽²⁾. While the third-generation MAGPs are much more detailed than the MAGPs which had been previously agreed for 1982-1986 and 1987-1991 through the setting of different sectoral objectives, they do not appear to take due account of the socio-economic impact on specific regions highly dependent on fisheries. As indicated previously, there is a degree of arbitrariness in applying measures on a national basis and, in the case of MAGPs, Member States may not take fully into account the particular importance of fisheries to local regions in attempting to meet the agreed targets.

3.19. The medium- and long-term impact of reductions in fishing effort through capacity reduction (and through a reduction in activity rates, given that up to 45 % of the fleet reduction target can be measured in terms of reduced effort), are expected to be positive. However, it is in the short-term that damaging repercussions in terms of job losses and a decline in the socio-economic structures of many coastal areas are expected and these consequences of policy together with the virtual impossibility of the excess fishing capacity being absorbed without additional accompanying measures, are argued to justify their implementation.

3.20. Accompanying measures already available include aid to fisheries enterprises for laying up their vessels or transferring them to third countries⁽³⁾. In addition, areas dependent on fishing were included in the measures for the various area objectives⁽⁴⁾ and applications for assistance under the PESCAs Community Initiative have been invited and agreed⁽⁵⁾.

(1) The crisis in the Community fishing industry, cited above.

(2) Commission Decisions of 21. 12. 1992 on Multi-Annual Guidance Programmes for the Fishing Fleets of the Member States for the period 1993 to 1996.

(3) Regulation (EC) No 3699/93, Articles 8 and 9.

(4) Structural Funds Framework Regulation, Articles 9 and 11a.

(5) Commission notice to the Member States laying down guidelines for global grants or integrated operational programmes for which Member States are invited to submit applications for assistance within the framework of a Community initiative concerning the restructuring of the fisheries sector (PESCA) (OJ No C 180, 1. 7. 1994, p. 1).

3.21. It is the perceived gap in Community arrangements that account for the Commission's proposal for a Council Regulation amending Regulation (EC) No 3699/93 by introducing measures of a socio-economic nature⁽¹⁾. It is proposed that financial assistance from the FIFG may be granted for the following measures (a) part-financing of national early retirement schemes for fishermen under certain conditions (b) granting individual compensatory payments to fishermen and (c) aid for the establishment (not operation) of bad-weather unemployment funds and mechanisms for the financial compensation of fishermen when the market value of products landed fluctuates sharply. These new measures are proposed as optional, at the discretion of the Member States and applicable exclusively in the context of measures for the permanent cessation of activity of fishing vessels within the meaning of Article 8(2) of Regulation (EC) No 3699/93 or in the context of setting up joint enterprises within the meaning of Article 9(3) of that Regulation.

3.22. Since the original proposal by the Commission, Opinions have or are being prepared by the European Parliament and the Economic and Social Committee as required by the Treaty⁽²⁾. Furthermore, a common position has been adopted by the Council whereby most Member States indicated that they could agree to a Presidency compromise for the use of FIFG funds to support national early retirement schemes for fishermen and for compensation payments to crews of decommissioned vessels but the original proposals relating to bad weather payments and additional support for market price fluctuations were excluded⁽³⁾. Indeed an opinion was expressed that such measures should be covered by national social policies and were not a justifiable use of FIFG funds.

3.23. The Opinion of the Economic and Social Committee is focused on the specific proposal and, while supportive, argues for a widening of the scope of the support measures. However, this present Opinion has the advantage of a wider remit in considering the impact of measures under the Common Fisheries Policy. Consequently the specific proposal for measures of a socio-economic nature can be viewed in this wider context and observations made of perhaps a more fundamental nature.

3.24. Indeed these proposals for accompanying measures demonstrate again the treatment of socio-economic considerations as an external cost of policy decisions rather than being treated as a primary consideration in policy objectives. Furthermore regional considerations would not seem to be formally incorporated into some of the major structural measures, particularly those associated with the achievement of MAGP target reductions in fishing effort. If structural imbalance between effort and resources is central to the identified crisis and if capacity reduction remains of major importance, then the interests of regions highly dependent on fisheries need to be taken into account when formulating the MAGPs. The existing policy appears arbitrary and it is this arbitrariness which may generate the external costs requiring additional socio-economic accompanying measures.

3.25. The compensatory accompanying measures introduced with the reform of Regulation 3699/93 and the PESCA initiative should be stepped up and their budget increased, and they should be extended throughout the period of application of the Regulation, so that they genuinely help to offset the regional imbalances caused by the restructuring of the sector.

4. Conclusions

4.1. It is a rather simple but important observation that the basic resources of marine fishing industries are often located at some distance from those regions which are highly dependent on them for income and employment. Furthermore these valuable basic resources are often exploited by fishing enterprises and regions as 'users' and not as 'owners'.

4.2. The fragile and tenuous nature of this link between a regional industry and its resource base is not typical and is reflected in the apparent better knowledge and documentation of the land-ward side as compared to the sea-ward side of the relationship and made more so by treating the problems that arise as solvable as external to primary policy decisions.

4.3. Essentially the conservation approach to fisheries policy which emphasises the welfare of fish stocks and the dependency of the industry on their state is well-represented in the Common Fisheries Policy. In addition, the pursuit of economic efficiency and increased wealth by reductions in the number of fishery participants is supported by its major structural elements particularly now that the two aspects of policy are seen as mutually supportive, i.e. by reducing the capacity (and effort) of the fleet conservation goals as well as economic goals can be achieved. However, the

⁽¹⁾ Perceived by certain Member States, the European Parliament and the fishing industry (through its official bodies of communication with the Commission).

⁽²⁾ Economic and Social Committee Opinion on the proposal for a Council Regulation (EC) amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (CES 591/95, 31. 5. 1995 and 1. 6. 1995).

⁽³⁾ Fisheries Council, 1. 6. 1995.

socio-economic view which sees fishermen and other participants in the industry as members of coastal communities highly dependent on fisheries rather than as mere constituent parts of a fleet or industry tends to be dealt with in policy measures as a secondary rather than a primary consideration, e.g. the pursuit of conservation and rationalization goals generate negative impacts which require some form of assistance in the form of support measures. These support measures must be sufficient to forestall resistance by the agents involved and to permit greater co-responsibility on the part of national and regional authorities. They must cover the various aspects, such as training and retraining of fishermen, and incentives for companies which find new employment for excess fisheries sector workers, including self-employment. They must allow for flexible application of restructuring in the fisheries sector, in such a way that the social cost is least in areas which depend on fishing and have no alternatives, once such areas are precisely defined and identified. Similarly, these measures must be of sufficient scope to allow for appropriate, dynamic planning over time.

4.4. The Community must consider the need to strengthen the mechanisms required to extend opportunities for the EC fleet access to external resources in both third country and international waters. This is necessary given the need not to increase the Community deficit in fisheries' products and in view of economic and social cohesion policy towards coastal strips and fishing communities hit by loss of opportunities for access as a result of changes in international maritime law and trade advantages ceded in response to other non-fishing interests.

4.5. The separation of the biological/structural and socio-economic aspects of management results in a centralized system which may not be as sensitive to regional needs as systems involving the 'users' in the implementation rather than in just the receipt of policy decisions. Furthermore compliance with the regulations is likely to be adversely affected where the user-involvement in management is relatively insignificant.

More importance should also be attached to the difference between different coastal areas and their ecology. In particular, the sustainable use of marine resources requires the extension of guidance to technical fishing gear; non-selective general methods should be eliminated

in favour of methods for catching specific species and sizes of fish. This principle should be incorporated in the Common Fisheries Policy.

4.6. Consequently the impact of measures under the Common Fisheries Policy on regions highly dependent on fisheries is likely to be variable and arbitrary across the Community as a whole and the actual impact quite different from the planned impact. While support measures such as those proposed by the Commission⁽¹⁾ may provide welcome relief on a short-term basis, it would appear that a more fundamental shift in approach is required to addressing the medium- and long-term problems of regions highly dependent on fisheries. It is suggested that this approach needs to better consider and integrate the management of the basic capital resource into policy decisions affecting dependent regions and involve the 'users' in making and/or implementing those decisions. As a result the (sustainable) wealth of the fish stocks can be used for the planned economic development (and diversification) of fisheries dependent regions and coastal areas, taking better account of other non-fisheries users of coastal resources and of environmental considerations. In addition it may be expected that compliance with the regulations will increase with the closer involvement of the 'users' in the regional management process, particularly as the perception of the basic resource changes from viewing it as a consumption good to regarding it as a capital asset. In summary, any devolution of the implementation of policy to the regional level might, in the case of fisheries, be a more effective and efficient interpretation of 'the principle of subsidiarity' where responsibility is distributed to the most appropriate level and lead to greater fulfilment of the general objectives of the Common Fisheries Policy, i.e. ... 'to protect and conserve available and accessible living marine aquatic resources, and to provide for rational and responsible exploitation on a sustainable basis in appropriate economic and social conditions for the sector, taking account of its implications for the marine ecosystem, and in particular taking account of the needs of both producers and consumers...' (2).

(1) Commission of the European Communities, Socio-economic measures to accompany restructuring measures in the fisheries sector and proposal for a Council Regulation (EC) amending Regulation (EC) No 3699/93, cited above.

(2) Article 2 of Council Regulation (EEC) No 3760/92, cited above.

Done at Brussels, 18 January 1996.

*The Chairman
of the Committee of the Regions*

Jacques BLANC

Opinion of the Committee of the Regions on 'the proposal for a Council Directive relating to access to the groundhandling market at Community airports'⁽¹⁾

(96/C 129/02)

At its meeting on 15 November 1995, the Bureau of the Committee of the Regions instructed Commission 3 for Transport and Communications Network to draw up an Own-initiative Opinion on the above-mentioned proposal.

Commission 3 drew up its Opinion on 14 December 1995 (Rapporteur: Mr Kurth).

At its 11th Plenary Session (meeting of 17 January 1996), the Committee of the Regions adopted the Opinion set out below.

WHEREAS

- In order to enable implementation of the single European market as per Article 7a of the Treaty for foundation of the European Community, the Community has developed a joint air traffic policy in stages;
- In accordance with Article 59 of the Treaty, restrictions in free trade in services in the Community should be suspended; in accordance with Article 61, Section 1 of the Treaty, this must take place in the context of the joint traffic policy;
- In addition to the issuance of regulations (EEC) No 2407/92, (EEC) No 2408/92 and (EEC) No 2409/92 by Parliament, the Committee, in its notice of 1 June 1994, 'Civil aviation in Europe en route to the future' issued an initiative for realisation of access to the market for groundhandling services at Community airports;
- On 13 December 1994, the Committee submitted to Parliament a proposed Guideline concerning access to the groundhandling market at Community airports.

The purpose of the Committee's proposal is to deregulate access to the groundhandling services market at Community airports. Implementation of ground traffic services has been organised in different ways between one member State and another and — in some cases — even within member States.

The purpose of the draft Guideline was to create a Community framework for access to the market for groundhandling services; however, member States have to retain the means of taking account of the particular features of the field and of its local situation.

MEASURES PROPOSED BY THE COMMISSION

- For own groundhandling, the proposed measures are applicable to free access to the market for all Community airports; for third-party groundhand-

ling, application to airports is restricted to a specific density of passenger and freight (Article 2).

- The principle of separation of areas of activity is applied, whereby there is calculated and administrative separation between the activities of groundhandling and other activities (Article 4).
- Access to certain categories of services can be restricted inasmuch as such access cannot be agreed consistent with limitations on safety, capacity and available space. However, this restriction requires that at least one of the service providers must be independent of the management body of the airport and of the dominant airline (Articles 6 and 7).
- There is opened up the possibility that member States may grant other releases with regard to free access to the market on the basis of space or capacity restrictions at airports, in which eventuality the Committee can resist such releases (Article 9).
- A users' committee should be set up (Article 5), which must be involved in the selection of approved service providers and which shall carry the final decision in cases where the management body of the airport provides groundhandling services (Article 10).
- On 13 September 1995, the finance and social committee issued an Opinion on the draft Guideline.
- At the meeting of the European Parliament on 17 November 1995, it approved an extensive Opinion with a large number of proposed modifications.

CONTENTS OF THE COMMITTEE'S OPINION

1. For a consistent and competitive air traffic market, it is necessary that in all areas the conditions for introduction and extension of competition should be set

⁽¹⁾ OJ No C 142, 8. 6. 1995, p. 7.

up. This should include airports and the groundhandling services provided therein, as an integral part of the air traffic market. Fundamental priority of competition is the only way to achieve price advantages for citizens as passengers by means of cost reductions on the part of air traffic companies.

2. In many cases it has been possible to achieve the high standard reached in many member States in the provision of services at airports and in the availability of infrastructure only by member States' opening up the possibility for airport operators to act entrepreneurially and to open up the market in the respective regions. The essence of this entrepreneurial activity on the part of airport operators in the contexts of services and infrastructure must not be impeded by deregulation of groundhandling services.

3. Airports are the core of economic development in entire regions. In terms of employment politics, airports are responsible for a substantial function in the satisfactory provision of jobs in the region. One job at an airport often creates or protects up to two jobs in the surrounding area. This function for airports, which is important in the interests of regional development, must not be jeopardised by excessive liberalisation and an accompanying process of destruction of tried and tested structures in the airport sector.

In compliance with the resolution of the European Parliament and the Opinion of the financial and social committee, there should be guaranteed a reasonable level of social standards for employees of companies which provide groundhandling services.

4. By airport operators' entrepreneurial activity in many categories of ground traffic services, they contribute to the financing of the costs entailed for modernisation and extension of the infrastructure. It is not reasonable to transfer the financing of the infrastructure to member States or to regional area corporations by deregulation of groundhandling services.

5. Performance capability in the air traffic market includes a governmental administrative function which is restricted to performing core functions in the public interest. New bureaucratic procedures for setting up and monitoring a new market regulation should be avoided. Decisions within a European framework ruling should be made where the greatest knowledge of the particular features of the local situation is available, in which context the priority should be given to agreement by the parties involved. The Committee's responsibilities should be restricted, by application of the subsidiarity principle, to monitoring and investigative activities.

6. Deregulation of groundhandling services should be applied carefully, in successive stages, and in a procedure differentiated according to the size of airports and appropriate in the context of repercussions.

7. Conclusions

From the above-described principles, there arise the following concrete proposed modifications to the Committee's proposal:

- That the range of application of the Guideline should cover airports in Community territory which are open to commercial air traffic and which annually record at least 1 million passenger movements or 25 000 t of freight. Articles 4, 5, 6, 10, 11 and 12 should apply only to airports which annually record at least 4,5 million passenger movements or 150 000 t of freight (Article 2);
- That there should be set up a functional users' committee to which representatives of the regions should also belong. The users' committee should exercise consultative and supportive functions (Article 5);
- That it should be left to the discretion of member States whether for specific groundhandling services they wish to restrict the number of service providers both for third party groundhandling and for own groundhandling (Articles 6 and 7);
- That in the case of the release decisions as per Article 9, the decision should be made by the member States. The option of investigation and correction of national decisions should be granted to the Committee only where a case involves airports which are not fully co-ordinated airports for purposes of regulation (EEC) No 95/93 concerning the joint regulation for allocation of timeslots to airports in the Community. Member States should be given the facility of withholding approval not only for third-party groundhandling but also for own groundhandling;
- That for shared utilisation of the general airport infrastructure by service providers and operators who wish to practise own groundhandling, the airport operator should be able to charge reasonable compensation (for infrastructure) and also compensation (for the concession) for provision of a given commercial opportunity;
- That in order to arrange the required precautions for guaranteeing the free exercise of third-party and own groundhandling, there should be required a transitional period of 3 years after entry into force of the Guideline (Articles 6, 7 and 14);
- That in addition to deregulation of groundhandling services, safety standards and social standards should

be harmonised as soon as possible. A reasonable level of social standards is essential with regard to

the provision of a high safety standard in European flight traffic.

Done at Brussels, 17 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- ‘the draft Commission Directive amending Directive 90/388/EEC with regard to mobile and personal communications’, and
- ‘the draft Commission Directive amending Directive 90/388/EEC regarding the implementation of full competition in telecommunications markets’

(96/C 129/03)

The Bureau of the Committee of the Regions decided to draw up an overall Opinion on the above-mentioned documents.

Sub-Commission 3 adopted the Opinion unanimously on 14 December 1995, under Rule 9(3) of the Rules of Procedure (urgency procedure). The Rapporteur was Mr Ricca.

At its 11th Plenary Session (meeting of 17 January 1996), the Committee of the Regions adopted the following Opinion without debate.

REFERENCE DOCUMENTS

- The Treaty establishing the European Community, and in particular Article 90(3) thereof;
- The Green Paper on a common approach in the field of mobile and personal communications in the European Union, COM(94) 145 of 27. 4. 1994;
- The Bangemann Report on Europe and the global information society;
- The communication from the Commission of the European Community to the Council and the European Parliament on the consultation on the Green Paper, COM(94) 492 of 23. 11. 1994;
- The communication from the Commission of the European Community to the Council and the European Parliament on the Consultation on the Green Paper on the liberalization of telecommunications infrastructure and cable television networks, COM(95) 158 of 3. 5. 1995;
- The Council Resolution on new developments in mobile and personal communications within the European Union;

- The Opinion of the Committee of the Regions ‘Towards the personal communications environment: Green Paper on a common approach in the field of mobile and personal communications in the European Union’, COR 179/94 of 28. 9. 1994.

GENERAL COMMENTS

1. As has been well shown in the White Paper on growth, competitiveness and employment, information and telecommunication technologies are radically altering many aspects of economic and social life.
2. It can be said that we are living through a period of change, with the passage from the ‘industrial society’ to the ‘information and telecommunication society’, and seeing the beginnings of a direct link between the process of technological innovation and economic and social organization.

3. In employment terms too, we are seeing a progressive reduction in the number of people employed in traditional activities, while new employment is increasingly being generated by the new activities that have sprung from the growth of the information society.

4. The Bangemann report on Europe and the global information society provided Europe with a decisive push towards the new frontier of the information society and clearly indicated the steps to be taken and the importance of advancing towards this new frontier, an essential objective if Europe is to benefit from increased growth while maintaining competitiveness on world markets.

5. In this context, on 27th April 1994, the Commission adopted the Green Paper on mobile and personal communications, a field that in the meantime has moved to the centre of the debate on the information society, in so far as it is considered a necessary element for the development of the Information Society.

6. The Committee of the Regions has already issued an Opinion on the Green Paper, which is here referred to in full.

7. The Commission opened extensive consultations on the Green Paper, sending a communication dated 23. 11. 1994 with proposals for the further development of mobile and personal communications in the European Union, and a communication dated 3. 9. 1995 on the liberalization of telecommunications infrastructure and cable television networks, to the European Parliament and the Council.

8. The documents cited above highlight the fact that in recent years mobile communications have become a vital growth sector in the European Union. There are currently over 11 million mobile cellular radiotelephone users in Europe, 35 % more than when the Green Paper was drawn up. There are also over 8 million users of other forms of mobile communications and it is forecast that there will be almost 40 million users by the year 2000, a figure that could rise to 80 million by 2010, with the steady development of personal communications services (PCS).

9. With the rapid growth and expansion of the information society, telecommunications infrastructures and networks are set to become indispensable channels for the passage of a wide range of communications.

10. The consultations enabled the Commission to propose practical steps for framing a package of proposals for the sector, geared to a definition of overall technological development and an appropriate regulatory framework; this was also singled out in the conclusions of the Brussels G7 meeting of February 1994 as

one of the eight basic principles for the creation of a global information society.

11. The further action required to develop the basic technological and regulatory framework seeks balanced attainment of full liberalization of telecommunications infrastructures and services by 1998, within a regime of fair competition, eliminating obstacles of persisting national communications monopolies, and establishing a clear and predictable regulatory context, so that key investments can be made and long-term economic decisions taken.

12. This will create conditions conducive to the competitive dynamics that 'protect' competition and thus further the development of the economy.

13. The two proposed amendments to Directive 90/388/EEC on which the Committee of the Regions has been asked to issue an Opinion fall within this sphere.

A. Draft Commission Directive amending Directive 90/388/EEC with regard to mobile and personal communications

14. The document defines the amendments to be made to directive 90/388/EEC with particular reference:

14.1. To definitions, extending the definition of telecommunications services to include mobile services in the scope of the Directive.

14.2. To the granting of licences and the abolition of exclusive or special rights in this sector. This is one of the principal objectives for the full application of Community regulations and the removal of current distortions in competition.

In many Member States the number of licences granted is still limited and based on discretionary criteria, or remains subject to technical restrictions such as prohibition of the use of infrastructures that differ from those provided by the telecommunications company. Certain procedures for the granting of licences with set durations must be instituted, taking due account of the need to promote investment from new competitors in the sectors in question.

14.3. To access to frequencies.

In June 1991, the Council allocated frequency bands for the coordinated introduction, in the Community, of a digital system of cordless telecommunications (DECT).

Some Member States are preventing the use of these frequencies for such services, thus reinforcing the position of companies who already enjoyed a dominant position, which had the effect of delaying the growth of personal communications services and thus restricting technical progress, at the expense of the consumer.

14.4. To the protection of competition so that telecommunications companies cannot abuse their dominant positions in terms of network infrastructure (resulting from the exclusive rights conferred on them) to extend this dominance to the market for new mobile telecommunications services.

14.5. To the definition of procedures for the allocation of radio frequencies, which constitute a crucial and limited resource, based on criteria of objectivity, transparency and non-discrimination.

Possible fees for the use of frequencies must be proportional to, and levied on the basis of, the number of channels actually used.

14.6. To the abolition of restrictions on the provision and use of infrastructures which entail costs that have a significant effect on the commercial viability and cost structure of mobile operators.

It is only possible to prevent potential abuses of dominant positions if the Member States ensure that interconnection of public mobile communications systems is made possible at specific interfaces with the public telecommunications network, and that the interconnection conditions are based on objective criteria, are transparent and non-discriminatory, and are published in advance.

14.7. To the setting of a maximum additional transitional period for Member States whose networks are less well developed or very small.

OPINION OF THE COMMITTEE OF THE REGIONS

15. The COR congratulates the Commission on its proposed amendments to Directive 90/388/EEC which are designed to implement the indications of the Green Paper and the guidelines that emerged from subsequent consultations aimed at establishing a European regulatory framework for telecommunications to accompany the full liberalization of the sector.

16. The COR believes that the proposals to amend Directive 90/388/EEC represent a first fundamental step in preparations for full liberalization of the telecommunications markets in the European Union that will take effect as of 1 January 1998 and hopes that the proposals will be approved forthwith.

17. With regard to the detailed Articles of the proposal, the COR would make following comments.

17.1. Article 1(2), new Article 3A, last paragraph, the COR suggests the extension of the ban on further licences not only to Member States who are granted an additional transitional period to abolish restrictions on infrastructure, but also in all the cases in which telecommunications companies hold exclusive rights on network infrastructure; this was in fact provided for in an earlier draft of the Directive.

17.2. Article 2, paragraph 1, the introduction into other language versions of the proposal of the phrase 'as soon as possible', which is to be found in the English version, thus providing for three periods for the extension of GSM licences to the DCS 1800 System:

- as soon as possible;
- following the adoption of a decision by the European Radiocommunications Committee;
- or, in any event, before 1. 1. 1998.

17.3. Article 2, paragraph 1, the elimination, with reference to the phrase 'wherever justified' of any uncertainty or margin for discretion with regard to cases that justify the extension of the licence for GSM services to the DCS 1800.

B. Draft Commission Directive amending Directive 90/388/EEC regarding the implementation of full competition in telecommunications markets

18. The proposal, which has seven Articles, defines the amendments to be made to Directive 90/388/EEC with particular reference

18.1. To the inclusion of new definitions and to the establishment of a regulatory framework that will resolve the conflict of interests between telecommunications organisms who provide infrastructure and services, thus opening up the sector to true competition.

18.2. To the abolition of special and exclusive rights and to the adoption of the measures required for each firm to be guaranteed the right to provide telecommunications services or networks.

18.3. With regard to authorizations for voice telephony and the public telecommunications networks, to the debarring of measures designed to delay the access of new competitors to the voice telephony and public

telecommunications networks markets, thus strengthening the dominant position of the national operator.

To this end the Member States are to be obliged to notify the Commission of any licensing or declaration requirements before they are introduced, in order to allow the Commission to assess their compatibility with the Treaty and in particular the proportionality of the obligations imposed.

18.4. To the principle of proportionality, whereby the number of licences may only be limited where this is unavoidable to ensure observance of essential requirements concerning the use of scarce resources and the existence of physical limitations imposed by spectrum shortages for the frequencies requested.

18.5. With regard to numbering, to the creation of conditions that will allow newly authorized voice telephony providers to allocate adequate numbers to their subscribers, thus enabling them to compete effectively with existing telecommunications companies.

18.6. To conditions for interconnection, which telecommunications companies must guarantee to the other firms authorized to provide services and networks on the basis of non-discrimination, proportionality and transparency and in accordance with objective criteria.

To this end, and in order to allow interconnection obligations to be monitored under competition law, cost elements that relate to interconnection prices should be clearly defined.

18.7. To the abolition of all exclusive rights relating to the provision of telephone directory services.

18.8. To the definition of the national regimes needed to distribute the net cost of universal service obligations, in order to guarantee that the method of distribution between the interested parties is based on criteria of objectivity and non-discrimination and complies with the principle of proportionality.

18.9. To the granting, to newly authorized operators, of the same opportunities of access to public and private property when installing their networks.

18.10. To the necessity of keeping separate financial records in order to distinguish between costs and revenues relating to activities associated with essential services provided under special and/or exclusive rights and those provided under competitive conditions.

18.11. To the elimination of all exclusive rights on the provision of network infrastructure for services other than voice telephony as of 1. 1. 1996.

18.12. To the necessity of not delaying the adoption of new specifications for the type approval of terminal equipment that is to be linked to new telecommunications networks, in order not to delay access to the market.

OPINION OF THE COMMITTEE OF THE REGIONS

19. The COR welcomes the Commission's proposal for amending Directive 90/388/EEC, and refers to the indications already made in points 15 and 16 of the present document.

CONCLUSIONS

20. The Committee of the Regions approves the two proposals made by the Commission and underlines the urgent need to finalize the future Community regulatory framework for the telecommunications sector by concluding the other complementary measures required for this, with a view to the achievement of fair, efficient and dynamic competition within the time limits set for the liberalization of the telecommunications market.

21. The COR proposes inclusion in the text of the Directive of rules to prohibit discrimination between public telecommunications network organisations with regard to the granting of public rights of 'passage' for 'provision' of these networks.

22. The COR hopes that the Commission's proposals will be swiftly and definitively approved and that the Member States will implement them fully and without delay.

23. To this end, the Commission is invited to monitor, and acquire from the Member States, all the information required to enable it to confirm that the provisions are being observed.

24. The COR, while endorsing the aim of full liberalization of telecommunications, is aware of the enormous social impact that the creation of the information society will have, and urges the Commission to adopt, in parallel with essential regulatory actions, initiatives that relate to a series of themes touched on in the Green Paper concerning:

- employment trends in the sector;
- the social implications of full liberalization of telecommunications services;
- the interaction between telecommunications policies and European Union policies for related sectors, with particular reference to requirements for personal and consumer data protection;

— the implications of the impact of new technologies on public health.

As already noted in the COR's Opinion of 28 September 1994, on the Green Paper, the European Commission is

invited to intensify its research, which has hitherto been inadequate, with particular regard to exposure to electromagnetic radiation and to the role of regional and local authorities, and also with regard to authorizations for installation of aërials and for transmission installations.

Done at Brussels, 17 January 1996.

*The Chairman
of the Committee of the Regions*

Jacques BLANC

Opinion of the Committee of the Regions on 'the regional consequences of the CAP reform'

(96/C 129/04)

On 27 September 1994, the Committee of the Regions, acting under the first paragraph of Rule 10 of its Rules of Procedure, decided to draw up an Own-initiative Opinion on the above-mentioned subject.

Commission 2 for Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas, which was responsible for preparing the Committee's work on the subject, adopted its Opinion on 13 December 1995. The Rapporteurs were Mr Bocklet and Mr Saraiva.

At its 11th Plenary Session (meeting of 18 January 1996), the Committee adopted the following Opinion by a unanimous vote.

1. Introduction

Whereas the objectives of Community policies in the field of agriculture (CAP, structural policy, quality policy) include the following:

- to increase agricultural competitiveness by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilization of the factors of production, in particular labour;
- thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- to take account, in working out the common agricultural policy and the special methods for its application, of the particular nature of agricultural activity, which results from the social structure of agriculture and from structural and natural disparities between the various agricultural regions (Article 39 of the EC Treaty).

Whereas two years into the CAP reform, its effects are already being felt in many regions; and whereas these

effects should be assessed in the light of the above considerations and the objectives of the reform.

Under the terms of Article 198c of the EC Treaty, the Committee of the Regions therefore feels it appropriate to issue an Own-initiative Opinion on the regional consequences of the CAP reform. This decision was taken by the Bureau at its meeting of 27 September 1994, on the proposal of Commission 2.

2. Objectives of the reform

When the European Commission issued its reform proposals in 1991, it stated that only by means of a more competitive price policy could Community agriculture withstand the inevitable competition on both its own and world markets.

At the same time, production had to be reduced and the social effects of the cuts in institutional prices cushioned by direct transfer payments. This would break the vicious circle of high prices and surplus production.

The following main objectives were set:

- safeguarding of the Community's role as an exporter of agricultural products;
- containment of production in order to restore market balance;
- targeted aid to offset price cuts;
- recognition of the need for enough farmers and for an agriculture system based on family-run and, in some cases, cooperative farms;
- recognition of the fact that rural society is dependent not only on agriculture but also on the presence of other activities which can help maintain rural populations and strengthen the economy of rural areas;
- encouragement of extensive farming methods, so as to reduce surplus production, as part of an environmental protection policy.

At the same time, the underlying principles of the CAP (single market, Community preference, financial solidarity) would continue to be upheld.

The market organization funds previously spent on price support, which had become increasingly ineffective, were to be used to provide more effective income support in the form of direct transfer payments to farmers. This is particularly important because over the last decade, annual Community expenditure on market support has doubled from ECU 18 000 million to ECU 33 000 million in 1994.

Be this as it may, the reform cannot stem rising expenditure overnight; however, it ought to be able to do so gradually, by the end of the transitional period following the third stage of the reform, if measures to limit production and changes in demand brought about by price reductions have their effect.

The above set of principles should guide implementation of the CAP reform. The effects of the reform will inevitably differ from region to region, because there are still considerable disparities between their agricultural development levels.

In the two years following the reform it was possible to make substantial improvements to the situation on the cereals market. However a balance has still not been achieved on the beef market. Producers' incomes still lag behind incomes in non-farming sectors. Only in some Member States have there been developments in the right direction, and this is due — at least in part — to price increases caused by changes in the exchange rate.

However, it is not at all certain that this trend will persist, mainly because of the limitations imposed subsequent to the GATT agreements.

3. The main decisions and the effects of the reform

The measures implemented to date focus on cereals, oilseeds, protein crops, beef and veal, and milk.

3.1. Market organization for cereals

3.1.1. Farmers' income losses are offset by compensatory payments in the form of direct income support, based on the average yields in each region.

The first beneficial effect of the measures was to reduce the price of cereals, which should enable EC cereals producers to win back as much as 10 million tonnes of the market in feed grain. In accordance with estimates, an extra 6 to 7 million tonnes of cereals were sold as feed grain in 1993 in place of cereal substitutes. The trend in the first year of the reform has held steady. Cereal production which, on developments to date, would have exceeded 180 million tonnes if there had been no reform, fell to 162 million tonnes last year. Production has been stabilized to a large extent thanks to set-aside. Taking into account the previous rules on withdrawing arable land from production, adopted in 1988 (for a period of five years) as an integral part of the stabilization mechanisms, the total area of land set aside in 1994 amounted to 7,2 million hectares.

Another point to note is that by the end of the current marketing year, cereal stocks, which are less than 9 million tonnes, had been reduced to less than a third of pre-reform stock levels. Feed wheat was no longer subsidized and it was possible to sell cereals of good merchantable quality on the market without any difficulty. Durum wheat was also in very short supply. It should be noted that in some areas of agriculture, there is a high degree of inter-dependency. For example, a reduction in cereal stocks could mean that less straw is available. This can in turn exert repercussions on the mushroom industry.

3.1.2. The introduction of compensatory payments, based on average yields, may also help to keep farmers in business, even on a part-time basis, because they provide a calculable basic income.

3.1.3. The chance to plant renewable raw materials on land that has been set aside for short-term reasons should also be viewed positively: it is a sensible use for

land and also provides farmers with the chance to earn extra income.

In this way, set-aside can be valuable for stimulating raw material production for industry, energy production or other purposes, thus helping reduce dependency on mineral and fossil resources and cut back greenhouse gas emissions.

3.1.4. It should nevertheless be noted that regions specializing in the production of one particular cereal in the various Member States will be hit hardest of all by the economic impact of the reform. Reduction of intervention prices and their replacement by compensatory payments — which are normally based on average yield — will be disadvantageous to high-yield farms.

3.2. *Market organizations for oilseeds and protein crops*

3.2.1. For the purposes of compensatory payments under the CAP reform, protein crops come under the cereals regulations. Hence, the system of processing aid and minimum prices has been replaced since 1993/1994 by a scheme of aid per hectare to support producers' incomes. Protein crops are also subject to the same set-aside conditions as the other main crops. The premium per hectare is calculated on the basis of a compensatory payment of ECU 65 per tonne, multiplied by the average cereal yield for the region concerned.

3.2.2. Nevertheless, the European Community remains a net importer of oilseeds, vegetable oils and cake, annual import volumes being largely dependent on the relative prices of seed, cake and competing fodder products and on the opportunities for exporting oils and cake from the Community.

The EU is self-sufficient only in the case of rapeseed (rate of self-sufficiency of 139 %). All other oils and cake are in deficit.

The import of soya beans from the USA, Brazil and Argentina rose between 1989 and 1992 by 50 % to 13,6 million tonnes.

Community oilseed production in 1992/1993 was almost 11,5 million tonnes compared with 13 million in 1991/1992. The crop estimate for 1994/1995 is 12,4 million tonnes.

3.3. *Market organization for beef and veal*

3.3.1. Beef and veal producers also receive compensatory payments, since there is also to be a 15 % reduction in beef intervention prices by 1995/1996.

3.3.2. On this market too, the effects of the reform are already apparent. Production exhibited a 10 % downturn in 1993 and 1994 because market prices did not follow the reduction in the intervention price and remained largely stable until mid-1994. Furthermore, it was possible to achieve almost total exhaustion of stocks. This was made possible because intervention buying had virtually ceased altogether by the end of 1992. Stocks are currently approx. 15 000 t.

However, problems persist with beef and veal sales. As a result of competition from other cheaper meats in a depressed economic climate, coupled with changing consumer habits and the way the discussions about mad cow disease have tarnished the image of beef and veal, there is no likelihood of consumption increasing at the moment. The recent collapses of the market are additional proof of this and have resulted in a massive drop in prices since the mid-1994.

As well as the cereal producing regions, regions specializing in cattle breeding are also heavily hit by the reform.

3.4. *Suckler cows*

3.4.1. The suckler cow premium is being raised in three stages from ECU 70 to ECU 120. Member States may grant an additional premium of up to ECU 25 per cow.

Unlike the special premium for male cattle, where the choice of farm reference size is optional, eligibility for the suckler cow premium is established for each holding individually. The reference year is 1992.

The farmer may also transfer his premium right, without necessarily transferring the farm.

3.5. *Sheepmeat*

3.5.1. For the sheepmeat sector, the support system remains broadly unchanged:

- The ceiling for allocation of the premium (1 000/500 head) was suspended with effect from the 1995 marketing year and incorporated into individual holdings' guaranteed upper limits.
- Premium rights are established for each holding individually. The reference year is 1991.
- In 1993, the ewe premium came to ECU 20 898 per ewe, and in 1994 it came to 17,78 ECU per ewe. Owing to the poor market situation, the premium granted in less-favoured areas as part of rural development measures was raised from ECU 5,5 to ECU 7 per ewe.

3.6. *Market organization for milk*

3.6.1. The CAP reform decisions entailed no radical alterations for the milk sector. The co-responsibility

levy, which was introduced on 16 September 1977 for milk deliveries, was abolished on 1 April 1993.

The establishment of the quota system up to the year 2000 is particularly important.

The easing of the rule linking the quota to farmland area should facilitate the structural changes needed in milk production and help make dairy farms competitive.

3.6.2. Total milk production in the Community fell by 1,75 million tonnes in 1992, reflecting the 1% reduction in quotas during the period, and deliveries followed with a 1,6 million tonne fall. In 1993 both production and deliveries kept to the 1992 volumes.

Overall, the Community kept its share of the world market in 1992. Exports totalled the equivalent of 13,9 million tonnes of milk and the Community remains the world's leading exporter in this sector. The market organization costs for milk products have been reduced from ECU 5 800 million in 1985 to ECU 4 200 million in 1994.

3.7. Accompanying measures

3.7.1. These are designed to promote more environmentally friendly production methods (lower stocking rates, less use of pesticides and fertilizers) and improve the upkeep of the countryside. They also provide funding for reforestation programmes and for the management of land taken out of agricultural or forestry production. The importance of the package of accompanying measures is reflected in the number of implementing programmes introduced by the Member States and regions:

- 160 programmes concerning production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside, provided for in Regulation (EEC) No 2078/92;
- 41 programmes concerning the Community aid scheme for forestry measures in agriculture, provided for in Regulation (EEC) No 2080/92;
- 10 programmes concerning the Community aid scheme for early retirement from farming, provided for in Regulation (EEC) No 2079/92.

Out of a total of 238 programmes, almost 90% were drawn up by the regions.

The Community is also supporting the introduction of early retirement schemes for farmers aged 55 years or over who make way for younger people.

3.7.2. However, it is important not to overlook the effects which these measures may have in certain regions.

Accompanying measures (afforestation programmes, early retirement schemes and programmes to promote environmentally-friendly production methods) could encourage a reduction in agricultural activity in the broadest sense, with repercussions in upstream and downstream sectors. In depressed or less-developed regions where it is difficult to find alternative means of achieving sustainable development, this could have a number of implications which urgently need to be addressed:

- a reduction in jobs in agriculture, and in upstream and downstream sectors, which cannot be offset by other economic activities (hence an increase in unemployment);
- abandonment of rural areas, causing migration to more developed regions and population centres;
- increasing food dependency in some Member States.

While the accompanying measures may be important for topping up farmers' incomes, they do not automatically provide an answer to the reduction in farming activity, particularly in economically depressed regions where agriculture still plays a crucial economic and social role. Consequently, in regions where it is necessary, an active settlement policy for young farmers should be incorporated into programme planning and support frameworks.

On the other hand, in a range of regions, and particularly where environmentally sensitive areas are involved, accompanying measures have produced definitively useful aid in maintaining extensive forms of agriculture. Otherwise they would have been abandoned with the result of the loss of jobs that have now been saved.

Community forestry measures are still limited. The afforestation of farmland is still the only area linking the agricultural and forestry sectors. The following aspects should remain within the remit of Member States and regions:

- long-term spatial planning schemes as a *sine qua non* for any afforestation policy involving the concomitant long-term use of land;
- economic development of forests guaranteeing sustainable use of forest ecosystems, which presupposes developing the wood processing industries and organizing producers on a technical and commercial basis, with a mind to the sales markets;
- initial and re-afforestation programmes are amongst the measures that can be applied in order to gain biomass for power generation and for production of wood products, using rapid-growth forests. This can also enable a contribution to be made to the protection of jobs that are potentially at risk;

- producer training should be limited to pilot projects; an initial project financed by the European Union on the afforestation of farmlands and the priority information and training measures to be taken, should be extended to cover all regions affected by afforestation.

3.8. Administration and control

3.8.1. A new administration and control system was established to implement the reform. This system covers the aid schemes for various arable crops and areas of livestock production, support for environmentally-friendly agriculture and specific measures for farming in mountain, hill and certain less-favoured areas.

The administrative measures focus on:

- the creation of a powerful computerized data bank allowing cross-checks to be made;
- the introduction of an integrated administration and control system involving extensive recording and physical on-the-spot checks;
- the establishment of an alphanumeric identification system for agricultural parcels and animals;
- an annual declaration from farmers which contains all the requisite data;
- the possibility of permitting multiple applications.

The present system contains very detailed rules which make it difficult to administer, requiring greater allocation of human and technical resources by the regions.

3.8.2. Data collection systems which make it easier to administer the direct payments are to be endorsed in principle. However, such systems should be decentralized so that enforcement complies with national and regional administrative laws. However, objectivity and consistent framework conditions must be guaranteed throughout the Community. Only in this way will it be possible to make flexible and efficient use of existing capabilities and enforcement systems.

The data collected by such a decentralized system should not only relate to the new aid schemes introduced by the CAP reform. They should be the basis for all measures. The only way to reduce the time and money spent on data collection and on administration and controls in the long run is to introduce standardization at European level. A plethora of uncoordinated individual programmes not only places a much greater than necessary burden on enforcement, but also makes it more difficult for agricultural policy to be accepted by the persons affected.

The extremely large volume of data to be collected provides a complete, constantly available picture of agricultural holdings which extends right into the private lives of farmers. This appears questionable from the point of view of data protection. Even if the need for effective controls is recognized, it seems doubtful whether the collection of all these data is justified and compatible with an individual's entitlement to privacy.

3.9. Finally, it should be noted that the reform package will initially cause expenditure to rise less quickly than it would have done if agricultural policy had continued unchanged.

4. GATT Agreements and extension of the EU to include CEEC

4.1. GATT Agreements

At the Uruguay Round, the Community entered into the following obligations:

- Reduction in internal support (AMS = Aggregate Measurement of Support) by a total of 20 %.
- Conversion of all import restrictions into customs duties (tariff policy) and their phased reduction by an average of 36 %, and by 20 % in the case of sensitive products. Exceptions are applicable for the main cereals and for rice, fruit and vegetables, for which variable import duties will also be charged in future.
- Improvement of market access facilities by customs concessions for certain import quantities laid down as requirements in the EU's GATT lists (minimum market access).
- Reduction in subsidised exports (quantitatively by 21 %, in budgetary terms by 36 %).

Reduction in internal support has already been achieved by the price reduction connected with the reform of the CAP. Agricultural reform farmland area and animal head premiums are not incorporated into calculation of internal support and are therefore not affected by the reduction obligation. CAP reform is therefore protected at international level within GATT.

After tariffication and the reduction of customs duties, it will be vital to maintain adequate external protection. Where appropriate, application of special protection clauses enables collection of additional import duties. Access to third markets is improved by worldwide trade deregulation, such that fresh sales possibilities arise.

The obligation for reduction in subsidised products can cause problems if production surpluses arise or are already present in the European Union and exceed the subsidised export possibilities which are in future restricted by the GATT Agreement. In important product segments such as milk, beef and veal and also crops,

problems are to be expected due to the production volume already achieved and the expected repercussions of biological/technological progress.

4.2. *Expansion of the EU*

Nonetheless, the repercussions of the CAP reform and GATT decisions have not yet fully come into effect on the markets, and the European Union has had to develop a strategy for the accession of central and eastern European countries.

The farming sector, including the foodstuffs market, plays a key part in relations between the European Union and central and eastern European countries. This is as applicable to the preparatory phase which has already been set in hand as it is to subsequent accession negotiations.

In the case of negotiations for implementation of the strategy passed by Council at Essen, the following criteria should be noted in accordance with farming and regional policy:

- The framework conditions for the positive development in trade to date in agricultural products with central and eastern European countries should not unilaterally deteriorate to the detriment of exporting EU regions.
- Preferential conditions must also continue to be strictly adhered to, bilaterally, in all product areas. There should be no erosion of preferential margins. Traditional trade flows should not be disrupted.
- In view of the particular sensitivity of the market and of the surpluses in a range of products, there is a need for a solution which continues to limit overall imports to a level which on the one hand prevents disruptions in the single European market and on the other hand also takes account of the interests of associated countries. This is applicable particularly to beef and veal, to small fruits and to other fruit and vegetables.
- On the other hand it must be ensured that these central and eastern European countries do not introduce any new import levies or similar duties or increase existing ones.
- The improvement of the position of central and eastern European countries in agricultural trade should be achieved mainly by increased quantitative control in conjunction with comprehensive utilisation of extensive, environmentally responsible production methods including re-allocation of agricultural land for ecological purposes. Community rules concerning the law on the environment, plant protection and animal health should be adopted prior to accession.
- Furthermore, efforts must be made to re-establish traditional agricultural trade links with these countries and to build them up further. The European Union alone can never constitute an adequate target market for these countries' enormous production potential.

- Aid in re-structuring of agricultural trade must be directed towards promotion of the development of agrarian principles and operating structures in these countries.
- The transitional phase should avoid structural and market policy upheaval on both sides.
- The principles of agricultural policy reform and the theoretical structure of measures must be maintained during and after the transitional stage. In order to guarantee the future financial viability of the system, ways should be considered for giving Member States and regions much greater overall responsibility.
- It is also necessary to investigate the possibilities for delegation of functions to Member States and — in accordance with their respective Constitutions — to the regions in order substantially to maintain the agricultural system whilst avoiding financial requirements that can no longer be funded.
- The external protection for EU products that is enshrined in the CAP reform and the GATT Agreement must continue to hold good even after the central and eastern European countries have entered the market.

5. **The reform process to date and the sustainable development of rural areas**

5.1. Since the CAP reform has been in force for only a short period, an overall assessment of its effects is clearly not yet possible.

The prime aim of the reform is to curb production, restore balance to the markets and safeguard farm incomes. There is no regional policy objective at the forefront of the reform, but it does have a major effect on individual regions.

Since the reform is designed to strengthen the market mechanisms and forces in the main areas of agricultural production (the first part covered arable crops, beef and veal; the second, still to be completed, covers wine, fruit and vegetables), it could change individual regions' positions on specific agricultural markets. For example, production could become more concentrated and intensified in a lesser number of locations. Farmland could fall fallow. The reform of the market organizations for wine, fruit and vegetables affects the Mediterranean countries.

The CAP instruments for supporting markets, prices and incomes are not seeking, and therefore have not managed, to even out different levels of regional prosperity and economic strength or to offset lagging economic development. Their aim is to preserve farming. It would be wrong to judge agricultural policy by its ability to redistribute resources to less-developed

regions. Assistance for less developed regions must come primarily from the various Structural Funds but receiving such assistance must not lead to a reduction in the assistance these regions otherwise receive from the Structural Funds. The Structural Funds do not, however, serve to make up for CAP's shortcomings. Nevertheless the successes of the CAP should also be measured against the general yardstick of economic and social cohesion.

5.2. Regardless of the objective points mentioned above, it is already possible to discern a number of regionally varying basic trends. It is possible to conclude from information supplied by the regions, for example, that the Commission's intentions as set out in its background document do not always tally with the way in which the various sectoral policies with a regional impact have been framed so far.

In various European Community farming regions, in fact, the occurrence of adverse economic, social or environmental influences has increased, and this may, on account of differing regional circumstances, be due possibly to:

5.2.1. the progressive deterioration of numerous countryside areas, which widens the gaps between urban and rural areas and between self-employed farmers and the rest of the working population;

5.2.2. the rapid growth in large agro-industrial and marketing enterprises in arable and livestock farming, whose economic principles and actions have resulted in the exclusion of large sections of rural society and numerous regions;

5.2.3. the pursuit of strategies which harm the interests of certain regions, especially in Mediterranean countries. In fact the first part of the reform dealt exclusively with large-scale farming, with cereals typical of northern and central Europe and with beef and veal and sheepmeat production. The European Union should carry on the reform in the wine, fruit and vegetable sectors — where new CMOS are currently being negotiated — and make a long-lasting contribution to re-establishing the market balance of agrarian economies in the regions of southern Europe and increasing the efficiency of the market organizations; it should also support beekeeping;

5.2.4. the fact that some of the reasons given for the CAP reform — market balance, elimination of surpluses, protection of the environment, preservation of the countryside — carry less weight in certain regions, and especially those regions which are not self-sufficient in agricultural and food production, where the relationship between prices and production has certainly not had a decisive influence on the accumulation of surpluses and

where some intensification of farming methods will not heighten the risks to the environment because of the predominance of extensive farming;

5.2.5. the inability to correct the distribution of financial resources, which has hitherto favoured the richer countries and is now being maintained by fixing subsidies predominantly in line with productivity, thereby increasing the disparities between small and large farms and between more and less competitive regions;

5.2.6. the inability to attenuate social disparities.

5.3. With regard to the justification for the measures, there are some contradictions which vary with the size and regional significance of the individual sectors:

5.3.1. sectors with or without income support;

5.3.2. limitation of production in certain sectors because of surpluses and simultaneous imposition of restrictions in another sector (fruit and vegetables) where the EU is one of the biggest importers in the world.

5.4. Furthermore, despite protection of the environment being constantly put forward as an argument, insufficient allowance seems to be made for the fact that the restrictive policies might unintentionally provide an incentive for intensifying and concentrating production in the more competitive regions, which already give rise to higher environmental costs. At the same time, farmers in less intensively farmed regions receive incentives to move out of farming, thereby encouraging industrial forestry and accelerating the abandonment of vast areas.

A welcome is to be given, however, to the introduction of accompanying measures to promote the extensification of agricultural production and environmentally-compatible farming. These measures will form a sensible addition to the EC agricultural reform package. They will help to upgrade the environment, preserve farmland and compensate farmers. They should thus also do much to preserve distinctive regional landscapes.

5.5. Finally, there is the risk that Community preference — a key tenet of the CAP — is gradually being sacrificed to international calls for a more liberal agri-food industry. The trend is towards the integration of Community farming in an increasingly globalized economy, which is dominated and run by the great economic powers.

5.6. It is already possible to draw a number of conclusions which might help in reforming the CAP further:

5.6.1. The CAP reform makes no allowance for the considerable differences within Community agriculture. In future the reform should go more towards meeting regional needs without breaking out of the Common Market framework. Agriculture will thus be able to promote the viability of rural areas on the basis of the diversity of its different functions and the way they interact.

5.6.2. A CAP reform which is based primarily on a market philosophy and takes competitiveness as the main criterion for future action, can hinder the development of a variety of valuable functions which agricultural activity performs such as: its contribution to demographic balance; its economic/societal function; its role in helping to protect the environment and preserve nature; and the preservation of the cultural heritage. All these are indispensable for the vitality of rural society.

5.6.3. So far, the CAP reform has failed to make allowance for the fact that apart from its productive function, agriculture also has an active role to play in helping to provide a secure future for all of the Community's rural areas.

5.6.4. CAP assistance must be adjusted to support farming communities in production areas facing particular natural disadvantages. Direct aid, production quotas and other possible instruments must be used for this purpose.

5.6.5. Resolute use must be made of the subsidiarity principle, up to the level of regions and national groups. The Commission should draw up extremely general aid provisions which should be fleshed out by the regions according to their own agricultural policy guidelines.

6. Opinion of the Committee of the Regions

The Committee of the Regions:

6.1. supports the objectives and principles contained in the Commission's 1991 document for reforming the CAP and recognizes the positive effects already felt on the product markets in question and by agriculture in general, but thinks that with a view to an appraisal of this reform a detailed study ought to be made of the regional differences in the Community (including the new Member States);

6.2. urges that the next stage in the CAP reform should proceed:

6.2.1. with due regard to the differences within EU agriculture and forestry and on the basis of a broader territorial perspective geared to harmonious spatial planning by means of integrated and sustainable rural

development and a strong, flourishing and spatially widespread agricultural sector;

6.2.2. with the emphasis not only on agricultural production, which remains the keystone of areal development, but also on rural development and environmental protection on the basis of the subsidiarity/cooperation and prevention/integration principles;

6.2.3. by acknowledging that an increasingly market-oriented agricultural sector is unlikely to be able to solve rural areas' structural problems and that instead all efforts must be focused on a broader-based agricultural policy aimed, over and above food production, at the sustainable development of rural areas and at rural and farming populations — and especially young farmers — who are the mainstay of these areas;

6.3. asks the Commission to launch all the measures required to open up other markets, especially in non-food products, and promote consumption;

6.4. asks the Commission to take balanced measures to regulate production volumes so that farm prices can develop in the right direction and costs can be covered, and designed to ensure the competitive conditions that EU agriculture needs if it is to withstand competition;

6.5. calls on the Commission to review annually the percentage of mandatory set-aside, based on market developments, and to announce in good time any changes to this percentage given that farmers need to plan in the longer term;

6.6. considers that the allocations provided by the EU for temporary withdrawal of land from production should be placed at the disposal of the regions, thereby entrusting them with the choice of measures to relieve pressure on the market and with the distribution of the respective financial resources;

6.7. thinks that as part of a further reform the Member States and regions should be given greater responsibilities;

6.8. feels that the policy adopted by the Commission for reforming the structural funds (1988) comprising a bottom-up approach through regional 'single programming documents', enables transfers under the CAP to be more effective and to take account of the specific circumstances of regions;

6.9. an approach of this type could also, above all, provide decisive momentum for promoting production

and developing renewable resources, as the regions' specific contribution not only to securing farm incomes, but also to protecting the environment and the climate, conserving limited raw materials and reducing agricultural surpluses;

6.10. demands that the simpler, more coherent mechanisms and measures still to be developed should offset falls in prices, with an investigation into differentiation for the intervention threshold;

6.11. demands that the accompanying measures, especially the package for promoting environmentally-friendly production methods and preserving the countryside, be retained as a separate set of support measures (even after 1997), be given a firmer legal basis and provided with more funds;

6.12. thinks that the possibilities afforded by Regulation 2078/92 are particularly suited to developing a system which rewards agricultural services to society that are not linked to production and are not directly marketable;

6.13. deplores the administrative complexity of the measures adopted and their implementation, and therefore calls on the Commission to draw extensively on the proposals submitted by the Member States for simplifying enforcement;

6.14. admits the need for the reformed CAP's system of compensatory payments and structural aids to be properly implemented and monitored in the Member States, whilst sanction arrangements should be simplified;

6.15. calls on the Commission to adapt the system more to technical and administrative criteria. In so doing, the Community should confine itself to enacting minimum standards and criteria and to monitoring, and leave the Member States and regions to decide how to implement these standards;

6.16. considers that the risks involved in implementing the rules and thus the financial burdens which may have to be borne can only be reduced by making a deliberate effort to simplify the aid systems, which should go hand in hand with a corresponding simplification of the administration of the aid. In this context, the case should be considered for granting premiums according to surface area of grazing land and

feed crops for cattle and sheep, and taking account of depression of unit costs for the funds to be paid to individual holdings. A competitive agricultural sector centred on the family farm must be the objective of structural policy;

6.17. considers that, as the basis for further decisions, the Commission must draw up a detailed report taking stock of the effects of the reform on the markets in the relevant sectors, as well as the trend in expenditure and its regional distribution;

6.18. requests the Commission to submit this report to the COR for its Opinion; this also applies to interim reports submitted to the Council and/or the European Parliament;

6.19. announces that it will endeavour a) to monitor the further reform of the CAP directly, and instructs its Commission 2 to promote a detailed survey of the regional impact of the CAP reform, drawing on its members' links with the regions, and b) to investigate the problems arising in the agro-monetary system, on which subject the COR may subsequently issue an Opinion;

6.20. asks that careful thought be given to the expected repercussions of Mediterranean countries and central and eastern European countries joining the European Union, and that options for trade and agricultural policy be explored which would not only facilitate the political and economic integration of the accession candidates, but also defend the interests and safeguard the balance of the EU's current farming regions, with particular attention to border regions. The Committee will therefore carefully examine the Commission's strategy paper on the further development of relations in agriculture between the EU and the associated central and eastern European states;

6.21. requests that the implementation of the Uruguay Round protects the main agrarian and regional policy interests of the Community and that it should be ensured that the Community's international obligations remain the subject of agreement with the CAP.

Above all, the results of the Uruguay Round in the agrarian sector should not directly or indirectly jeopardise the durability of the CAP or the maintenance of its general principles, particularly Community preference. The same applies in respect of exports from the Community and the protection of its place on the world market for agricultural products.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- ‘the proposal for a Council Resolution on the common organization of the market in fruit and vegetables’, and
- ‘the proposal for a Council Regulation (EC) on the common organization of the market in processed fruit and vegetables’

(96/C 129/05)

In accordance with Article 10, paragraph 1, of the Rules of Procedure, on 19 April 1995, the Committee of the Regions decided to draw up an Own-initiative Opinion on the above-mentioned proposals.

Commission 2 for Spatial Planning, Agriculture, Hunting, Fisheries, Forestry, Marine Environment and Upland Areas was given the task of undertaking this work. (Rapporteur: Mr Joseph).

The Committee of the Regions adopted the Opinion set out below at its 11th Plenary Session, held on 17 and 18 January 1996 (meeting of 18 January).

In view of the communication of September 1995 on the draft proposal for a Regulation regarding the common organization of the market in fresh and processed fruit and vegetables,

In view of the communication from the Commission of July 1994 (COM(94) 360 final),

In view of the Opinion of the European Parliament and the ESC of January 1995 (ESC/54/95 — A400/15/95),

In view of the communication from the Commission on the Euro-Mediterranean partnership (COM(95) 72 final),

In view of the conclusions of the Joint Council of 20 September 1993,

The COMMITTEE OF THE REGIONS adopts the following Opinion:

Considering that the aims of the European Union in view of its enlargement are the expression of fundamental democratic values, and that the EU can and must respond to the requests of the countries of the East and the South of the Union;

Considering that it has been possible for European construction to take place while taking into account geographical, social, cultural and economic diversity, and whilst respecting the ability of its constituents to achieve the aims they have been assigned;

Considering that since 1972, the date of the fruit and vegetable COM Regulation, it has been possible for the strengthening and development of the Union to take place whilst respecting and taking into account numerous differences and an increasing diversity;

Considering that the Community at that time was able to inspire and implement sector-based and cross-sector policies which have conferred upon it an economic strength of the very first order, but has also, in conjunction with the national policies of its members, ensured an exceptional standard of living and degree of political development;

Considering that as a result, the Union today, reinforced by the Maastricht Treaty, has the capacity to face up to world trends, not only for itself and the citizens who make it up, but also to help its neighbours to gain access to better living conditions;

Considering, in consequence, that the successive phases of this process have always required an optimal search for consensus over aims and for the adaptability of the solutions adopted in order to attain them; that, with this in view, CAP reform and the agricultural aspect of the

GATT Agreements are perfectible elements of a wider mechanism and not ends in themselves; that it is appropriate to thoroughly weigh up the bargaining chips to be conceded on other aspects of European policy; that the Committee of the Regions of Europe, by reason of its closeness to the economic, social and cultural realities, can make a useful contribution in pointing out the need for balances to be introduced, both internally and also in external relations;

Considering that, with this perspective, the creation of a large single market, the role and the place of the Union within the worldwide trade organization recently constituted, and the partnership projects to the east and south are major stages which should not be looked upon as cut and dried; that these stages, in their initial or preliminary phases, bring with them, quite clearly, consequences to be assessed and the need for adaptation at a number of levels, and that an approach that over-simplified these questions would be of a type to put at risk the chances of the citizens of the Union supporting such a policy;

Considering, too, that the phenomena of environmental blight, going as far as desertification, even if they are not seen with equal clarity by and in all the regions of Europe, carry with them enormous ecological, economic and political risks, the importance of which is insufficiently taken into account; that to these risks may be added the hitherto uncalculated effects of European integration, taking the form of industrial concentration caused by intensified economic regrouping, and that it is therefore appropriate to inquire about the possibilities of bringing into competition zones at varying levels of development, and the consequences for each of these zones;

Considering that the globalization of the economy is increasingly affecting companies and their production methods, and more particularly SMEs and SMIs; that the fresh and processed fruit and vegetable sector has felt more sharply than others the repercussions of this situation, with the drop in the costs of transport and communication; that these sectors, which are labour-intensive not only in production but also in processing, storage, packaging and related activities, are experiencing very large disparities of competition resulting from social costs within the Union, and still more so vis-à-vis non-member countries, that beyond the free play of the market, there arises for the authorities the problem of funding social policy, for growers who will finish their working lives with the prospect of pensions which are inadequate in certain countries, and the problem of agricultural-structure policies for areas of production fairly clearly marked out by the small scale of their operations;

Considering that the areas of production concerned are strongly localized in zones where the alternatives in terms of agricultural diversification are restricted; that these zones are, many of them, seriously affected by unemployment, with growing incidence of urban concentration, the social costs of which are already posing serious problems for local authorities; that it is appropriate to remove from these costs those resulting from the disuse of whole swathes of land; that in this connection, the policies of wholesale uprooting, put forward at the macro-economic level as a sure method of rationalization and making savings, have, at regional level, disastrous effects for local economies through their impact on the occupation of land, upon the socio-economic fabric, and, more especially, small and medium-sized businesses and growers' cooperatives, and collection and processing cooperatives;

Considering that, in the light of these comments, existing aid programmes in the context of EEC Regulations No 2078/92 (Agricultural Environmental Protection Programmes), No 2079/92 (Pre-retirement), No 2080/92 (Forestry) should be maintained and possibilities for promotion ensured by means of structural funds for reinforcement of socio-economic cohesion. Structural funds and the correspondingly targeted alignment policy for the benefit of regions that exhibit specific economic and social deficits must also, in future, constitute the Community's main tool for assuring positive regional economic development, for reinforcing local potential and for dealing with social problems;

Considering that the conclusions of the 1994 White Paper presented by President Delors highlight the strengthening of the Union's economic and social cohesion; that this would be unthinkable without a preservation of territorial balance at the level of the Regions,

1. The Committee of the Regions calls on the Council and the Commission to fulfil their joint commitment of 20 September 1993 and to carry out the obligations agreed at that time:

- to adopt, for sectors of production for which the organization of the market has not yet been modified, the necessary arrangements to guarantee agricultural incomes, preferably at Community level;
- to take into account in these sectors the agricultural principles and financial principles that have been applied for the agricultural sector as a whole.

2. To this end, the Committee of the Regions urges the Commission and the Council to propose and implement provisions intended:

- to ensure that the funding earmarked for reform is adjusted in the light of the adverse effects which implementation of the reform may produce;
- to re-establish conditions for competition which are not distorted by currency variations and disparities in social costs;
- with a view towards the next round of negotiations, to put across to its partners in the World Trade Organization the interests of the Union's producers in their access to the internal market and the external markets, in particular through an energetically adopted position on issues relating to social dumping;
- to consider with the closest attention the direct and indirect consequences of trade agreements with non-member countries, in particular in terms of tonnages and the import timetable, and more particularly to take into account the aims of the founding treaties of the Union in proceeding to global analyses prior to drafting bilateral agreements, or to renewing them;
- to revise the methods of calculating entry prices, taking into account marketing costs and production costs, and to apply these controls rigorously;
- to work out without delay the implementing regulation concerning the levels of volumes, and the prices triggering the special protective clause;
- to engage within the earliest possible timescale in in-depth consultations in order to study, before any hypothetical free-trade agreement, the effects of further liberalization, the localization of these effects, and any corrective measures that might be available.

3. The Committee of the Regions considers that co-financing — including EAGGF guarantees — could

be an effective instrument in ensuring the efficient and responsible use of financial resources, without undermining the principle of financial solidarity. Public co-financing aimed at building up the operational fund for growers' organizations makes it possible to react flexibly to fluctuations in production caused by cyclical or regional factors and is also a means of adapting production more appropriately to suit the market equilibrium and thus safeguard prices.

The Committee of the Regions considers it necessary to retain the possibility of including, where the need arises, products which have a particularly strong impact on regional economies, with the aim of avoiding serious market disturbances. These measures would have to be of limited duration and scale.

The Committee of the Regions also stresses the irrelevance of the requirement for growers and Member States to bear the majority of the costs of intervention. This requirement would lead to a blatantly unfavourable situation for States and regions with a weaker economic potential, especially those of southern Europe, or those in which there are few producer organizations. A socio-economic study has demonstrated the need for intervention costs to be met in full by the Guarantee section of the EAGGF during a transitional period.

Furthermore, the proposal to reduce withdrawal prices, combined with the reduction of the volumes which can be taken into withdrawal, is in contradiction with the Commission's own recognition of the need for slight trading surpluses for the stability of the fruit and vegetable market. The Commission should devise appropriate mechanisms to ensure that the maximum level of the operational fund envisaged in the draft Regulation does not make it difficult to mop up any exceptional cyclical surpluses which might arise during the farm year. Such mechanisms would help to ensure proper management of the market.

The Committee of the Regions considers it necessary to retain the possibility of including, from one case to another, in products which benefit from intervention, representative products from traditional production areas.

4. The Committee of the Regions would like to see the Commission fill in the gaps its proposals for setting up an effective mechanism for obtaining information about the market. The introduction of operational programmes should not culminate in interference with structural policy and with measures that accompany the reform of the CAP.

5. The Committee of the Regions urgently draws the attention of the Council and the Commission to the

impact of such measures on employment, investment, and the structure of farms and companies which are closely tied in with regional economies. The Committee of the Regions of Europe points out that, in addition to the variations in the powers of regions, the low amount of their budgetary resources prevents them from being able to take effective action in crisis conditions which they would be the first to feel through their closeness to the people, to their plans and to their difficulties.

Economic and social cohesion, an everyday and immediate reality for the regions, would be made more difficult by a COM which authorized imports in dumping operations, and which called for self-financing on the part of growers whose financial capacity had been greatly impaired by successive slumps, and which the single market might introduce into all growing areas.

6. The Committee of the Regions, which supports the assumption of responsibility by growers, notes with satisfaction the proposals relating to economic organization, and emphasizes that the principle of encouraging them to keep production in line with market needs and shifts in demand, requires methods appropriate to their diversity; to this end, it is best to institute practical arrangements which offer a strong incentive, in order to allow the emergence of growers' organizations at the level of growing areas that are homogeneous in terms of soil and climate; it is also best to leave to the growers the option of dual membership for fresh produce, and produce intended for processing. Producer organizations play a key part in ensuring proper management of supply in the fruit and vegetable sector.

At the same time, it will be up to the Member States to decide the minimum economic size (number of producers and volume of marketable produce) at which a producer organization can be recognized as such in the new market organization, together with the necessary provisions to ensure democratic control of producer organizations by their members.

The Committee of the Regions considers the role of the citrus processing industry to be a positive one, providing stability for the fresh fruit market and at the same time ensuring that the Community juice industry is supplied with raw material under optimum conditions so as to compete with the main non-Community producers. Consequently, the Committee would wish to commit the Commission to maintaining the budget for citrus processing.

At the same time, it highlights the question of the exclusivity of negotiation of contracts in the processing industry between the processing sector and growers' organizations. This is an acceptable measure in the mid term, but also one which is certain, in the immediate timescale, to cause serious problems of adaptation in

states and in regions that are confronted with delays in structuring of their growers' organizations. This demonstrates the need for defining an adequate transition period.

Taking into account specific situations concerning produce of local or regional importance is also a step forward that meets the expectations of numerous growers' organizations and organizations representing the processing industry. With this aim in view, a systematic study should be made of this produce and the socio-economic impact of the reform in each of the region's considered.

Secondly, the proposition concerning replacement of fixed quotas with moveable quotas in the processing industry will be an arbitrary source of serious problems, with the result of favouring certain Member States to the detriment of others. Whilst conceding the need to make the present quota system flexible, in Member States this must be done by means of transfer between the various tomato-based products whilst maintaining currently applicable global quotas as a point of reference.

In order to ensure sales of regional products, it is necessary that Member States, in the process of definition of criteria for recognition in relation to existing or future growers' organizations, should be able to take account of specific regional information.

In the same way, proposals relating to joint-trade organizations and agreements open up possibilities of a kind to add weight to efforts by the Union's growers in the area of the quality of, and respect for, the environment. It is unfortunate that on this occasion the proposed regulation does not aim to clarify rules for all of the operators in the chain, in particular, trading and mass distribution.

7. Producer organizations should be granted a period of six years in which to adjust. This period would apply to all the provisions of the reform. Without calling into question the proposals relating to standardization, the Committee of the Regions nonetheless wishes efforts towards simplification and openness to be continued, on the one hand in order to limit as far as possible additional costs for the Union's growers, and, on the other hand, so that European consumers have easy and permanent access to this information.

8. The Committee of the Regions, whilst agreeing with the value of a relevant and effective monitoring system, stresses that checks must be carried out across the whole of the Union on the basis of identical criteria and must be applicable to imports and Community produce alike.

In the context of reforming the procedure for clearance of accounts, the new version of EEC Regulation No 729/70 includes particular requirements with regard to funding organizations and the installation of 'certification offices' in Member States. This would conspicuously increase the assurance of utilization of resources in accordance with Community law. It therefore appears

unnecessary to build additional requirements into the context of a specific Community legal regulation relating to organization of the market. The Committee of the Regions rejects all Community interventions that go beyond the procedure for clearance of accounts or that interfere with national powers and the administrative independence of the regions.

9. The Committee of the Regions urges the Commission and the Council not to underestimate the delicacy of the balance in connection with direct and secondary jobs, town and country planning, the preservation of the countryside and areas of outstanding beauty, and cultural foundations to which the sectors involved contribute. For this reason, the Committee of

the Regions expressly requests the Council and the Commission to renew the possibilities for subsidy that exist in the context of Regulation EEC No 2078/92 (with regard to agricultural practices that are friendly to the environment and to the countryside) and which are also intended to encourage production methods which are friendly to the environment and to encourage configuration of land on a timescale extending beyond the present programme, and to reject anything that could jeopardize standards reached to date in regional programmes.

The revision envisaged for this Regulation should be devised such as to make it possible to configure policy relating to the agricultural environment as an independent, solid component of policy.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on the communication of the Commission concerning 'The development of short sea shipping in Europe: Prospects and challenges'

(96/C 129/06)

On 18 July 1995, the Bureau of the Committee of the Regions decided to draw up an opinion on the above-mentioned communication.

Commission 3 was given the task of preparing the work of the Committee of the Regions in this area, and appointed Mr Yvon Bourges Rapporteur.

Commission 3 for Transport and Telecommunications met on 10 October 1995. A preliminary draft Opinion was submitted to the attention of its members by the Rapporteur. The aim was to stimulate an exchange of views on the subject, and to arrange for those working in shipping to play a part in the deliberations of the Committee of the Regions through your Commission's opinion.

On 8 November this year, a working party met in Brussels at the Committee of the Regions. The Rapporteur of the European Parliament, members of Commission 3, representatives of the European Commission and those working in shipping were able to express their position on short sea shipping.

Commission 3 met again on 14 December 1995 to give final form to this opinion.

At its 11th Plenary Session, held on 17 and 18 January 1996 (meeting of 18 January), the Committee of the Regions adopted the following Opinion.

INTRODUCTION

Since the beginning of the century, the average annual growth in shipping has been around 3%. Shipping accounts for 30% of intra-Community trade. It is the

second mode of transport in Europe after road transport (which represents 37% of trade).

This sector is characterized by very cyclic activity, with supply and demand subject to unpredictable factors in the economy (globalization of trade, and increased

competition) in policy (organization of trade and developments in modes of transport) and in the climate.

For several years there has been a noticeable concentration of traffic around a few large carriers, and at the same time, small companies have occupied 'niche' markets.

This trend has been coupled with a deterioration in economic and financial results for firms in the sector: this is explained partly by high running costs and tariffs. In order to alleviate these difficulties, some countries have instituted special schemes for investment grants, tax incentives, or specific arrangements to cover social security contributions. These provisions have made it possible, for instance, to hire, in crews, more foreigners whose wages are lower than those for nationals. We have also seen some fleets or crews transferred to countries, within the European Union itself, which have a more favourable tax regime.

Another marked current trend is for operators to develop multimodality: increasingly they bring in complementary modes of transport, and extend their networks by taking over transport companies or forming partnerships (vertical combination).

Lastly, within the framework of the WTO (formally GATT), shipping is one of the sectors for which no definitive agreement has yet been reached. However, the reduction of tariff barriers might be one of the factors indicating an upturn in world trade in general, and shipping in particular.

This tends to prove that it would be the right moment to define and implement, at a European level and in each Member State, a real development strategy for shipping in general, and short sea shipping in particular.

BASIS FOR ACTION

In view of the Treaty establishing the European Communities and Article 3 which proposes 'the introduction of a common transport policy',

In view of the White Paper of 6 April 1992 on the future development of the common transport policy (doc. COM(92) 96 final) adopted by the Council in June 1993,

In view of the communication from the Commission on 'The common transport policy: Programme for action 1995-2000' (doc. COM(302) 95 final),

1. The Committee of the Regions feels that in this communication, the European Commission deserves credit for opening the debate on the future development of the common transport policy; it has set itself the aim of strengthening the place of short sea shipping within the context of effecting one large single market in

transport in Europe with fair competition for all modes of transport and for optimum utilisation of transport capacity, and it bases itself on three powerful ideas: making improvements in the quality and efficiency of coastal shipping services; the development of port infrastructure and port efficiency; and the preparation of coastal shipping for the enlargement of Europe. In accordance with the principles of the White Paper, each mode of transport and each port must rely on its own qualifications, and there must be fair competition. The necessary harmonization in this sector raises sensitive and complex issues which the Commission has also tried to bring up in its communication.

2. The Committee of the Regions is anxious to emphasize the positive role that short sea shipping can play in the search for a more balanced development of the various modes of transport in the service of intra-Community trade. The marked trend towards congestion of land transport, and the high cost of transport infrastructure (rail and road) reinforce this point of view.

Furthermore, the constant growth of intra-Community trade makes it possible to foresee major shifts to sea transport for traffic currently handled on land.

In fact, European geography offers a huge and currently under-used network of sea and river routes, and Community shipping has a direct potential for growth, leading to opportunities for economic development to the advantage of Europe's peripheral regions quite as much as for the industrial centres of Europe.

Lastly, the development of short sea shipping can only contribute to the preservation or creation of jobs in the European Union and become a major aspect of a policy for strategic development within Europe.

3. The Committee of the Regions welcomes, therefore, the Commission's proposals; some of them have already been adopted or even put into effect by the European Union; others need to be better defined before being implemented; others, finally, are worth taking further, or clarifying or even strengthening

In fact, the question of short sea shipping must be approached in a comprehensive manner. It must have a place in shipping policy in order for consideration to be given to an integrated approach to the problems of port infrastructure and the regulations in force, and a place in other transport policies, with a view towards multimodal trans-European networks, and with the aim of freeing congested land corridors. It is vital and urgent to lessen the high cost of short sea shipping so that it may play its part to the full in the distribution of traffic into modes of transport, with the dual concern for a rational use of communications infrastructures, and balanced strategic planning.

A strongly assertive policy by the European Union and the Member States ought to support these aims and free the resources for them.

Local authorities, too, have an important role to play in the implementation of measures designed to encourage short sea shipping.

OBSERVATIONS

The Committee of the Regions, therefore, puts forward the following observations to the Commission and the Council:

4. Short sea shipping offers certain advantages (lower energy consumption, reduced environmental impact, greater cost-effectiveness of maritime and port investments compared with land transport), but it must still overcome a number of structural, institutional, legal or operational imbalances which act as a brake on its development.

5. The diversity of the special provisions, and of the regulations in Member States, constitutes an obstacle to the implementation of a common shipping policy in Europe. The achievement of a single market in shipping, and short sea shipping in particular, is largely contingent upon the adoption of rules which place users and shipowners in competitive market conditions.

6. Short international sea shipping must be subject to the same conditions as those applicable to land transport. It is, therefore, in achieving the convergence of competitive conditions between Member States that it will be possible to reassert the competitiveness of Community shipping.

However, this determination to achieve convergence does not emerge explicitly in the Commission's document as a priority, but as a middle or even a long-term objective.

In this connection it is appropriate:

- a) that the principle of entry onto the Community's EUROS register is systematically applied. Heterogeneity of conditions for assigning the nationality of the vessel, and disparities in tax depending on the location of the shipping company's head office perpetuate competitive imbalance. Transferring to the flag of a non-Member country with cheaper labour has harmful consequences for the employment of seamen originating from the European Union. As a result, it is desirable to begin by filling the gaps in the definition of a Community shipowner, and to give consideration to the creation of a 'European' flag;
- b) that the question of harmonizing legislation and regulations relating to working conditions and

employment status of European merchant seamen is broached in practice (in conferring expatriate status upon them, for instance, as is the case with northern States); the current lack of legal clarity is leading to social dumping that is unacceptable in Europe;

- c) that the operating conditions for the ports in the various Member States, concerning the movement of goods by sea, are brought closer together — firstly on an industrial level by harmonizing competition and transport conditions. On an economic level, rather than the legal status of the ports, it is in working habits and customs that it is appropriate to seek convergence;
 - d) that the Commission includes in its Green Paper on 'the principles for the allocation of external costs for the use of transport infrastructure' the principle of a fairer distribution of external costs for transport to the benefit of shipping;
 - e) that the Commission proposes incentives facilitating the financing of merchant ships (coasters, and ro-ro and container vessels); this would allow imbalances to be avoided in the activities of European dockyards, and to renew the coaster fleet, which has an average age of over 20 years old;
 - f) that abuse of the monopoly on operations ports be avoided, with a view to moving gradually towards competition on equal terms.
7. Amongst the obstacles to be overcome, the Committee of the Regions is particularly aware of the need to simplify the administrative procedures, which could paralyse the development of short sea shipping.

8. In the Commission's document, short sea shipping covers coastal navigation and, by extension, sea-river traffic: this clearly enlarges the possible fields of involvement, with varying potential depending on the field. There is a concealed danger of paying unduly detailed attention to the problems surrounding the great inland waterways of the centre of Europe to the neglect of others. The specific characteristics of coastal shipping could be worked on further, and become in turn the subject of detailed proposals.

9. Starting from the principle that the revival of short sea shipping may contribute in a significant manner to the development of business in medium-sized and small ports, the Committee of the Regions would like to see hard-and-fast measures put forward for the growth potential of these ports to be better exploited.

The development of transshipment ports, for instance, would make possible a revival of business in small and

medium-sized ports, with investments in low-cost port infrastructure. In this connection, inter-port cooperation is possible and desirable, and ought to be promoted at European level.

Funds could, moreover, be allocated to a certain number of test or pilot markets, which, by demonstrating their efficiency, and without entailing a distortion of competition, could serve as a benchmark in the promotion of short sea shipping for these ports.

10. It would be helpful to incorporate the conclusions of work carried out by the regions of the Atlantic seaboard on the subject of short sea shipping — regions which were not taken into account by the Commission in drawing up this communication.

This work should be incorporated into the communication on the same footing as work carried out on the ports and traffic of the North Sea, the Baltic and the Mediterranean, thus taking in the Community shoreline in its entirety. The studies carried out on the eight corridors contribute interesting aspects to a discussion on the development of short sea shipping, but cannot serve as an exclusive reference-point to future proposals for concrete action — other corridors may be contemplated.

11. The setting-up of the Maris programme opens up interesting prospects. The creation of a maritime information highway can have only positive repercussions on the development and efficiency of the services offered by European short sea shipping.

In terms of image, short sea shipping must be seen as a mode of transport based on high technology, and one that is readily accessible. The Committee of the Regions suggests that the Commission carries out experiments in two or three pilot regions capable of accommodating these advanced technologies.

12. Lastly, it would be desirable for the Commission and the Council to specify clearly the detailed arrangements for access to European funding for port projects of shared benefit. Even though the ports do not feature in the maps of trans-European network plans, the machinery for eligibility and for the funding of projects supported by the European Union should include them on account of their role in general economic development and in the territorial balance of Europe, in particular for the development of the hinterland of the port areas. The Committee of the Regions wishes that in any event they are included in the budget allocation devoted to trans-European transport networks which will be renegotiated in 1999.

CONCLUSIONS

13. In order to give weight to the Commission's already attractive — if incomplete — proposals, it would be desirable that an appropriate initiative should enable short sea shipping to fulfil its role entirely in European transport policy.

14. The Committee of the Regions is inclined to concur with the Commission's thinking on this important subject. It expresses its satisfaction with the reference made by the Commission to the subsidiarity principle, and wishes to see this principle applied to the areas that fall within the powers of regional and local authorities.

15. Short sea shipping transport policy can and must represent a significant asset in definition of territory.

Local and regional authorities must be consulted and must play an active part in the decision-making procedure in fields relating to them, particularly in the configuration of port infrastructure, traffic management and environmental affairs.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- 'the communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on a methodology for the implementation of Information Society applications', and
- 'the proposal for a European Parliament and Council Decision on a series of guidelines for trans-European telecommunications networks'

(96/C 129/07)

On 18 July 1995, the Bureau decided to draw up an Opinion on the above-mentioned communication and proposal.

On 14 September 1995, the Council decided, in accordance with the first paragraph of Article 129d of the Treaty establishing the European Community, to consult the Committee of the Regions on the above proposal.

Sub-Commission 3 and Commission 3 instructed Mr Koivisto to draw up the Opinion. Sub-Commission 3 drew up the second part of the Opinion and Commission 3 adopted the whole text on 14 December 1995.

At its 11th Plenary Session (meeting of 18 January 1996), the Committee of the Regions adopted the following Opinion.

BACKGROUND AND STATUTORY BASIS

Part I of the Commission's report attempts to clarify how the methodology for projects seeking to develop new services and applications for the Information Society could be coordinated, in particular in the context of the research and development framework programme and the trans-European telecommunications networks. It was drawn up in response to a request by the joint Council of Industry and Telecommunications Ministers.

Part II of the report deals with the development of the trans-European networks described in Article 129b of the Treaty establishing the European Community and especially with the principle laid down in Article 129c, according to which the Community will consolidate the objectives, priorities and broad lines of measures planned for the realization of these networks, whilst at the same time identifying related projects of common interest. The present document deals with determining these guidelines for the telecommunications networks.

INTRODUCTION

According to Part I of the report, the aim is to optimize the use of Community financial instruments by increasing awareness of potential private and public partnerships, improving access to Community support and ensuring synergy between different financial instruments.

The second principle is that the Community, in conformity with the principle of subsidiarity, can play a catalytic role by helping the private sector to generate a critical mass and allowing markets to take off more rapidly.

In this respect the Union has three main tasks:

- an information and awareness role, e.g. maintaining an inventory of projects and providing information on legislation;
- a brokerage role in bringing different parties together;
- a guidance role as regards sources of financial support.

Community measures are not considered necessary in a case where a project is sufficiently attractive from a commercial point of view. Projects which serve the common interest do not, however, always fulfil this requirement, at least initially. In such cases, the Community can employ various financial instruments for their realization in a coordinated way and taking advantage of their complementarity.

The following principles are applied to financing:

- the choice of projects is based on demand and is carried out in accordance with public calls for proposals procedure, where one of the selection criteria may be the amount of support applied for;
- each financing instrument has its own rules and special requirements;
- calls for proposals can be linked over time in cases where access to several instruments is possible.

The Commission intends to set up a special coordination framework for these principles, one part of which

will contain the guidelines for the trans-European telecommunications networks described in Part II of the report.

In the proposal for a European Parliament and Council Decision on guidelines for the setting up of trans-European telecommunications networks, it is suggested that the priority as regards optimizing use of Community funds is to stimulate the development of applications. This, in turn, should generate a need for new infrastructure investments.

The second area to which it is proposed priority should be given is the generic services of the networks (e.g. e-mail, database transfer systems, video services), the purpose of which is to support the interoperability of the applications.

The third area to which priority is assigned is the basic networks, in respect of which special attention is paid to the needs of SMEs.

The general objectives of Community support in setting up interoperable telecommunications networks are:

- to facilitate the transition to an Information Society, in particular to promote the fulfilment of social needs and to improve the quality of life;
- to improve the competitiveness of European industry and strengthen the internal market;
- to reinforce social and economic cohesion;
- to accelerate the growth of areas of activity leading to job creation.

To attain these objectives, efforts will be focused on defining frameworks, in the form of a work programme, on the basis of which it will be possible to identify projects in the call for proposals which will serve the common interest.

The Commission would report on the implementation of the resolution at two-year intervals, to the Committee of the Regions, among others.

CONTENTS OF THE OPINION

In its Opinion the Committee of the Regions,

1. referring to views it has expressed earlier, emphasizes the vital importance of local actions associated with the Information Society, especially with regard to the creation of new jobs and efforts to reduce the inequality which tends to affect citizens as a result of new instruments.

Accordingly, the Committee of the Regions and regional and local authorities should see to it that Europe's citizens are aware of the Union's role in establishing the Information Society.

For this reason the Community should, in accordance with the subsidiarity principle and especially when planning and implementing Information Society applications, support local innovations and avoid general definitions of the contents of the applications.

As regards Part I of the communication from the Commission, the Committee of the Regions:

2. in agreement with the views put forward by the Commission, notes that at the present stage it is impossible, and probably also unnecessary, to change the differences of principle which exist in the rules of the Community's financial instruments that are significant for the Information Society;

3. hopes, however, that the Commission will continue to develop the application procedure, so that the differences which exist in the rules of the various financial sources will not impede the use of these instruments.

In addition to simplifying the application procedure it would be desirable to support the Information Society by developing an ongoing procedure which would be uniform for the various financial instruments and which would, for the most part, make it possible to postpone the decision on which instrument was to be used until such time as the decision to support a particular project was otherwise made;

4. expresses its concern over the fact that the boundaries created by the financial instruments may in some cases separate regions from each other rather than promote the desired cohesion between them.

For reasons related to the financial instruments, the partners in certain projects tend to be of the same type, which makes it impossible to utilize to the full the benefits that are generally to be gained from close interaction between neighbouring central regions and less-developed regions;

5. referring to the views on the role of the Community set out in the report, considers that it would be useful, particularly from the point of view of regional cohesion, if the expertise which exists in the Union could be used more extensively for Information Society projects, especially those whose subject matter or data content are trans-European;

6. endorses the objective of extending the activities of the ISPO (Information Society Project Office) to member countries and also to regions; its good record as a supplier of information and as an interface between various parties makes it very suitable for the Union role envisaged by the Commission.

To optimize the deployment of existing resources the organizations which are already responsible for regional development should be employed for the expansion of the ISPO's activities.

The Committee also draws attention to the fact that in some regions very successful Information Society projects are being implemented locally without any funding from the Union, and so far the experiences gained from these have hardly been mentioned in the Community's lists of projects.

In respect of Part II of the communication from the Commission, the Committee of the Regions:

7. notes that increased competition between tele-operators is inevitably slowing the increase in the level of services in the less-developed regions, whilst the growth of new business areas is strengthening mainly in areas where the number of users is at a commercially viable level.

On the other hand, lower tariffs and diversification of services will open up new avenues of independent activities even for the less-developed regions. Support for these activities should be provided with the minimum distortion to competition.

Deregulation and competition among suppliers will lead to an increase in tele- and data-communications services. (It should be noted that telecommunications costs are far lower in the United States than in Europe.) Lower telecommunications charges will boost European competitiveness on the world market, stimulate economic development and promote employment. Lower cost will also benefit less-developed regions and sparsely populated regions. Information technology will make firms and the public sector less independent in terms of time and space. More restricted access to modern telecommunications services could have detrimental consequences for local or regional authorities if, but only if, the region or local authority concerned reacts passively. Public bodies using information technology as a means of increasing their efficiency and modernizing their structures will also provide an important market for suppliers, thereby also benefiting the regional or local economy as more advanced information services become available;

8. considers the presentation of the position of applications in the trans-European telecommunications networks to be extremely important, as the significance of content is growing continually.

The Committee also endorses the Commission view that producing applications which serve the needs of users will speed up the development of generic services and basic infrastructure in a way that will also be commercially profitable for tele-operators.

Industry and commerce are interested in the emergence of applications with Community-wide and even global coverage. Hence the emphasis in applications serving the common interest should be placed on solutions

promoting local culture and the needs of citizens and SMEs.

The Committee would refer to the good experience gained so far from local regional networks combining citizens, SMEs and public administration. As neighbourhood networks and the content of local services in particular are often important for users, the Committee hopes that the speeding up of such solutions — the Inter-Regional Information Society initiative (IRIS) is a good example — would be given precedence over the development of other types of application.

The importance of service centres for the development and provision of regional multimedia services should also be taken into account. The success of regional projects will, in turn, create a demand for other more extensive applications and for the development of an infrastructure as described by the Commission.

In order to avoid misunderstandings, the Committee hopes that the heading of the applications domain 'City Information Highways' will be changed to one which better depicts the objectives listed under the heading, and also takes into account the viewpoints of sparsely populated regions.

The use by local and regional authorities of new applications will be one of the most important catalysts for the development of the information and content industry. Applications such as electronic commerce, tele-medicine, distance learning, geographical information systems and traffic telematics, etc., will become good examples of instruments for stimulating the market as well as making it possible to alter working methods, save money and make public services more customer- and service-oriented;

9. referring to what was stated above, proposes that when identifying applications serving the common interest, preference should be given to initiatives which cover different regions and use different financial sources;

10. notes that developing schools and libraries so that they even out social influences in accordance with the requirements of the Information Society is becoming one of the most important areas of applications serving the common interest;

11. draws attention to the use of the Internet and to the rapid growth of the services it embraces, the existence of which the Commission could exploit to a greater degree than at present for the development of the trans-European telecommunications networks.

Amongst the identified domains for applications, the existence of the Internet should be taken into account when developing a trans-European network serving universities and research institutions, because they have practically reached the target state;

12. hopes that in the calls for proposals for applications serving the common interest one of the requirements will be that planned services are described in such a manner that prospective users will be able to understand the contents unambiguously.

A general framework for the description of the contents of services should be developed;

13. as far as generic services are concerned, draws attention to the fact that, especially in the case of regional interests, there is a need to develop trans-European index services and practices in which the receiver of the message can be generally identified by the contents of the matter and not by his name.

14. As regards basic networks, the Committee draws special attention to the further development of the Euro-ISDN towards broadband applications, extending supply and guaranteeing stable standards.

From the point of view of the European regions, ISDN is at the moment the only method making it possible, mainly by utilizing present investments, to rapidly achieve a general and uniform infrastructure which provides maximum regional coverage and yet at the same time has the capacity to serve Information Society applications in a satisfactory manner.

The extensive coverage and low tariffs of ISDN services benefit individual citizens and SMEs in particular;

15. stresses the importance of the development of wireless broadband networks, especially in regions of the Community where investment in fixed cable networks is not suitable, e.g. for geographical reasons.

Interoperability between various broadband networks (cable network, travel communications, satellites) is of course essential. As the mobility of citizens increases, and for example in order to improve the scope for teleworking in remote areas, it will be necessary to develop terminals than can economically and easily access all the broadband networks described;

16. feels that, owing to the continually accelerating pace of development, the two-year reporting intervals proposed by the Commission are too long.

The Committee hopes that the reports will also take into account regional development and interregional differences. In particular, when describing the general situation as regards the Information Society and trans-European networks in the Community, it would seem fairer to use as a starting point the situation prevailing in the less-developed regions rather than that in the developed regions.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- 'the communication from the Commission concerning the promotion of energy efficiency in the European Union (SAVE II programme)', and
- 'the proposal for a Council decision concerning a multi-annual programme for the promotion of energy efficiency in the Community (SAVE II)'

(96/C 129/08)

On 18 July 1995, the Committee of the Regions decided, in accordance with Article 198c of the founding Treaty of the European Community, to draw up an Opinion on the above-mentioned communication and proposal.

At its meeting of 17 November 1995, Commission 5 for Energy, Regional Development, Environment unanimously adopted the following Opinion. The Rapporteur was Mr Palomba (I).

At its 11th Plenary Session on 17 and 18 January 1996 (meeting of 18 January), the COMMITTEE OF THE REGIONS adopted the following Opinion:

Considering that the SAVE programme was initiated following decision 91/565/EEC of the European Council and was formally launched on 29 October 1991;

Considering that the SAVE programme will end on 31 December 1995;

Considering that an evaluation of this programme has been carried out by a group of independent experts, who also made a series of recommendations that could improve the contents and the functioning of the programme;

Considering the need to reinforce economic and social cohesion and the possibility of increasing income thanks to the saving of energy;

Considering that the objective of energy efficiency set by the Commission in 1986 has only partially been achieved;

Considering the importance of energy efficiency in Community strategy for the reduction of CO₂ emissions,

the COR is pleased that the European Commission has decided to adopt a SAVE II programme that encompasses the Community initiative for the improvement of energy management at regional and local level, and has adopted the following Opinion.

1. Introduction

1.1. The Communication from the Commission to the European Parliament and European Council, presented on 31 May 1995, proposes that SAVE II should:

- continue and expand on the previous programme;
- cover the five-year period 1996-2000;
- incorporate the interventions of the PACE programme (Community action for increasing the rationalized use of energy) and PERU (regional and urban energy management).

1.2. The Commission furthermore proposes that the new programme should be based on Article 130s, paragraph 1, of the Treaty and should be assigned a budget of ECU 150 million.

1.3. The interventions financed should comprise:

- a) studies and other actions required to complete Community legislation on this matter;
- b) sectoral pilot actions, implemented mainly through Community networks;
- c) specially-targeted sectoral pilot actions;
- d) information and experience exchanges to improve the coordination between Community, international, national and regional activities; (d1 = Commission initiative, d2 = third party initiatives);
- e) monitoring of the progress made in energy efficiency in the Union and in individual states;

- f) the creation of energy efficiency infrastructure in the Member States to promote greater cohesion in the Member States and within the Regions;
- g) specific actions to promote energy management at regional and urban level;
- h) studies and other actions aimed at inserting the criterion for energy efficiency into the programmes of the EU;
- i) the evaluation and monitoring of the actions.

1.4. The cost of the actions mentioned under letters a), d1), e), h), and i) will be met entirely by the Union, while those mentioned under letters b), c), d2), f), and g) will only receive financing of up to 50 %. The difference can be made up by public or private funding.

1.5. The Commission is entrusted with the financial execution and the implementation of the programme, and this will be done in accordance with the following procedure:

- the Member States will periodically notify the Commission of national energy efficiency programmes;
- the Commission will draw up an annual list of priorities that will take into account the complementarity of SAVE II and the national programmes, and will favour complementarity;
- conditions and orientations relating to the implementation of the programme will be set each year;
- a consultative committee will express its opinion, within a time limit that may be set, on the draft measures to be adopted that have been presented by the Commission;
- at the end of the third year, the Commission will present the European Parliament and European Council with a report on the implementation of the programme and the results achieved. At the end of the programme, the Commission will present the European Parliament, Council, Economic and Social Committee and the Committee of the Regions with a report on the overall results obtained and on the coherence of the national and Community actions.

2. The Opinion of the Committee

The Committee of the Regions:

2.1. Agrees that there is a need to give continuity, and even to reinforce, Community interventions in the field of energy efficiency.

2.2. Underlines again that energy saving and energy efficiency policies should highlight not only objectives of a strictly economic nature and those relating to guaranteed supplies, but also those of greater social significance, concerning the safeguarding of the environ-

ment (and the reduction of CO₂ emissions in particular), the fight against unemployment and economic and social cohesion.

2.3. Expresses its approval of the indication of Article 130s of the Treaty, which has a legal basis in and refers to Article 130a of the draft decision of the European Council.

2.4. Believes that particular attention should be devoted to the full implementation and completion of Community legislation on energy efficiency, considering it to be a priority question; it also considers necessary an action designed to stimulate the commitment of the Regions and local communities to the enactment of Community legislation and to the preparation, within the sphere of their competences, of instruments designed to lend greater efficiency to regional and local energy saving policies. It is often cheaper to reduce the demand for energy rather than supply more energy. The Community should stimulate least cost energy planning, to enable the cost of demand side reductions to be compared with the cost of addition supply measures, and so encourage investment in energy efficiency.

2.5. The broadening of the categories of action will enable the contents of the previous programme to be reinforced and developed upon. However, the risk of a dispersion of the interventions must be avoided, thus also enabling the efficient use of the financial resources available and their concentration on large-scale actions. In the light of this consideration, uncertainties arise over the distinction between actions undertaken via Community networks and the pilot schemes targeted. It would be preferable for the criteria for the implementation of the programme to respond to those which should, in the Committee's opinion, be priorities; the safeguarding of the environment, the creation of employment and economic and social cohesion.

2.6. The Committee also agrees with the orientation designed to bring about a more effective coordination of SAVE II and the other instruments for intervention in the energy sector, adopted either by the Community or by the Member States, within the framework of the directions indicated in the green paper. It seems evident that the objective of energy efficiency can be effectively pursued if there is coordination and integration, at the various levels, between the different programmes, and between these programmes and the policies that affect the energy sector (technological research and development, education and training, regional development, structural funding, industry, SMI, transport). The proposal to incorporate the PACE and PERU programmes is a step in this direction. The proposals of the Commission with regard to the insertion of a criterion for energy efficiency into the strategic programmes of the EU merits special attention. These should, however, be reinforced by the defining of a suitable procedure for the verification and guaranteeing of the insertion of this criterion. Experiences with PERU have so far proved to be very positive.

The Committee of the Regions would particularly point out that PERU both achieves the programme objective (energy saving and introduction of alternative energy sources) and is consistent with the 'European' dimension. This is why the PERU section of the SAVE programme is so important, especially for the new Member States.

Experience from some Member States has shown that SAVE resources were only allocated to state departments and other national authorities. It is therefore important to ensure that the incorporation of the PERU regional programme in SAVE II does not lead to a reduction of the resources available for energy projects carried out by local and regional authorities.

2.7. The Committee notes that the draft decision of the Council provides for the taking into account of the Opinion of the COR and views this as recognition of the importance of the regional and local dimension of the problem of energy efficiency. Indeed, the attainment, in this field, of objectives suited to the requirements and expectations depends, especially in the environmental field, on the degree of convergence and close connection that can be achieved between action at Community level and that at regional and local level. At Community level, the importance of the enactment and completion of the relevant legislation as well as of a non-dispersive implementation concentrated on the priorities of SAVE II and of effective coordination has already been underlined. It is impossible to deny that the importance of the regional and local dimension will become obvious with the implementation of those aspects on which, in accordance with the principle of subsidiarity, the Regions and local communities can operate most effectively: cogeneration, renewable and clean energy sources, energy services, building typology, urban transport, consumer information, actions on SMI. Moreover, optimal conditions for the integrated programming of resources are to be found precisely in the regional and local dimension, and the relation between efficiency and respect for the environment is better realized by local populations when it is testified to by concrete local action. It is for these reasons that the COR believes that, in the Council's proposal for a Decision, greater emphasis should be placed, both in terms of the considerations and in terms of mechanisms, on the role of regional and local authorities, on the involvement of private citizens and on the establishing of the energy agencies; it also believes that the appropriateness of the budgetary allocation of ECU 50 million (which are, moreover, to be concentrated in the last two years, 1999-2000) to specific actions to promote energy management at regional and local level should be verified.

2.8. The opening towards the countries of Central and Eastern Europe seems justified, but it should be pointed out that no relevant financial mechanism has

been indicated. The COR believes that an opening of this kind should be accompanied by financing additional to that provided for under the programme. It also expresses its surprise that a similar opening has not been suggested with regard to the Mediterranean countries Malta and Cyprus, which are candidates for membership of the Union.

It believes that, in this perspective, an opening towards the non-member countries of the Mediterranean should also be considered, as part of the programme.

2.9. The COR is aware that in its proposals regarding the composition and role of the consultative committee, the European Commission had to take into account rules and agreements relating to so-called 'comitology'.

It has thus repropoed, almost word for word, Article 5 of the Council Decision of 29 October 1991 that instituted the SAVE programme (the committee, which was composed of representatives of the Member States should now be composed by representatives of the Member States). The COR considers that the opportunity to form opinions on SAVE II should be used to solicit a reflection on the matter that takes into account new events, including the institution of the Committee of the Regions.

The COR considers that, until such time as the reflection solicited bears positive results, the consultative committee mentioned in Article 6 should include, in whatever form possible, representatives from the COR and the ESC, and this for the reasons set out above and also because the PERU programme has been included in the SAVE II programme.

2.10. The Committee believes that the appropriateness of the financing and distribution of SAVE II over the five year period should be verified, to take into account the broadening of the field of action of the programme, the insertion of the PACE and PERU programmes and the expansion of the Union to include 15 Member States.

3. Conclusions

The COR agrees with the final proposal for the adoption of the SAVE II programme illustrated in the communication from the Commission and the indication of its juridical basis. It also gives a positive overall judgement on the value and the articulation of the programme, with these reservations and observations:

3.1. To prevent the broadening of the categories from resulting in a dispersion of the interventions it is essential to define the priorities that should govern the implementation of the programme: the safeguarding of the environment, employment, economic and social cohesion, the promotion of regional and local initiative.

3.2. The introduction of obligations for energy efficiency into the programmes and policies of the Union should be guaranteed by the adoption of a suitable procedure for this.

3.3. SAVE II should be open not only to the countries of Central and Eastern Europe, but also to Malta and Cyprus. To this end measures of a financial nature need to be adopted in order to increase the budgetary allocations provided for. The possibility of extending SAVE II to the non-member countries of the Mediterranean should also be examined.

3.4. Until such time as the criteria for the formation of the consultative committee are modified, the COR asks that representatives of the Economic and Social Committee and of the Committee of the Regions be included provisionally in the committee mentioned in Article 6 of the Council's proposal for a Decision.

3.5. The appropriateness and the spread of financing over the five year period should be verified in the light of the broadening of the field of action of the programme, of the insertion of those interventions that until now have been included in the PACE and PERU programmes, and of the expansion of the European Union to include 15 Member States.

3.6. In the continuation of its work on Regional and Urban Energy Management (formerly PERU), it is the Committee of the Regions' wish that applications should be forwarded directly to the Commission, bypassing national coordination. Experience has shown that 'the European dimension' becomes less meaningful when the local and regional level has no direct contact with the EU. The Committee therefore recommends that the same application procedure be used as in 1995.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on 'the communication from the Commission to the Council and to the European Parliament accompanied by a proposal for a decision from the Council to adopt a multi-annual Community programme for purposes of stimulating development of a European multimedia content industry and of encouraging utilisation of this multimedia content in the emerging Information Society — INFO 2000' (1)

(96/C 129/09)

On 30 June 1995, the European Commission proposed that the Committee of the Regions should be consulted concerning the above-mentioned communication and proposal.

On 18 July 1995, the Committee of the Regions, in accordance with Article 198c of the Treaty by which the European Community was set up, decided to prepare an Opinion on the above-mentioned proposal.

Commission 7 for a Citizens' Europe, Research, Culture, Youth and Consumers was appointed responsible for the preparation of the corresponding activities for the Committee of the Regions.

At the meeting on 10 October 1995 of Commission 3 for Transport and Communication Networks, which was also brought in, it unanimously adopted a supplementary Opinion in this connection.

At its meeting on 5 September 1995, Commission 7 decided to incorporate the text of the supplementary Opinion into the text of its own Opinion.

The Rapporteurs were Mr Coffey (UK) for Commission 7 and Mr Jensen (DK) for Commission 3.

At its 11th Plenary Session held on 17 and 18 January 1996 (meeting of 18 January), the Committee of the Regions adopted the following Opinion unanimously.

(1) OJ No C 250, 26. 9. 1995, p. 4.

1. Introduction

THE COMMITTEE OF THE REGIONS,

Given the Treaty by which the European Community was set up (hereafter 'the Treaty'), as modified by the treaty of the European Union, with particular reference to its Article 130, paragraph 3;

And given the proposal of the Commission;

And in consideration of its notice concerning the White Paper 'Growth, competitiveness, employment' ⁽¹⁾;

And in consideration of its notice concerning the plan of action of the Commission 'Towards the Information Society in Europe' ⁽²⁾;

And in consideration of the recommendation of the VIP group on the information society as set out in the report 'Europe and the Global Information Society';

And in consideration that the Council on 28 September 1994 ⁽³⁾ stressed the importance of urgent improvement of the global competitiveness of the European industry for information content, given the cultural diversity of these products and their importance to society;

And in consideration that the European Council, at its meeting at Essen on 9 and 10 December 1994, underlined the importance of the content of information in the setting up of the Information Society;

And in consideration that the differences in speeds of development in supplying and using the content of information in member States could impede the Community's internal cohesion;

And taking account of its comments as expressed in its Notices, with particular regard to those concerning the programs Raphaël and Socrates,

issues the following comments.

2. General observations

2.1. Background

2.1.1. The INFO 2000 programme is part of a series of measures proposed by the European Commission to develop an information society. The programme will run from 1996 to 1999 and the European Commission has proposed a budget of ECU 100 million.

2.1.2. Its aim is to encourage Europe's content providers to develop new multimedia products and services and to stimulate user demand for these products and services. It is a multi-annual programme which will focus on the transition from print to electronic publishing ('scribe to screen') and on the interactive media services that will be an important component in the emerging information society.

2.1.3. The communication outlines the strengths and weaknesses of the European Union in the multimedia industry and concludes that the programme will:

- facilitate the development of the European content industry;
- maximise the contribution of new information services to growth, competitiveness and employment in Europe;
- maximise the contribution of advanced information services to the professional, social and cultural development of the citizens of Europe.

2.2. INFO 2000 and the creation of a European Information Society

2.2.1. The Committee of the Regions welcomes the INFO 2000 programme as part of a coordinated strategy at the European level to create an information society. The Delors White Paper on 'Growth, competitiveness and employment' emphasized the importance of the information society. It stated that the dawning of a multimedia world (sound-text-image) represents a radical change comparable to the first Industrial Revolution and the Committee of the Regions has also emphasized the importance of the information society in economic, social and cultural terms.

⁽¹⁾ OJ No C 210, 14. 8. 1995, p. 1.

⁽²⁾ OJ No C 210, 14. 8. 1995, p. 109.

⁽³⁾ Conclusions of the 1787th meeting of the Council, 9561/94.

2.2.2. The European Commission has produced a number of reports on the development of the information society. These include the Bangemann Report 'Europe and the Global Society' and the European Commission Action Plan 'Europe's Way to the Information Society'. The development of the information society also figured prominently in the Heads of Government's Communiqués after the European Councils in Corfu and Essen.

2.2.3. The Committee of the Regions has closely followed the measures to create a European information society and the Sixth Plenary Assembly looked at the Action Plan 'Europe's Way to the Information Society'. The COR welcomed the EU's attempt to press ahead resolutely with the launch of the information society and stated that it would be of crucial importance to European regions and its citizens. It would also affect public authorities in terms of procedures for providing more efficient and transparent public services. This is an important consideration for the content industry.

2.2.4. The COR also commented on the possible linguistic and cultural effects of the information society and reminded the European Commission of the leading role played by local and regional authorities in these policy areas. Linguistic and cultural considerations are important elements in the INFO 2000 programme.

The COR considers that the main objectives for 'INFO 2000' are as follows:

- To stimulate investment in the multimedia content industry, which will affect all levels of society;
- To work against the emergence of a two-speed society;
- To stimulate utilisation of new electronic media in the various sectors of society;
- And to contribute to the content of multimedia services.

2.2.5. The creation of an information society is a complex issue, and it is an important element in a number of EU programmes. The INFO 2000 programme concentrates on content but the development of content must go hand-in-hand with other programmes and, in particular, the creation of information highways and training policy. Coordination with other programmes is particularly important in view of INFO 2000's limited budget, and it should also be taken into consideration that, in the case of multimedia products, it is sometimes difficult to make a clear distinction between technology, forms of distribution and actual content. However, the provision of Trans-European Networks using the latest technology to create and improve information highways is extremely important.

2.2.6. The Committee of the Regions welcomes the fact that the Communication has outlined the relationship between INFO 2000 and other EU programmes (IT, ACTS, Telematics, Media II, Raphaël, Socrates, Leonardo and the Integrated SME programme). However, the COR notes that the relationship with the structural funds is not explained.

2.2.7. The structural funds are important in the growth of the information society because the European Union must avoid widening regional economic disparities that will result if there are information rich and information poor regions. The link between the INFO 2000 programme and the structural funds needs to be outlined.

2.2.8. There also needs to be specific attention to ensure complementarity between INFO 2000 and the small Article 10 programme 'Cooperation in the Information Society' which develops strategies and actions for the development of the information society in less favoured regions and develops pilot information society projects linked to regional development.

2.2.9. The Committee of the Regions also emphasizes the importance of education and training in the information society. Technological advances in the information society and content industry applications will enhance the need for lifelong learning. It is important that the INFO 2000 programme supports pilot actions in education and training which can then be further developed in the Leonardo, Socrates and European Social Fund programmes.

2.2.10. There is a close relationship between INFO 2000 and the advisory structures such as the Information Society Forum which looks at all aspects of the Information Society and the High Level Social Experts Group which will examine the impact on society. The Committee of the Regions expresses the wish that the deliberations and recommendations from these groups will influence the development of the INFO 2000 programme.

2.3. INFO 2000 — *The role of regional and local government*

2.3.1. The Committee of the Regions is taking a keen interest in the INFO 2000 programme and other moves to create an information society because this could have significant effects on the citizen and because the growth of the information society is unlikely to be evenly spread throughout the European Union.

2.3.2. The Committee of the Regions believes that all levels of government (local, regional, national and European) have important contributions to make in the creation of an information society. The COR thus

welcomes the statement in the proposed Council Decision that 'the programme's activity is only directed at those areas where there is added value at the European level' (section 9.2). However, the Decision then points out that 'synergy between the national and European content policy initiatives will be favoured'. The Committee of the Regions reminds the European Commission that a large number of initiatives are also carried out at local and regional level. In several countries, local and regional levels play an important part in the field of planning and implementation of public sector development strategies for information technology. Since regional and local levels are often responsible for regional and local planning of the infrastructure, their role in the context of information technology becomes clear. In this respect it is important that the INFO 2000 Advisory Committee has representatives from local and regional government on it.

2.3.3. In particular, the hoped-for exploitation of Europe's public sector information requires close liaison with local and regional authorities. These authorities often possess a large volume of relevant information which can be distributed via existing or expanded telecommunications networks, or alternatively, via cable television networks (see the COR opinion on the draft Commission Directive on the amendment of Commission Directive 90/388/EEC on the abolition of the restrictions on the use of cable television networks for the provision of telecommunications services).

2.3.4. The Committee of the Regions agrees with the INFO 2000 document when it states that building the information society is first and foremost the responsibility of the private sector. However, the document does point out the key role of the public sector in many aspects of the information society and the Committee of the Regions would like to emphasize this role.

2.3.5. The establishment of public/private partnerships will be an essential ingredient in the success of the programme and the Committee of the Regions welcomes the pivotal role of public authorities in many of the INFO 2000 actions. There will also be occasions when public authorities have developed a product and wish to market it commercially.

2.3.6. The Committee of the Regions welcomes the important role given to public authorities in the programme. Obviously, local and regional government will play an important role in exploiting Europe's public sector information (Action Two) but local and regional government also has a key role to play in stimulating demand and raising awareness of multimedia products and services (Action One). The communication also outlines measures to trigger European multimedia potential (Action Three) and emphasizes the important role

of small and medium-sized enterprises (SMEs) in this action line. Local and regional government is the level of government closest to SMEs and has developed economic development strategies to encourage the formation and growth of SMEs.

2.3.7. It is important that the social and cultural applications of the information society for the citizen are emphasized. In this context, it is important that the INFO 2000 programme helps to promote:

- the importance of the information society for the citizens of Europe;
- equality of access to multimedia technologies;
- cultural and linguistic diversity;
- multimedia products with a non-violent content for children and young people.

2.3.8. The scope of information technology is being extended year by year and one of the EU's great challenges is to use this technology in the creation of a single market while maintaining Europe's diversity of culture and language.

2.3.9. While the Committee of the Regions agrees that public authorities collect and produce vast amounts of information which is of interest to individuals and businesses, careful consideration should be given to the type of information released and the two issues of the right of the public to information and the right of the individual to privacy need to be balanced. The COR, however, emphasizes the need for transparency and the importance of information which is free (i.e. provided free of charge) to the greatest possible extent. Access to information is of prime importance in the construction of the information society. Consequently it is essential that the role of the public sector, and more specifically that of libraries, to be taken into account. Local and regional government holds a great deal of information and it has a wealth of experience in dealing with the issues surrounding the publication of information.

3. Specific observations

3.1. INFO 2000 — Size of budget, its objectives and programme implementation

3.1.1. The Committee of the Regions notes the following disadvantages experienced by the European multimedia content industry:

- the high level of telecommunications costs;
- the multimedia market lags behind the US by 3-5 years and remains fragmented through linguistic and cultural differences;

- trading of multimedia rights to and access to and exploitation of Europe's public sector information are more complex than elsewhere in the world;
- many content providers are nationally or regionally oriented, while the single market does not yet fully function in this domain.

3.1.2. In view of these disadvantages, the Committee of the Regions warmly welcomes the introduction of INFO 2000 and the objectives (see paragraph 3.1.3 of this Opinion) but the COR is concerned that the budget devotes only 100 million ECU during a four-year period and is concerned that current funding levels may not make the required impact on the content industry. In view of these concerns, complementarity with other EU programmes related to the information society is essential.

The Committee of the Regions is very worried by the Council's recent stance regarding the reduction of the budget, which is very restrictive. Irrespective of this, the funds for developing the programme should come not only from the public sector but also from the beneficiaries of the information society.

3.1.3. A thriving and innovative content industry is an important element in the construction of the European information society. The Committee of the Regions welcomes the approach in the INFO 2000 programme which predominantly wishes to promote the development of new products and services but does not ignore the wider aspects that affect the content industry eg access to public information and ownership of copyright etc.

3.1.4. As the programme assists some projects which could have a commercial application there is a need to pay particular attention to the implications for competition in the content industry. The COR welcomes the focus on SMEs and the lower EC financial contribution for projects nearer to the market place. These considerations are essential elements in the avoidance of market distortion.

3.1.5. The implementation section of INFO 2000, the Communication outlines an EC contribution which will not normally exceed 50 % of the costs of the project. It then states that 'special add-in incentives' can be provided to encourage participation by SMEs and less-favoured regions. The COR would be interested to be given further information on these incentives and would wish that any incentive will be clearly defined before calls for tender to ensure that the application procedure is transparent.

3.1.6. It is therefore important that the public sector in the EU is not trapped in the passive role of supplier

in the future information society. Consequently it should also be possible to use the programme for developing experience gained from public sector communication aided by multimedia technology.

3.1.7. Public sector information alone cannot provide a basis for the private content industry's further processing for commercial multimedia productions. With the help of multimedia technology, information can be communicated effectively to a broader circle of EU citizens and businesses. Effective creation exploitation of multimedia technology in public sector communication with citizens and businesses can thus help sharpen the competitive edge of small businesses on national and international markets.

3.1.8. The development of the information society may exert positive and negative results simultaneously for the disabled and for other disadvantaged groups in society. The COR requests that particular attention should be paid to such groups in order to reduce the negative effects.

3.2. *Comments on the Action Lines*

The COR stresses the need, in connection with the various action lines and projects, to place emphasis on initiatives supporting grassroots democracy and ensure access to the information society for all citizens, e.g. projects boosting citizen self-government and independent stands on societal problems, including the local level. At the same time it is important that programme funding is not restricted to the development of commercial products since that could impede optimisation of the full potential of multimedia technology for further development of the Union. The education and training elements of these projects are an important consideration and the link with Socrates, Leonardo and the European Social Fund is important. The COR stresses the crucial role of education and training in the context of the information society and in the context of avoiding a two-speed society.

3.2.1. *Action Line One: Stimulating demand and raising awareness*

3.2.1.1. The Committee of the Regions agrees that raising awareness and stimulating demand are important components in encouraging the growth of the content industry, and that the awareness and information campaigns from the Impact programme produced a formula to be continued and extended.

3.2.1.2. The selection of organizations will be the key to the success of this action line and these organizations should be close to the citizens so they are in the position to raise awareness of the information society while passing onto the providers in the content industry the

concerns and problems of the citizen. It should also be remembered that a major aim of the information society is to develop interaction and not to simply channel large amounts of content to passive consumers. The COR also emphasizes that it will be essential to coordinate the various initiatives of the EU whose purpose is to stimulate interest in the information society. The possibilities for cooperation with regional and local information sources — such as public libraries, for example — must be taken into account.

3.2.1.3. The identification of target groups will be especially important and the Committee of the Regions agrees that the main target groups are likely to be SMEs and libraries. It is important that a broad range of the population is covered in these target groups. Thus, the importance of the information society in education, training, research and health care organizations should also be emphasized and the appropriate organizations targeted.

3.2.1.4. Due to their close proximity to the citizen, local and regional authorities could expect to play a major role in this action line. An important part of raising awareness will be alerting citizens to the perspectives that multimedia products offer in the areas of education, training, research, and to the business sector, and particularly from the viewpoint of presentation of the activities pursued by the EU in these fields.

3.2.2. Action Line Two: Exploiting Europe's public sector information

3.2.2.1. The Committee of the Regions agrees that the public sector produces vast amounts of information which can be raw material for value added information sources. In view of the differing Member State rules in terms of the access to public sector information, the Commission's proposal for a Green Paper on the subject is to be welcomed. The Committee of the Regions wishes to point out that this Green Paper should be produced after close consultation with local and regional authorities because of the pivotal role they play in collection and dissemination of public information.

3.2.2.2. The Committee of the Regions welcomes the European Commission's proposals to link directories of European public sector information and would emphasize the importance of multi-lingual solutions to the development of European directories.

3.2.2.3. Action line 2.3 deals with 'making use of content resources in the public sector'. The Committee of the Regions agrees that the European Union is blessed with a rich stock of information collections in museums,

libraries, copyright and patent deposit systems, educational and training bodies, historical archives and architectural and industrial objects. Many of these collections are still in analogue form but are gradually being digitised. The INFO 2000 programme aims at mobilising these digital collections for exploitation by the private sector. While the COR agrees with this goal, it believes that the commercial exploitation may also come from the public sector as well as the private sector. It is also important to ensure that the public authorities' role of distributing free information is not compromised.

3.2.2.4. Closer scrutiny of the possible obstacles to access to local and regional authority information will require considerable cooperation from the relevant authorities and their organizations. For instance, under the INFO 2000 programme, steps must be taken to ensure the active involvement of local and regional authorities in this type of task. In particular, successful expansion of systems for the development of and trade in intellectual property rights presupposes that the local and regional level is included. Practical schemes to set up regional and trans-national development systems must therefore encompass local and regional authorities and institutions. The COR also emphasizes the need, at European level, for an exchange of experiences and ideas between local and regional authorities and other parties involved with regard to technological information strategies for regional development. The link between INFO 2000, Télécités and the IRISI initiative must be taken into account, as must initiatives as per article 10 of FEDER. All of these, together with other similar networks and initiatives for regional cooperation should be opened up, as the situation progresses, to all involved European regions.

3.2.3. Action Line Three: Triggering European multimedia potential

3.2.3.1. The Committee of the Regions welcomes the European Commission's proposals in this section. The production of high quality European multimedia content in the three strategic areas of cultural heritage, business services for SMEs and geographic information are areas where local and regional government has been extremely active. The COR welcomes the close coordination of this action line with the Raphaël and SME programmes. Nonetheless, the COR believes that the role of lifelong education and training must be emphasized in the programme. Lifelong training is essential in the course of the implementation of the information society, and consequently there must be a corresponding emphasis on interaction between multimedia producers and users.

3.2.3.2. As regards triggering European multimedia potential, the wealth of local and regional authority

geographical information in the form of analogue and digital maps is of major importance for the multimedia content industry.

3.2.3.3. The Committee of the Regions believes that the experience of the Impact 2 programme will provide a formulation for developing this part of the programme.

3.2.3.4. The problem of multimedia intellectual property rights remains a barrier to the development of the European content industry and the Committee of the Regions welcomes the programme's proposals in this respect.

3.2.4. Action Line Four: Support actions

The support actions outlined in the proposed programme allow developments in the multimedia industry to be observed and analyzed. The spread of multimedia content standards and the encouragement of skills development are important actions in this part of the programme.

4. Conclusions

4.1. The Committee of the Regions welcomes the proposed INFO 2000 programme as part of an integrated strategy to create Europe's information society. However, the COR is concerned that the limited allocation of resources will not allow the programme fully to achieve its objectives.

4.2. In view of these limited resources, the Committee of the Regions feels that it is important that the European Commission acts in the INFO 2000 programme where there is clearly added value by activity at the European level. It is important that this work complements work at the local, regional and national levels and that the subsidiarity principle is applied. There is also a need for close coordination with related EU programmes.

4.3. The close involvement of local and regional government is essential in the programme, particularly in the area of public sector information. The Committee of the Regions would like to emphasize the fact that commercial exploitation can come from both the private and public sector.

4.4. Local and regional government can also play a key role in raising awareness and increasing demand in the content industry and the strategic areas to develop the multimedia potential (cultural heritage, business services to SMEs and geographic information) are all policy areas where local and regional government plays a key role.

4.5. The Committee of the Regions emphasizes the importance of the information society in economic, social and cultural terms and points out that in the development of the European content industry, considerations of cultural and linguistic diversity need to be taken into account.

4.6. The Committee of the Regions welcomes INFO 2000's efforts to avoid information rich and information poor regions through special attention to less-favoured and peripheral regions of the Union in a number of action lines.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- ‘the proposal for a Council Directive on the right of third-country nationals to travel in the Community,’ and
- ‘the proposal for a Council Directive on the elimination of controls on persons crossing internal frontiers’

(96/C 129/10)

On 24 August 1995, the European Commission suggested that the Committee of the Regions be consulted on ‘the proposal for a Council Directive on the right of third-country nationals to travel in the Community’.

On 26 October 1995, the Council asked that the Committee of the Regions be consulted on ‘the proposal for a Council Directive on the elimination of controls on persons crossing internal frontiers’.

On 2 October 1995, the Committee of the Regions, acting under Article 198c of the Treaty establishing the European Community, decided to draft an Opinion on the above-mentioned proposals.

Commission 7 for a Citizens’ Europe, Research, Culture, Youth and Consumers was asked to prepare the Committee’s work on the matter. The Rapporteur was Mr Kretschmer (D).

At its 11th Plenary Session (meeting of 18 January 1996), the Committee adopted the following Opinion.

1. Introduction

THE COMMITTEE OF THE REGIONS:

Having regard to the Treaty establishing the European Community, in particular Article 100;

Having regard to the Commission’s proposal on this matter ⁽¹⁾;

Considering the Commission’s proposal for a Council Directive on the elimination of controls on persons crossing internal frontiers ⁽²⁾;

Considering the Commission’s proposal for a European Parliament and Council Directive amending Directives 68/360/EEC and 73/148/EEC ⁽³⁾;

Whereas Article 7a of the Treaty provides for the establishment of an internal market without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaty;

Whereas the retention of internal border checks would impede achievement of this objective (by giving certain Member States the right to refuse third-country nationals legally present on the territory of another Member State access to their territory);

Whereas, moreover, for the single market to function properly, the legislation of the Member States regarding this matter needs to be brought in line, taking account of the national and Community provisions regulating the legal situation of third-country nationals in the Member States,

has drafted the following observations.

⁽¹⁾ COM(95) 346 final.

⁽²⁾ COM(95) 347 final.

⁽³⁾ COM(95) 348 final.

2. General remarks

2.1. In conformity with Article 7a of the EC Treaty, the Community is obliged to implement the necessary measures in order to complete the single market.

The COR agrees that it is necessary to remove identity checks at internal borders for the completion of the single market, so as to give all persons the chance to move around the market freely and unhindered. The COR welcomes the fact that the Commission is submitting proposals aimed both at the completion of the single market and at the integration of third-country nationals.

2.2. Identity checks at internal borders negatively influence European citizens' perception of the Community. The removal of police and customs formalities at these borders will help to achieve a citizens' Europe.

The COR stresses that, as one of the four basic freedoms, the free movement of persons lies at the basis of the European Union and is the freedom experienced most directly by its citizens.

2.3. The COR wishes to stress that the proposal, together with the Proposal on the elimination of controls on persons crossing internal frontiers (COM(95) 347) and the proposal amending Directive 68/360/EEC on the abolition of restrictions on movement and residence within the Community for workers of Member States and their families and Directive 73/148/EEC on the abolition of restrictions on movement and residence within the Community for nationals of Member States with regard to establishment and the provision of services (COM(95) 348), constitutes an important step towards a citizens' Europe.

2.4. The COR is of the opinion that security in the Member States must not be placed at risk as a result of the elimination of identity checks at internal borders. Any lack of security brought about by the elimination of border checks must be offset by the necessary and appropriate compensatory measures.

The COR particularly wishes to point out that there is an inextricable link between the achievement of full freedom of movement and the creation of compensatory measures needed to ensure public security. Freedom and security must go hand in hand.

2.4.1. In this connection, the COR stresses that the Proposal on elimination of internal border checks (COM(95) 347) represents an important contribution to implementation of the single European market. In the view of the COR, however, the provision of

compensatory measures to maintain national security is an essential pre-requisite for the approval of this Directive.

2.4.2. In the view of the COR, uncontrolled crossings of internal borders in the EU single market would create a lack of security that would be unacceptable without compensatory measures.

2.4.3. The 'accompanying measures' mentioned in the introduction to the proposal must be given concrete form in order to ensure national security on a permanent basis. Further compensatory measures must be set up. For this purpose, the COR proposes that the Schengen Agreement be used as a guide, and that attention be paid to the regulatory shortcomings which have already emerged here.

2.4.4. The COR considers that, before removing identity checks at EU internal borders, it is necessary to implement the requisite compensatory measures.

In this connection, the COR considers that measures are needed for improved practical collaboration, exchange of information and legal recourse.

2.4.5. For the above reason, the COR requests, in respect of the proposal on the elimination of controls at internal borders, that the necessary compensatory measures be specifically incorporated in the Directive.

2.4.6. The COR welcomes the fact that the Commission is to submit a report on the implementation of the Directive two years after its entry into force and at three-yearly intervals thereafter, and that the COR is to be included in the consultative procedure.

2.5. With regard to the proposal on the right of third-country nationals to travel in the Community (COM(95) 346 final), the COR wishes to point out that parts of the Directive have already been implemented both between single Member States and within the EU as a whole.

2.5.1. The Benelux states have regulations allowing third-country nationals with a residence permit or visa issued by the authorities of a Benelux state to enter the territory of the other two countries without having to fulfil further formalities.

2.5.2. Since 26 March 1995, the Schengen Agreement has been applied by seven Member States (B, D, E, F, L, NL, P).

Chapter 4 of the agreement implementing the Schengen Agreement of 14 June 1985 between the governments of the states of the Economic Union of the Benelux, the German Federal Republic and the Republic of France concerning the gradual removal of controls at common

borders, lays down conditions for travel by third-country nationals. The provisions contained therein guarantee third-country nationals the fullest possible freedom of movement within the territories of the signatory states.

Thus, third-country nationals who do not require visas in any of the Schengen states, can travel freely throughout the Schengen territory for three months, if and for as long as they have fulfilled all other entry conditions (Article 20 Schengen Agreement). The same is true for third-country nationals with the required common visa (Article 19 Schengen Agreement). If a visa is only required in one or several Schengen states, the visitor only needs to hold a visa if he wishes to go to one of these states.

Of particular importance is the stipulation in Article 21 of the agreement implementing the Schengen Agreement, according to which third-country nationals holding a valid residence permit issued by one of the signatory states are also allowed to travel freely through the territories of other Schengen states for three months. This is a considerable legal and practical step forward for third-country nationals residing in Schengen states, who previously needed a visa to visit other signatory states.

In this respect, the COR wishes to stress that the elimination of controls on persons does not confer the right to enter a signatory state.

2.5.3. Far-reaching freedom of movement has already been implemented with the Council's Decision of 30 November 1994⁽¹⁾ on a joint action adopted by the Council on the basis of Article K 3(2)(b) of the Treaty on European Union concerning travel facilities for school pupils from third countries resident in a Member State and taking part in group excursions within the Community. These children are allowed to travel to other Member States with their classes without a visa or personal travel document. The necessary personal documents are replaced by a list for the whole group.

This joint action is aimed at improving the integration of third-country nationals residing legally in the European Union. The COR regrets that it only eases travel for groups of school children and has not — as planned initially — also eased travel restrictions for third-country nationals with unlimited residence permits and for other group excursions (e.g. for sports clubs and cultural meetings).

The COR nevertheless believes that the joint action is a signal to the EU, which wants to put the freedom of movement without bureaucratic barriers into effect and create an area free from internal borders with repercussions on the daily lives of young people as well.

2.6. With respect to the provision of services by European companies employing third-country nationals, the COR would refer to the ruling of the European Court of Justice dated 9. 8. 1994 (Case C 43/93 — R. Van der Elst), according to which long-term, properly

employed employees from third countries working for a company based in a Member State and providing services in another Member State have the right to enter the other Member State. Entry to the Member State in which the service is to be provided is, however, contingent upon fulfilment of the entry requirements laid down by this state. The COR points out that if a visa is necessary in this case, it is issued promptly by the consular representation in question.

3. Specific remarks

3.1. Legal basis

3.1.1. The COR considers that the free movement of persons enshrined in Article 7 of the Treaty covers the free movement of all persons in the European Union, regardless of their nationality.

3.1.2. The COR nonetheless points out that according to Article K 1(3) policy relating to third-country nationals is regarded as a matter of common interest for the Member States. This policy also covers the stipulation of the conditions for entry and movement by third-country nationals on the territory of the Member States.

3.1.3. The COR endorses the Commission's opinion, explained in a protocol (Council doc. 11701/94, p. 8) to the Council's Decision on a joint action adopted on the basis of Article K 3(2)(b) of the Treaty on European Union concerning travel facilities for school pupils from third countries resident in a Member State, that the joint action does not in any way affect Community competence in this area and that the Commission reserves the right to propose Community legislation regarding short trips by third-country nationals in particular.

3.1.4. In this respect, the COR wonders whether, given the provisions of Article K 1(3), an extension of Community competence in statutory legislation to a part of the policies vis-à-vis third-country nationals is permissible.

3.1.5. Regardless of the above, the COR is convinced that the goal of the proposed directive is to complete the single market and eliminate one of the reasons why identity checks at internal borders are still carried out. Hence, the COR is of the opinion that the Directive should be based on Article 100 of the EC Treaty.

⁽¹⁾ OJ No L 327, 19. 12. 1994, p. 1.

3.2. *Regional integration policies*

3.2.1. The COR points out that the regions of the European Union are striving to improve integration policies in order to end the isolation of third-country nationals and defuse social conflicts. This task can be fulfilled better at a regional than at a national level, since the regions are more familiar with local social structures and can act more speedily.

3.2.2. The COR notes that apart from the free movement of people, positive integration can also be supported by educational and cultural measures.

3.2.3. The COR considers that the regulation of immigration flows and the integration of legal immigrants can only take place step by step. Given the diverse legislation regulating the situation of immigrants in the individual Member States, a clarification of the common entry requirements and the laws on residence for third-country nationals who are legal residents of the Union is also called for. In this respect, the COR welcomes the fact that the EU's Ministers of the Interior have drawn up a common visa list in Brussels. The COR believes that in the negotiations related to the 1996 intergovernmental conference it should be checked whether significant areas of cooperation on immigration policies, as agreed in Article K 1(3), should become a Community competence, in order to contribute to the fight against illegal immigration and unchecked internal migration.

3.2.4. In order to avoid unchecked internal migration and maintain coherence with the national regulations regarding legislation on aliens, the COR calls for a

stipulation in the Directive that freedom of movement is not guaranteed if the permit or visa issued by a Member State includes a territorial limitation.

4. *Conclusions*

4.1. The COR welcomes the Commission's Proposals to guarantee the freedom of movement for third-country nationals and eliminate identity checks at internal frontiers as an important contribution to the achievement of the free movement guaranteed by the single market.

4.2. The freedom of movement which enables third-country nationals to make short visits to all Member States, will promote travel and tourism within the Community.

4.3. Nevertheless, guarantee of the freedom of movement for third-country nationals and the elimination of identity checks must not jeopardise public safety. The COR wishes to stress that the resulting lack of security must be offset by compensatory measures.

For security reasons it is essential to keep the Directive under scrutiny even after the introduction of the measures deriving from the third pillar.

4.4. Finally, the COR calls upon the 1996 intergovernmental conference to transfer essential areas of domestic and legislative policies from intergovernmental cooperation to the EC Treaty, in order to ensure more effective freedom of movement for EU and third-country nationals in the single market.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC

Opinion of the Committee of the Regions on:

- 'the communication from the Commission concerning a Community action programme on health monitoring in the context of the framework for action in the field of public health', and
- 'the proposal for a European Parliament and Council Decision adopting a programme of Community action on health monitoring in the context of the framework for action in the field of public health'

(96/C 129/11)

On 18 July 1995, the Committee of the Regions decided, under Article 198c of the Treaty establishing the European Community, to draw up an Opinion on the above-mentioned communication and proposal.

Commission 8 for Economic and Social Cohesion, Social Policy and Public Health was responsible for preparing the Committee's work on the subject. The Rapporteur was Mr Bengt Mollstedt.

At its 11th Plenary Session of 17 and 18 January 1996 (meeting of 18 January 1996), the Committee of the Regions adopted the following Opinion.

1. Introduction

The Committee of the Regions has with great interest studied the Community action programme on health monitoring, which is aimed at the collection of health data at Community level and the development of Community health indicators building a capacity for analysis of data obtained dissemination of information on health and its determinants to enable the Community as well as the Member States to establish priorities, review policies and actions, and assist them in deciding on allocation of resources.

Health information is identified in Article 129 as a specific area of Community action and is a fundamental instrument in the Community policy-making process. Health data and indicators are an essential part of a health monitoring system, which will serve the purpose of monitoring health and health determinants throughout the Community and permit comparisons with third countries, to facilitate planning, monitoring, implementation and evaluation of Community programmes and actions, and finally to provide Member States with high quality, comparative indicators and information which support and add value to their national health monitoring systems and contribute to the development of national health policies.

According to the Commission, the system should build on readily available European data and indicators, any unnecessary duplication of work should be avoided, the system should not impose unnecessary burdens on Member States which already transmit health data to a number of international organizations, available options for developing the various parts of the system should be carefully assessed, and the system should be designed to have as much flexibility as possible.

The Commission foresees three strands of action: the establishment of Community health indicators, the development of a Community-wide network for data collection and dissemination and the capacity for and conduct of analyses. This is suggested to be initiated by a five-year Community action programme.

2. General comments

2.1. The Commission has paid interest to the field of public health and stressed the importance of monitoring health with different indicators. Since public health is very close to every citizen, every local community and every region, the topic is of great concern to the Committee of the Regions. The Communication and the Proposal from the Commission underline the importance of subsidiarity but does not take into consideration that this principle involves active participation of local and regional authorities. The Committee of the Regions sees the principle of subsidiarity as a tool to get involvement of the individual citizen, especially concerning health. Thus, activities to promote health must stay primarily with the local and regional authorities. The national level should be involved only in special cases. However, when health data are to be collected, it is necessary to work with large populations, such as regions or bigger cities.

2.2. The Committee of the Regions insists that when the report and the proposed five-year plan are implemented, the Committee of the Regions and the local and regional authorities are given a significant involvement in the procedure. The Committee of the Regions will see the programme as a start for more intense activity of the Community concerning public health, with due respect for the present responsibilities of local and regional authorities.

2.3. The communication and proposal concern two different aspects, the political and technical involvement. The political aspects concern the impact of public health on the future of the Union and the need for improvements concerning the health of the total population. The report describes the importance of possibilities to compare public health in different areas, regions and Member States, mainly to give possibilities to improve health. There are also descriptions of how data could be used for analysis of causes and effects, all in order to give a background for better health of the European population.

2.4. The Committee of the Regions has no objections to the political objectives stated in the report. However, it is important to give regions, big cities etc. the opportunity to use the material broken down to a level which will also suit administrations smaller than Member States.

2.5. The Committee of the Regions feels that this programme could be used for setting up minimum standards of health in all member Countries in the future.

2.6. The technical aspects concern collection and dissemination of data to and from Member States. Indicators of health are given as examples and the set of indicators should be decided on as soon as possible in co-operation with the WHO, schools of public health and other experts. The Commission should consider including local and regional expertise in this work, for example local and/or regional Environmental Health Officers. Finally the semantics should be mentioned. Health aspects concern the individual citizen living without illness, handicaps etc. The aggregation of data about the individual citizens will give an illustration of public health. When a sick person gets care, treatment, etc., the term medical care is suitable. However, medical care and health care are not synonymous and must be separated in the intellectual process.

3. Specific comments on the communication

3.1. Paragraphs 1-3

The Committee of the Regions agrees with the general principles, but underlines (in paragraph 2) that also local authorities and regions with outstanding results could be set as targets.

The Committee of the Regions stresses that the health indicators shall give added value also to local and regional authorities.

3.2. Paragraph 5

The term 'subsidiarity' must be seen in its widest sense, i.e. to delegate to local and regional authorities their proper tasks concerning public health.

3.3. Paragraph 9

The Committee of the Regions notices with interest that the system should 'support the community and Member States in health policy and evaluation'. It is important that the monitoring system is dynamic and involved in day-to-day activities, and that the system does not live its own isolated life.

3.4. Paragraph 15

The Committee of the Regions shares the view that the monitoring system should collaborate with WHO. It must however be noticed that some WHO programmes, for example 'Healthy Cities', are based on collaboration between local authorities and not between nations. Such a system could be used as an example.

3.5. Paragraph 26

The Commission mentions 'medical practices'. This is not in accordance with the principle that medical care will be handled by the individual member states. However, this could be accepted if 'medical practices' will be defined as 'involvement of the medical care sector and medical knowledge in the field of public health'.

3.6. Paragraph 30

This paragraph concerns factors with impact on public health, such as education, physical environment, occupation and social policy. Here we find one of the key reasons why the Community should have an overall interest in public health matters. However, the responsibility for many practical activities in these fields stays with the local and/or regional authorities, and the principle of subsidiarity must once again be stressed.

3.7. Paragraph 40

The Committee of the Regions notices with satisfaction that the Commission recognizes the need to safeguard the individual citizen and his/her integrity, and underlines that this is an important part of the programme.

3.8. *Paragraph 43*

The Committee of the Regions think it is necessary to add to the important list of purposes:

- to analyze cause-effect connections in the field of public health especially when aggregated data from many Member States are needed for conclusions’.

3.9. *Paragraph 46*

The list of indicators given in Annex A is an important example which must be analyzed in greater detail. The Committee of the Regions suggests that the assisting Committee, referred to in Article 5 of the proposal, should examine this list in cooperation with technical experts from the field of public health. However, the Committee of the Regions finds the distinction between cause and background factors essential.

3.10. *Paragraphs 62-63*

The Committee of the Regions feels that the system must be able to change over time but must also be consistent in order to measure long term changes. Thus the discussion about harmonization could be limited.

3.11. *Paragraph 74*

The Committee of the Regions agrees that measuring the status of public health is only a background for improvement of the public health policy. The Community and its members, including concerned local and regional authorities, must use them for a continuous discussion and improvement.

3.12. *Paragraph 77*

The Committee of the Regions observes that this is the first time in the text where regions and population sub-groups are mentioned. The Committee of the Regions would prefer to have this fact stated at an earlier state in the communication.

3.13. *Paragraph 90*

The Committee of the Regions accepts that a report is published annually but will note that good examples could also be found in different local, regional and national reports, and that these could be used as inspiration for the Commission’s annual reports.

3.14. *Paragraph 97*

The programme for evaluation is acceptable but the Committee of the Regions demands to be consulted or included in an evaluation group.

3.15. *Annex A*

The Committee of the Regions would like to point to the following areas that ought to be included among the health indicators illustrated in Annex A:

- asthma/allergy;
- food hygiene (monitoring of restaurants and institutional kitchens);
- overuse of antibiotics, both as medical remedies and in meat production.

4. **Specific comments on the proposal**4.1. *Article 2.1*

The Committee of the Regions insists that cooperation should take place not only with Member States but also with representatives of local and regional authorities. These should be informed and involved in the work in good time.

4.2. *Article 2.2*

The Committee of the Regions suggests that organizations such as the WHO, the OECD and Eurostat are mentioned in the text.

4.3. *Article 3*

The Committee of the Regions feels that the allocated budget, 13,8 mecu, might not be sufficient considering the necessary cooperation with other agencies, local and regional authorities etc.

4.4. *Article 5.1*

The suggested Committee will have many members. The Committee of the Regions suggests that the Committee be composed of only one member representing each Member State (national level) and additional Committee members from regional bodies such as the Committee of the Regions, the Nomesko (the Nordic Committee for Medical Statistics) and others.

4.5. *Article 6.2*

The Committee of the Regions underlines the importance of including associated countries in the programme.

5. Conclusions

The Committee of the Regions supports the proposed system on health monitoring and underlines:

- that the system should use existing national and international data;
- that the system should disseminate information and analyzes to authorities concerned as soon as possible;
- that the local and regional authorities should have possibilities to take part in the system;
- that measuring the status of health is only a support and background for improvement of the public health policy;
- that the suggested monitoring system is a start for a more intense activity of the European Union in the field of public health, albeit within the framework of the present Article 129 in the EU-Treaty.

Done at Brussels, 18 January 1996.

The Chairman
of the Committee of the Regions
Jacques BLANC
