

4-001

SITTING OF THURSDAY, 30 MAY 2002

4-002

IN THE CHAIR: INGO FRIEDRICH *Vice-President*

(The sitting was opened at 9 a.m.)

4-003

Approval of the Minutes of the previous sitting

4-004

President. – The Minutes of the previous sitting have been distributed.

Are there any comments?

4-005

Mombaur (PPE-DE). – *(DE)* Mr President, the Minutes wrongly state that, following the report on, and description of, the attack on Mrs Klab, I had simply called on the President to take disciplinary steps. Although true, that is only half the truth. In addition, I publicly called on him to lay charges before the responsible law enforcement agencies against the employees of this House who made themselves liable to criminal proceedings for failing to give assistance when Mrs Klab was attacked. I request that the Minutes be amended accordingly.

4-006

President. – Mr Mombaur, I myself witnessed both Mrs Klab's joinder of issue and your own. I do indeed recall that you raised this point about the failure to provide assistance. I can inform you and the House that the Bureau considered this case yesterday and that there will be a written report, which will lay bare all the matters connected with it. I therefore request my small staff here to add to the Minutes – page 17 in the German version – what Mr Mombaur said about this matter of the failure to provide assistance.

(Parliament approved the Minutes of the previous sitting.)¹

4-007

State aid to the coal industry

4-008

President. – The next item is the report (A5-0162/2002) by Mr Hervé Novelli on behalf of the Committee on Economic and Monetary Affairs on the proposal for a Council Regulation (COM(2001) 423 – C5-0438/2001 – 2001/0172(CNS)) on State aid to the coal industry.

4-009

Novelli (ELDR), rapporteur. – *(FR)* Mr President, ladies and gentlemen, the Commission proposal to the Council of 25 July 2001 on State aid to the coal industry has a certain number of good qualities and one slight defect.

The first of the good qualities is the fact that it is essential. The second is that it really is an important step in the right direction for the coal industry. The slight defect is that it contains a certain number of inaccuracies which have not been removed at the committee stage.

This proposal is essential because the previous arrangements will expire in July 2002, hence the need for a new regulation. Above all, it is essential because of the expiry of the ECSC Treaty, which is the legal basis of the previous arrangements governing aid to the coal industry. The restructuring of the coal industry in Europe has not been entirely completed, so there can be no question of not having a new regulation on these arrangements for State aid. This proposal is also a step in the right direction insofar as it makes provision for production aid to cease in 2007. In fact, I believe that it is inevitable and desirable to make provision for the cessation of this aid, since coal and steel products will be re-integrated into the common law of the Treaty on European Union following the expiry of the ECSC Treaty.

My attention and the discussions in committee were concentrated on the revision, from my point of view, of this text, an important revision, because it consists of supporting the creation of what is known as an 'indigenous primary energy base' in order to preserve the European Union's independence regarding this product.

This creation is slightly surprising in a text which originally had only a technical purpose. In any case, it calls, and has called, for the following comments from me and from a certain number of other Members. Is Europe threatened if this

¹ *Communication of Common Positions by the Council – Composition of Committees – See Minutes.*

indigenous primary energy base is not created? Is there any strategic interest in creating such a base? In other words, is coal strategic, and is indigenous coal production within certain limits strategic to the European Union?

My reply to these two questions is negative. I believe, and the experts agree with me, that the world coal market is characterised by both great dispersion of supply and great stability of prices in the medium and long-term. The risk of shortages is quite small. In addition, there are a number of products which could claim strategic status, and therefore the replies obtained from the Commission have led me, I regret to say, to propose that this revision be stated separately in this text in order to deal with this problem. The period of validity of this regulation is set to end in 2010. I had proposed that it should end in 2007, for the sake of consistency, because that was the year, in the Commission proposal, for ending production aid. I regret to say that the Committee on Industry, External Trade, Research and Energy did not agree with me, and my report was rejected.

That being the case, I invite you to vote for this report on the original version of the Commission proposal because, despite its uncertainties, inaccuracies and obscurities, the proposed regulation is a step in the right direction, towards support for the restructuring of the coal industry, albeit for a limited period of time. I believe that this is how that support should be given, because it cannot continue indefinitely.

(Applause)

4-010

Rapky (PSE), *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (DE) Mr President, ladies and gentlemen, I think that the proposal for a regulation, which the Commission submitted almost a year ago now, is a good and reasonable compromise between the conflicting interests that there have been in the Commission and in the Member States. What shows that it is not such a bad compromise is the fact that these conflicting interests and views were also, of course, present in Parliament and in the Committee on Industry, External Trade, Research and Energy, and our agreeing, the second time around, to support this very Commission proposal, which is nearly a year old, says something about the proposal.

We – by which I mean my group – will in any case, when we eventually come to vote, be supporting it without amendment, and we will keep to what we agreed in committee. That notwithstanding, whereas Mr Novelli made a few critical comments from his standpoint, I do so, of course, from my own, for any agreement on the details does not indeed prevent us from having outlooks that differ overall. If the translation is accurate, Mr Novelli, you twice spoke in terms of the Commission proposal envisaging the cessation of production subsidies in 2007. That is not actually the case; rather, production subsidies are to continue until 2010. That is right and proper. Closure aid is to come to an end in 2007. I do, though, have a small problem with that, in that, in view of our desire for a strategic base of this sort and, of course in retrospect, the need for capacity to be adjusted as well, I can very well imagine that we will also need aid for closure and reconstruction, especially if it is maintained that this base, too, has to be underpinned by laws on the grant of aid. No single Member State, no matter which one, can do as it pleases about this, but it must, both before and after 2010, be monitored by the Commission in accordance with the laws on subsidies.

I have a few difficulties with the phasing out of aid as well. It is indeed the case that they have to be marked down on a sliding scale. What the Commission is proposing appears to me to be a bit too mechanical. On this point, I would recommend to the Council that they should just think a bit about whether they can refer back to what the ECJ decided when they ruled on the subject in 1998.

My last point has to do with the clause about the post-2007 assessment, which was mentioned in the proposal. We should think again about that as well; otherwise, our approval of the Commission proposal is unconditional.

(Applause)

4-011

Valdivielso de Cué (PPE-DE). – (ES) Mr President, the Novelli report on the coal industry in the European Union was, as you are aware, rejected by the Committee on Industry, External Trade, Research and Energy on 23 April. That report, far from helping to reach a consensus around the European Commission proposal, which was viewed by the majority of the members of our committee as balanced and comprehensive, meant sudden death for the European coal industry.

On the one hand it meant cutting aid to companies in the sector, and reducing the periods within which our industry could receive that assistance. Given the importance of the issue, particularly for the families and regions that depend solely on that activity in the European Union, the majority of the members of the Committee on Industry, External Trade, Research and Energy came to an agreement on a fair and balanced consensus text that is none other than the draft regulation from the European Commission. That regulation envisages maintaining aid to that sector at least until December 2007. During that period the European Commission will evaluate the development of the sector, both at Community level and at world level, and if necessary will put forward fresh proposals.

On the other hand, it should also be remembered that this date is in some way subordinate to the security of energy supply that the European Union needs, as this is a factor that the European Commission will undoubtedly take into account when formulating new proposals. We think that this is an important subject that should be treated as a priority.

4-012

Westendorp y Cabeza (PSE). – (ES) Mr President, Commissioner, Mr Novelli's original report was rejected because when voting on the amendments we realised that the final text was completely incoherent. On the one hand it had incorporated the positions of those who wished to remove aid to this industry, which is fundamental for energy supply and for social cohesion in our countries, while on the other hand others among us would have liked to go further and have greater certainty about what is going to happen after 2010.

For this reason, the report was rejected in committee and as the chair I was given the task of conducting the necessary negotiations to solve the problem, because we would have been unable to deliver an opinion on the Council's decision. This was why I contacted Mr Novelli, as he had already worked on this report, and also, out of parliamentary courtesy, I thought it was appropriate to consult him as to whether he wanted to put forward the only text that could receive a consensus, which was the Commission's text, and Mr Novelli agreed, which I thank him for. He thinks it is a step in the right direction, as do I. He thinks that it goes too far and I do not think that it goes far enough but it is, however, the only possible text, and we therefore think that we should give it majority support and comply with the agreement between the different groups, which is not to adopt any amendments modifying the Commission's text.

Now the ball will be in the Council's court and we hope that it will adopt a solution that is in line with the Commission's proposal.

4-013

Turmes (Verts/ALE). – (FR) Mr President, as I have only one minute I shall be very brief. The Greens are in favour of restructuring aid because we have an obligation to support restructuring in coal-producing areas so as to provide future prospects for the workers and their families living there. By contrast, we are categorically opposed to providing aid in order to ensure security of supply, because there is a world energy market which is liquid, where prices have not changed for the last twenty years, and where the countries of origin, the United States, Australia, Brazil and South Africa, are stable. It is ridiculous to give millions of euros to subsidise European coal, which is three, five, ten times more expensive, as long as the world market is liquid. If we were to pursue this economic policy in other areas, I believe that that would amount to a return to nationalism and it would mean the end of world trade if each continent were to pursue policies of this kind.

4-014

Markov (GUE/NGL). – (DE) Mr President, ladies and gentlemen, coal will continue to play an important role in energy provision for the foreseeable future. On that point I am at one with the Commission, even though the relative amount of energy produced from coal has become very small in comparison with other primary energy sources. I even think that the Commission should have made even more emphatic reference to hitherto unused capacity to derive energy from coal, as greater effectiveness can be achieved through improved technical procedures, especially combined heat and power.

If we – as is indeed only right – include indigenous primary energy sources and thus also coal in the European strategy for security of energy supply, this inevitably leads, in the case of coal, to the requirement that the Member States should have the right to grant aid in this sector, as Community coal production is made uncompetitive by geological conditions and environmental and social standards in the EU. This means that the classes of aid proposed by the Commission – operating aid, closure aid and help with meeting inherited liabilities – are sensible and necessary, although there might very well be different opinions about the period for which this regulation is to run.

What I find regrettable about the Commission proposal, in view of the imminent enlargement of the European Union, is that it does not include the coal-producing acceding countries in its scope with effect from the date they join, which is indispensable, and the periods for which the regulation is to run are far too short for these countries to be able to carry out the necessary and painful restructuring of coal mining in, for example, Poland and the Czech Republic. Poland, in any case, produces more coal than the whole of the European Union put together, totalling 102 million tonnes in 2000 over against the EU's 85 million tonnes. There is a need to catch up here. My group supports the Commission proposal.

4-015

Mombaur (PPE-DE). – (DE) Mr President, the Commission has made a proposal, and Parliament has no amendments to put forward. Those Member States that want to apply coal subsidies have to decide on this themselves and take responsibility for it, even bearing in mind that the subsidies are very high, and that the money involved could perhaps have been used to promote other, forward-looking, industries. The European Union is being asked only because it has to rule on the compatibility of these subsidies with the European market. A qualified majority in the Council is required for that, Madam Vice-President – and it is you personally that I am addressing, if you would be graciously pleased to listen to me. It must not appear as if an essentially superfluous unanimity in the Council is being concocted, as is currently being attempted through an unparalleled deception after the example of the fraudulent Conference of Nice. It is not on for manifestly illegal subsidies by other Member States to be sanctioned by means of a unanimous resolution, with, for

example, French, Italian and Dutch subsidies to freight carriers being declared not to be detrimental to the common market. That adds up, per annum and per lorry, to a subsidy of EUR 7 000 to the benefit of freight carriers in some countries and to the detriment of those in all the others. That such a thing can be unanimously sanctioned in the Council, thus contravening the European Treaties, is a scandal!

Madam Vice-President, a policy of that sort flagrantly violates the Treaties, and does so with consequences that are incalculable. I note that the conditions specified in the Treaties for such permission to be granted, even unanimously, are not fulfilled, and I call upon the Commission to contest these fraudulent outcomes of Council meetings in the European Court of Justice and, if possible, to put a stop to them.

4-016

Adam (PSE). – Mr President, this has not been an easy report for the committee to handle but there are two points which I believe need to be addressed by the Council when it is reaching its final decision. First, the concept of viability in the industry should be strengthened. Productivity improvements should be demonstrated where financial aid is made available. The second point is that because of low world prices, developing reserves in existing coalmines is very often difficult to finance and this accelerates the closure programme. Support for such developments should be included in the provisions. I would also like to associate myself with remarks made by Mr Markov.

4-017

González Álvarez (GUE/NGL). – (ES) Mr President, I live in a very small region called Asturias, which has suffered from various restructuring processes in recent years, in particular that of the mining industry, which we are discussing today. In recent years our number of miners has dropped from twenty-four thousand to around eight thousand. I therefore share the desire expressed by my colleagues the Chairman of the Committee on Industry, External Trade, Research and Energy, Mr Westendorp, and Mr Rapkay, that we should adopt the Commission's proposal, for various reasons. First of all because it guarantees aid until 2010 and gives us some time. Secondly, because it also talks about CO₂ emissions, and rightly points out that, with the decrease in coal production CO₂ emissions associated with its use have decreased, and because it states that, with the current directives on emissions, industries are obliged to ensure that their new processing plants make a more serious effort to prevent pollution and use the latest techniques available.

The Commission also highlights the social and regional consequences, and no one here can forget them. I think that each of us is aware that in Germany, Asturias, León (our neighbouring Autonomous Community) the same thing is happening and we know what happens when miners' families and the whole industry surrounding them are left without work. The Commission therefore also highlights the need to maintain regional cohesion. And we need to take into account, Mr President, that the most recent agreement, for example in Spain, between the government and the unions, extended decreases in production.

I would like to finish, Mr President, by saying that the only concern we have about the Commission's proposal is regarding what will happen after 2010.

4-018

Chichester (PPE-DE). – Mr President, the end of the treaty means that something must be put in place. Otherwise, an abrupt end of support would cause a chaotic situation. However, it should not be a licence for endless subsidy. The UK experience shows that it is possible to have a competitive industry, but that the adjustment process can be tough and painful. Deadlines are necessary to force action. I would prefer a shorter deadline, but I respect the compromise we reached in the committee to support the Commission proposal.

We must recognise the importance of coal to the EU energy supply and I want to emphasise the aspect of security of supply. We are, in Europe, already heavily dependent on imports of coal, and therefore there is a case to maintain some domestic production. Coal represents 16% of our final energy supply in Europe. I believe that our subsidies, however, should be directed more at clean coal technology for greater efficiency and lower emissions.

I welcome the recognition of the United Kingdom coal industry's achievement in improving competitiveness and I would like to close with the thought of challenging the logic of subsidising production of coal at around EUR 140 a tonne on the one hand, while on the other hand phasing out much more economically efficient nuclear production.

4-019

De Palacio, Commission. – (ES) Mr President, ladies and gentlemen, on behalf of the Commission I would first like to thank the European Parliament and its rapporteur, Mr Novelli, and the Chairman of the Committee on Industry, External Trade, Research and Energy, Mr Westendorp, for the work that they have done in this area, and in particular for their favourable report on the proposal for a Council regulation on State aid to the coal industry.

I am aware that this has been a complex issue, but as has been demonstrated today in the discussion, I think that in the end, as Mr Westendorp rightly said, the text that we put forward was the only one on which there could be this consensus and that could give us a way out and a solution in the face of a Treaty that is expiring. As Mr Novelli said, it is an innovation.

It is true that to some extent it is an innovation when we move from a guarantee offered by a specific Treaty to an internal Regulation as part of the general rules.

In any case, I hope and trust that the Council will now be able to reach a political agreement at the Energy Council on 7 June, and I hope following the vote, with the support of this House, and that, with the Council meeting we will conclude the procedure for adopting this Regulation.

The Commission's proposal is based on the discussions in the Green Paper on a European strategy for energy security and supply, and it is true that it is not a question here of whether or not we are under threat. I think that what we have to consider is whether we are more or less vulnerable, whether we are more or less secure, because I think that this is the concept that we need to have in mind. And being under threat is not exactly the same thing as being more vulnerable. Frankly, and this is why I have put forward this proposal, I think that it is precisely by maintaining strategic coal reserves that we can be more secure and less vulnerable to certain crisis situations.

We have very vulnerable points along the entire energy supply chain. And I think that after 11 September we need to consider that although the risks are very remote, they do unfortunately exist and we cannot ignore them.

In recent years the European Commission has been putting forward proposals in order to increase the contribution of renewable energy sources, mainly within indigenous primary energy sources. Those proposals mean increasing our security of supply.

In this sense it is important that the Member States that have coal resources should have a Community framework that enables them to continue to maintain access to them and to maintain minimum production to guarantee that access, within the focus on supply security, to minimum indigenous primary energy sources.

Ladies and gentlemen, with regard to the amendments tabled by Mr Turmes, the Commission does not feel that the proposal to withdraw references to the contribution of coal and renewable energy sources and the creation of a base of indigenous primary energy sources is in line with the principles of consolidating supply security and for that reason we cannot accept them. We wish to stress that, when dealing with issues associated with energy and the environment, the Commission's focus is an overall one that takes into account all the issues associated with energy sources and their use.

With regard to the amendment stating that the aim of the new regulation is to incorporate coal products into Community law, the Commission considers that coal products will become a *de facto* part of the scope of application of the EC Treaty once the ECSC Treaty expires. We do not therefore consider this amendment to be necessary.

We understand, ladies and gentlemen, that the Commission's proposal is what I would even describe as harsh due to the requirement of continuing with the restructuring of the industry by closing the production units that do not contribute to the plan to safeguard coal resources and due to the reinforcement of the principles of progressive reduction and transparency in the granting of State aid. However I think that this is what can and should be put forward at this time.

We also think that it is consistent with the three pillars of the principle of sustainable development: security of supply, economic rationality and social and regional cohesion. A moment ago we were hearing from someone with very direct knowledge of a region such as Asturias, about how we are faced with these issues. In terms of the environment, it envisages promoting cleaner technology.

Finally, our proposal, which I hope will be favourably viewed by the European Parliament today, takes into account the dimension of the enlargement of the European Union, as some of you have said. Poland and the Czech Republic need to continue with the restructuring process that has been underway for more than a decade and with this proposal we are giving them a framework in which to carry out those changes.

Ladies and gentlemen, Mr President, I would like to thank you most sincerely for everything you have said, even those who were more critical, and I think that this is a balanced text, which I understand leaves a little to be desired for some and a lot for others, but I think that it is what can and should be put forward at present in order to maintain stability and a clear framework of relations in this key sector for some European regions particularly, but also for enlargement and for security of energy supply.

4-020

President. – Thank you, Commissioner De Palacio.

The debate is closed.

The vote will take place today at 11 a.m.

4-021

Trans-European transport network

4-022

President. – The next item is the report (A5-0135/2002) by Mr Philip Charles Bradbourn on behalf of the Committee on Regional Policy, Transport and Tourism on the proposal for a European Parliament and Council decision (COM (2001) 544 – C5-0478/2001 – 2001/0229 (COD)) amending Decision No 1692/96/EC on Community guidelines for the development of the trans-European transport network.

4-023

Bradbourn (PPE-DE), rapporteur. – Mr President, could I begin by saying that the difficulties which face us in the consideration of this report represent some of the most important challenges to the completion of the internal market. Ever since the publication of the TENs progress report at the Cardiff Council meeting of 1998, there has been concern that some Member States have not succeeded in bringing forward projects which are appropriate for the type of funding contained. Therefore, as rapporteur, I have endeavoured to undertake a balanced approach to the revision of the TENs guidelines across the transport modes which facilitate our collective goal of a common market.

So that we can develop a network which best fits the needs of business and the consumer, I feel it is necessary to offer a breadth of choice that will encourage competition, both within a particular sector and across all modes. I am particularly happy to see the increased importance given to regional airports in this report, which will not only provide valuable flexibility in the air travel market, but also significantly reduce congestion around our principal capital airports, along with the concomitant problems which that causes to the economy and the environment. Similarly, I am also pleased to see, in areas where such action is appropriate, there is a greater emphasis on short sea, intra-European and inland waterway shipping.

However, it is necessary that in our efforts to promote a variety of transport modes, we do not lose sight of the different economic and social needs of Member States. A one-size-fits-all approach will not work. Different countries have different conditions to deal with demographically, geographically and economically and I must confess to being opposed to some parts of the report as passed in committee, which seem to favour unduly certain modes at the expense of others. If a particular form of transport proves to be the most effective option for their particular requirements, European citizens should not be deprived of their natural choice by actions which have little relevance to their specific circumstances.

For example, in my own constituency of the West Midlands in the United Kingdom, which forms the core of my country's logistics, distribution and haulage network, we are fortunate enough to have two TENs projects running through the region: the West Coast mainline railway and the M6 motorway which links together large parts of the British motorway system. It seems to me, by way of example, to be ridiculous to have the direct competition of these two transport modes compromised when this offers genuine choice to the consumer. The concept of genuine multi-modality proposed by the Commission should be encouraged, to include such projects as road and rail links to airports, but in a form which does not distort the market. Also, I have concerns that rail transport alone will not be financially or economically feasible in some areas of the Union.

Thus, I fear that too prescriptive legislation will needlessly discriminate against some Member States. I feel that the plenary amendments which I have submitted amount to a restoration of fair competition and flexibility which will allow Member States to use the available funding for the most appropriate form of transport to meet their particular circumstances.

I believe that EU funding should be restricted to a series of technologically and economically feasible projects from across all modes of transport, which will represent a truly level playing field. Sadly, one of the characteristics which does seem to be common in these projects is the tendency for them to drag on without recourse to reassessment if Member States do not provide the wherewithal to implement them. The regional policy transport and tourism committee has already accepted an amendment to limit the period for any project to no more than 15 years and I would commend this to the House. I cannot emphasise enough that in order to secure the long-term viability of the transeuropean networks, it is imperative that we first ensure the sound management and financial probity of suitable projects.

Similarly, I have not been able to support amendments tabled to add further projects to Annex 3 in the light of past experience which, in a sense, has resulted in an auction of promises. It is illogical to spread funding even more thinly when projects are already not keeping to the targets originally agreed. For this same reason, I am proud to say that I have been uncompromising in my position with regard to the financial scrutiny that I feel Parliament has a duty to perform. For example, with regard to the Galileo system, the definitive cost of which has only been approximated, I propose that a regular cost-benefit analysis be undertaken and that Parliament be informed of progress of the project on a regular basis.

To conclude, I reiterate my belief that a balanced approach to transport across the EU is what is needed, not one aimed at current fashion. This is a very long-term, highly costly programme and Europe's peoples will not thank us if we go down the path of denying them the choice and freedom of transport that they rightly expect. I hope the House will feel able to support this report.

4-024

Flemming (PPE-DE), *draftsperson of the opinion of the Committee on the Environment, Public Health and Consumer Policy*. – (DE) Mr President, ladies and gentlemen, I think the Environment Committee has produced a very fine opinion on Mr Bradbourn's report. The ladies and gentlemen in the Committee on Regional Policy, Transport and Tourism are, alas, not as ecologically aware as their colleagues in the Environment Committee, but, after all, one has a bit less of a grasp of things one does not spend that much of one's time dealing with. We are, however, of one mind when it comes to being ready to promote the development of transport links with the countries bordering on the EU and between the EU's Member States, which I consider to be most important in terms of the enlargement of the European Union.

Yet the Environment Committee has scored one major success in that the Transport Committee now accepts that the results of the strategic environmental impact assessments should be binding on the actual processes of implementation. Only on the connection between health issues and transport issues are they evidently unwilling to think more deeply. It is the case in all the Member States that transport accidents, above all road traffic accidents, are a major cause of death and serious injury. Air transport contributes significantly to air pollution. A considerable number of people in Europe are exposed to levels of traffic noise which are not only a serious nuisance and a cause of disturbed sleep, but also lead to communication problems and, in children, even to genuinely serious mental disturbance. We are keen to discuss all this in depth, but there was a lack of willingness to take the Environment Committee's opinion that seriously on these points.

Good things take time, though, and there will no doubt be another opportunity for the Environment Committee to have its say on transport issues. Certainly, nothing in human affairs can be seen only in black and white, and we all know that a very great part of our freedom and our prosperity is tied up with transport – be it by air, on the roads or on rail – but we should be responsible in all that we do.

(Applause)

4-025

Peijs (PPE-DE). – (NL) Mr President, I should first of all like to thank the rapporteur, who has done very sound work, as usual. We agree with the gist of what he is saying, although my approach does differ from that of the rapporteur and that of the European Commission on a number of important points.

It is unfortunate that in the framework of the TENs, the Commission is opting for the same approach as the White Paper: lots of trains, not much water. The rigid management of European trains makes rail transport as a solution to the congestion in goods transport less likely than we would like to think and hope. Development of the waterways is cheap in terms of investment, and unsurpassed as a solution to the problem of congestion. I, along with a few other MEPs, wanted to make this point and add a few specific, cross-border water projects. The strategy of the two large parties in this Parliament does not allow for this. Although I have been unable to see the point of this strategy to date, I have reconciled myself to it. If the three institutions had all decided against adding any projects, this would have been a logical step.

It would have been much preferable not to review the annex in its entirety until 2004, by which time the acceding countries could have been taken into account to a greater extent. At the moment, only Parliament, which has nevertheless fought for the right of codecision on this score, will exercise restraint. This will result in a list that is a little one-sided from a geographical point of view. Fortunately, a few amendments, tabled together with the Liberals and the EDD, have been adopted by the groups. They call for alertness on all fronts concerning transport by water as a reasonably cheap solution to congestion.

Furthermore, I am of the opinion that it would have been far better for the Galileo project to be financed from research funds instead of infrastructural funds.

4-026

Savary (PSE). – (FR) Mr President, Commissioner, I should like, first of all, to thank our rapporteur, Mr Bradbourn, who has taken a great deal of trouble to come up with a report which now seems to me to be perfectly acceptable. Naturally we are pleased that the new guidelines being proposed to us for the TENs are moving towards and are in line with the policy of sustainable mobility which was proposed to us in the White Paper. I believe that this cohesion was absolutely necessary and I consider, personally, that the new objectives which have been proposed to us are probably sustainable objectives which will go beyond the other re-focussing phases of these projects.

We also warmly welcome the six new major specific projects, in particular Galileo. We in this Parliament approved this project with a large majority, and we have seen what an impact it has had. I also warmly welcome, on my own account, the links through the Pyrenees, because it cannot be repeated too often that the Pyrenees pose a problem which is just as acute as the one posed by the Alps. However, this report raises two series of problems. The first problem concerns the definition procedure of Annex III. How can we avoid Parliament becoming a sort of auction of a certain number of local and regional projects, without any budgetary responsibility, which would eventually lead to Parliament being discredited, because of course we all have our favourite projects in our own regions, and in our own towns and villages? Moreover, how can we ensure that these projects are not snatched away and removed from the free will of those who represent the people, in other

words Parliament? I do not think that we have settled this question properly, and we shall have to think about it in terms of procedure. For our part, we have decided to support, on a provisional basis, the Annex III proposed by the Commission, but I wish to make it quite clear that I do not consider it to be satisfactory.

The second problem is that of funding. I believe, Commissioner, that it will be necessary to take a very strong initiative on the question of funding the TENs. In a way we are parading, at European level, a responsibility and an option without resources. When you look at the work that has been carried out, this is not satisfactory. I personally believe that, in addition to the proposals that you will be making to us on the system of charging for the use of the infrastructure, perhaps you could also include the idea of a large loan to finance the TENs and to accelerate their implementation. If you were to launch such an initiative, there are a number of us who would support it.

4-027

Sterckx (ELDR). – (NL) In his sterling report, the rapporteur once again underlines the importance of TENs. It is therefore beyond me why the European Parliament should not be a party to deciding on this list of priority projects. Parliament demanded this at the time of the initial decision in 1996; it now has this opportunity and it is not seizing it. The Commission backed Parliament in 1996, and we are now about to turn down this opportunity, as is happening in the Committee on Regional Policy, Transport and Tourism.

Mr President, this is beyond me. This is also unacceptable, in my view. This is why my group, with the support of a number of members of other groups, has re-submitted the projects that were turned down in the Committee on Regional Policy, Transport and Tourism – both my projects and those of other fellow MEPs, who have had to withdraw their reports on account of some pressure or other. This is, in my opinion, not sensible and not acceptable. These are reports that originate from different countries, including Italy, France, Great Britain, the Netherlands and Belgium. It is therefore nothing to do with national thinking only. It is my belief that Parliament must take part in the discussions on this list.

I should like to spotlight one project which is of extreme importance to me, as someone from Flanders and Antwerp: the Iron Rhine, the railway connection between the port of Antwerp and the Ruhr area, a railway line which already exists and which therefore does not need to be constructed, and which only needs modernising and re-commissioning. The rapporteur states in his report that connections between ports and their hinterland, between water and rail, are important. The Iron Rhine is one such case. In its White Paper, the Commission states that we should promote the railways, that we should start re-using abandoned infrastructure and using lines that are specifically intended for goods transport by rail, and that we should tackle the difficulties at border crossings, as these constitute the pressure points. The Iron Rhine project meets all these conditions, that are listed in the report and in the Commission's White Paper. It is a project that is relatively cheap from a budgetary point of view, because the railway lines are already in place. It is a project that adds enormous value, because it can also provide some relief for the East-West line and can therefore combat congestion. I would therefore find it incomprehensible if the European Parliament were not to take part in this discussion and if it were not to table this, and other, projects. I am not saying that we should have the last word, but we have to engage in the discussion.

4-028

Schroedter (Verts/ALE). – (DE) Mr President, I do not doubt that everybody wants to have a well-planned and sustainable transport system as the backbone of Europe. What we have had up to now, though, has been the absence of any planning and the realisation of outdated projects in national interests, backed up by cost and benefit analyses of dubious value. Even now, the Commission paper is not free of these things. The EU does not exist to provide things on national wishlists, but has a macro-economic responsibility, primarily to sustainable mobility and environmentally-friendly means of transport, above all railways, for the future belongs to them. It is imperative that planning should be compatible with EU policies on such things as protection of the environment. So I again urge that planning with regard to trans-European transport networks should at last leave the corridor approach behind, moving on instead to the regional approach, meaning that we plan with reference to a particular goal and in terms of what we want to achieve, and then check what is the best and most sustainable solution, one that will still work for the generations to come.

Turning now to the river improvements in particular, the attempt to build gigantic tubs in Europe is something I find questionable, as rivers have another function in terms of people's living space, tourism, and the natural environment. I again underline the fact that ships need to be made more flexible, that is, smaller flat-bottomed vessels should be used more for short-term, flexible, and hence intermodal transport in preference to major improvements being made to rivers.

4-029

González Álvarez (GUE/NGL). – (ES) Mr President, the Gothenburg European Council recognised the need to integrate sustainable development into the Union's other policies on an equal footing with economic and social objectives. I therefore agree with the proposal from the Committee on the Environment, Public Health and Consumer Policy favouring railways and other less polluting methods of transport and which also proposes combined transport solutions more clearly than the proposal from the main rapporteur.

Among the plans agreed at the Essen European Council, which were included in the White Paper, there is one, perhaps the most ambitious and most expensive, which is the plan for the interoperability of the Iberian high-speed rail network, which

may take up half of the budget. Although we advocate promoting conventional networks, this project is on the table, and it is perhaps regrettable, Mr President, that in the route from Madrid to Valencia via Cuenca, it was not planned to pass through Teruel. I am well aware that projects are agreed upon and that it is very difficult to establish some stops, but the institutions in Aragon considered it to be viable according to a study by experts and it would favour a region that is in chronic decline and is suffering from chronic depopulation that has led to the residents forming a non-governmental organisation called 'Teruel exists'.

The report on transport policy by our colleague Juan de Dios Izquierdo, in 2001, pointed out that transport policy should contribute to the economic and social cohesion of the peripheral or sparsely populated regions. We therefore regret that this branch was not taken into consideration.

4-030

van Dam (EDD). – (NL) Mr President, the discussion of this report is rather odd. Six years ago, this Parliament called for participation in respect of the composition of the list of priority TENs projects. The fact that this was impossible at the time led to great indignation. There is now cause for surprise – surprise at the fact that it now appears that this Parliament no longer wants this participation, although this possibility is now formally in place.

In order to restore the necessary consistency, I, along with the Liberal group, have tabled a number of amendments in order to make use of this opportunity to participate. In this way, we can offer the Council a counterbalance when it fine-tunes Annex III, entirely in line with the set-up of six years ago. If we fail to reach agreement on this, it will be more sensible to take the time to reconsider the situation and to delay the discussion on the TENs projects until the wholesale review of the list in 2004.

Another important area of attention is the implementation of the Trans-European Networks, particularly with regard to the environmental pre-conditions within which this is supposed to take place. The approach which the Committee on Regional Policy, Transport and Tourism has maintained in this connection is the correct one. However, ambiguity has crept into the proposals with regard to the functioning of Directive 2001/42/EC. This directive allocates certain tasks relating to environmental impact reports to the Member States. In Amendment No 20, the Commission is being allocated the same tasks. This seems to be a waste of effort and resources to us. The good cause is not served by duplication. The distribution of tasks must be clear. This is why I have tabled four amendments in order to avoid these duplications.

4-031

IN THE CHAIR: MRS CEDERSCHIÖLD
Vice-President

4-032

Cocilovo (PPE-DE). – (IT) Madam President, in my opinion, it is not surprising to see Parliament devoting such care and attention to the Commission's proposals in this report, given the role played by Trans-European networks generally in growth, competitiveness and employment policy. We welcome the harmony this first revision establishes with the White Paper guidelines, in an attempt to achieve vital consistency with strategic objectives and intervention priorities.

In this respect, as has been pointed out by, *inter alia*, the rapporteur, we would stress the appropriateness of an intervention that targets bottlenecks, that gives priority to actions that can deliver intermodal transport and restore balance between the different modes of transport. Road transport must not be penalised as long as no credible alternatives exist, but transport by rail and water must certainly be given a boost and we endorse action to this end.

We are, of course, concerned that the list of projects does not enjoy adequate financial backing. When there is such a big discrepancy between the number of projects and funding, there is a risk that some projects will, in practice, be plundered to the benefit of others. This is why, along with our desire to see the north-south axis priority maintained, we would warn against repercussions such as the necessary intervention on the west-east axis north of the Alps on the Stuttgart-Vienna axis becoming an alternative to the Lyons-Trieste axis south of the Alps.

I would conclude with a more general observation: we all eagerly await the 2004 review. This is why some of us have chosen not to have the list of Annex III interventions brought before Parliament, despite the fact that we do not endorse a method that has excluded Parliament. Next time we should have a proper preparatory inquiry that enhances the role of Parliament, which cannot run the risk of being downgraded to suit market demands, and unilateral management by the Commission and the Council is no guarantee of quality when selecting interventions.

4-033

Piecnyk (PSE). – (DE) Madam President, I am able to agree with Mr Cocilovo, and also to go some of the way with Mr Sterckx. We are dealing today with a slight reworking of the TENs. The really major revision will be in 2004, when we will certainly put our heads together and draw up sensible amendments for them. Thanks are due to the rapporteur for the work he has done, but also for the unsparing conclusion he draws. What is crucial is that, of the fourteen Essen projects, three have been completed, which means that the Council had at that time bitten off more than it could chew. Not listening to Parliament, it was guided by obstinacy rather than wisdom. Nobody, not even Parliament, can lay down the law to a

Member State when it comes to when and where this or that project is to be put into effect. But, when a Member State says that it wants to have a project certified as being of European Community interest, then that Member State must comply with European conditions. That is why the rapporteur's proposal – that, if a project is not completed within a specified time, it is taken off the priority list – is very good.

This proposal by the Commission is realistic and sensible. It deals with environmentally friendly forms of transport, and, so, tomorrow, we should support it accordingly. I can tell the Council that they would be well advised not to conjure up any conflict between the institutions on this point. It would not be worth it, as we have already made a whole series of changes to the TENs. That means that we should work together well...

(The President cut the speaker off.)

4-034

Ortuondo Larrea (Verts/ALE). – *(ES)* Madam President, Commissioner, given that they are essential for our progress, we need to increase funding for priority projects to develop our trans-European networks and also to prioritise rail, air and sea transport and their interoperability, as more sustainable alternatives to roads that have a lesser impact on the environment.

Out of the fourteen projects that were agreed as priorities at the Essen European Council in 1996, so far only three have been completed. Among the projects that I really wish to see is the Southern high-speed rail network between Madrid, Vitoria and Dax, which is still in the project design phase. Given the limitations of Community resources, I think that it is advisable to postpone incorporating any new priority projects until the first ones have been completed, and to wait until the guidelines are reviewed when enlargement to new Member States takes place. I also propose, as I state in my amendments, that the high-speed rail network can be achieved not only through building new lines but also by improving the condition of existing lines, in order to prevent further impacts on the countryside and the surrounding environment.

4-035

Rack (PPE-DE). – *(DE)* Madam President, works on paper enjoy recognition in the art world, where they fetch high prices. The trans-European networks, are, unfortunately, in many cases, still only works on paper, and not even beautiful ones – simply a load of coloured lines on the map of the EU, numbered in sequence, running across Europe in every direction. The problem is that the many coloured lines do not always represent a modern, fully operational transport infrastructure of trams, waterways, and air routes. The network resembles the parts of a rag rug. Looked at from that angle, it is good and necessary that the Commission wants to do some repairs and so attaches primary importance to the transport facilities having greater and better interoperability and intermodality and intends to see to it that the candidate countries are better interconnected, tied in and involved.

What is less edifying about this business is the way that Parliament has still not been satisfactorily involved in the decision-making structures, and it is utterly inappropriate that a number of Members, belonging to different groups, should push themselves forward in a sort of free-for-all motivated by the self-serving desire to gain standing in the eyes of the voters back home. Let us hope that the Commission's programme for a real revision of the TENs in 2004 is kept to, and let us see it as being of great importance that Parliament be involved, fully and in good time, when the time comes. What the Commission has submitted is a good intermediate step for the moment that is now upon us. We should indeed follow the rapporteur in the position he has taken and, apart from a few small corrections, support this intermediate step.

4-036

Watts (PSE). – Madam President, I welcome the fact that the committee backed amendments to strengthen the commitment to environmentally sustainable transport by insisting on strategic environmental impact assessments of TENs projects. I hope that the House today supports that position.

However, I am very concerned that the Commissioner, backed by the rapporteur, a British Conservative rapporteur, is adding at this stage six new TENs priority projects. The total value of these projects is a massive EUR 66.6 billion. None of these six new projects are in the UK. Indeed, most Member States have been left out. That is why some of us are insisting that either we all secure a fair share of the additional funding or, as an alternative, that no additional funding be granted today.

4-037

Carraro (PSE). – *(IT)* Madam President, I should like to say that, compared to other excellent initiatives such as the Galileo project, the Commission proposal seems inadequate in that it heavily penalises the east-west link south of the Alps, and only provides an eastward extension towards the candidate countries for the Stuttgart-Vienna axis, north of the Alps. This is why I, together with other Members, including Mr Pitella and Mr Fava, have tabled amendments which I hope will be adopted in order to compensate for this enormous mistake that unfairly penalises southern European development policies, with the remarkable exception of Spain, which is amply provided for.

Moreover, I hope these amendments will be adopted because I do not support Parliament's decision not to intervene in Annex III, thus renouncing the exercise of power and prerogative conferred upon it by electoral mandate.

4-038

De Palacio, Commission. – (ES) Madam President, honourable Members, the trans-European networks policy was designed 10 years ago precisely to help establish the internal market, and it needs to be taken into account with regard to enlargement.

As some of you have said, today, ten years later, only 20% of the network has been completed. In order to complete the network that is currently planned an investment of around EUR 400 billion would be required.

Once enlargement is completed we will be talking about investment figures of around EUR 500 billion, and the reality is that Community funding, including all of the funds available, currently only amounts to EUR 2 500 billion per year. The gap is therefore enormous and we can see that the final, most significant funding effort needs to take place at national level.

This explains some of the things that I am going to say later, but it should also show us that the limited resources that we have should be focused more clearly on political objectives so that they can be used as a platform to speed up national funding, whether public or private, and to speed up completion of the projects, which, I would like to remind you, are in the Community interest due to their association with the establishment of the internal market.

The priorities are: firstly, re-establishing a balance between modes of transport, and therefore promoting intermodal transport, which is one of its corollaries. Secondly, releasing bottlenecks, which would enable us, with a smaller investment, to have a greater impact on increasing capacity and improving the functioning of the whole system. Thirdly, taking into account the Commission's priority, which is enlargement, which is going to be the most decisive priority and political factor in the years to come, not just now, as we prepare for enlargement, but when it actually takes place.

I would like to congratulate Mr Bradbourn on his report, on its quality and on the rigorous work that he has done, which I hope will enable this review of guidelines to be quickly adopted. I stress that it is an interim review, as the major review, with the plans and maps, is to take place in 2004.

The need to push forward these trans-European networks is a concern shared by the Heads of State and Government, which was expressed at the Barcelona European Council only a few months ago, and it has been asked that this text be adopted both in Parliament and in the Council before December 2002.

I am pleased that the report that you are examining supports the modification of Annex III. I wish to point out that practically all of the projects in Annex III were already among the trans-European networks in 1996, or had been requested by the European Parliament, and what is happening now is that they are being given priority. Annex III updates the list from 1994, the Essen projects, and I have particularly appreciated the rigour shown by the majority of the members of the Committee on Regional Policy, Transport and Tourism when dealing with this part of the proposal.

More than half of the amendments suggested by the Committee on Regional Policy, Transport and Tourism are very good proposals which improve the Commission's proposal and reinforce the priorities set out in the White Paper, whether aimed at promoting short-distance sea transport, inland waterway transport or integrating those systems with rail transport. The Commission can therefore accept them in principle, in part, or with changes to the way that they are worded.

There are, however, some amendments that present problems to the Commission, and it is these that I am mainly going to discuss. They are Amendments Nos 53 to 56 and 61 to 66 that seek to modify Annex III. Their adoption would in fact mean considering a very wide range of projects as a priority at Community level, projects that the Commission does not have sufficient information about in terms of their added value for Europe or of their possible interest for the Member States concerned, and it should be remembered that in such matters we always need the support of the Member States. The Commission cannot therefore accept these amendments, and I welcome the fact that the rapporteur and the Committee on Regional Policy, Transport and Tourism cannot accept them either.

I would now like to discuss the amendments regarding the strategic environmental assessment of the network. In 1996, when the Decision that we are seeking to modify today was adopted, this issue was discussed at length. Therefore, despite what Mrs Fleming said, the Commission cannot accept the part of Amendment No 20 or Amendments Nos 40, 41, 42 and 43, which give the Commission the responsibility of conducting strategic environmental assessments, when European legislation in the Directive adopted in 2001 establishes that the task is the responsibility of the Member States. The Commission cannot replace the Member States in fulfilling their obligations. That is a basic principle, so the Member States should not shirk their responsibilities and try to pass on any responsibilities to us that they may not fulfil.

The Community could, however, contribute by providing added value, for example through supporting the development of assessment methods. We are therefore prepared to partially accept Amendment No 20, but only the part that proposes continuing the development of those assessment methods.

The Commission is also unable to support amendments that again call into question the objective of re-establishing a balance between new modes of transport and Community financial instruments. These are Amendments Nos 9, 31, 33, 35 to 39, 45, 52 and 57.

With regard to Galileo, we cannot keep doing cost-benefit analyses every year, and as you are aware, the studies that I am referring to have been conducted by various consultants. We cannot therefore accept Amendment No 10.

In addition, the Commission could never agree to include reducing the demand for transport among the objectives of the trans-European network. I am very sorry, this is not my responsibility as Transport Commissioner, nor is it that of the trans-European networks, and besides, no European Council has ever said that what we want to do is to reduce demand for transport. This is not the idea, and it is something quite different to separate the increase in demand from economic growth. Achieving this would represent a major step forward, and we are working on it. Amendments Nos 12 and 34 go further in the definition of environmentally viable transport than that established at the Gothenburg European Council.

Many amendments regarding the priorities for Community action in Article 5 present certain problems for the Commission, Amendments Nos 13, 49, 15, 21, 17, 27 and 18 are rejected by the Commission.

With regard to defining the network of navigable routes, I agree with Mrs Peijs on the importance of navigable routes, and we are conducting very important initiatives. One of the projects that we have included concerns improving the link between the Danube system and the Rhine-Rhône system. The trouble is that there is a small problem, because there are not, unfortunately, navigable rivers in all the countries of the European Union or in all the areas of the European Union. It would be much more viable if there were navigable rivers across the whole of the European Union. I know a country very well in which, unfortunately, we do not have those rivers, and we are very envious when we see them in other countries, not only because of how beautiful they are, but also because of the possibilities that they offer for transport. We do have other things, but we do not have such large rivers.

In any case, what I want to say is that the Commission supports the idea of including 'River Information Systems', but we cannot commit ourselves to putting forward a plan to develop them, as unlike the railways, the river system does not have a Community interoperability regulation. However, I wish to say to Mrs Peijs that as a result of her suggestions I am going to discuss with the Commission services whether progress can be made on these issues, as it would be of interest to do so. In short, I cannot make a commitment. I want to see the cost-benefit analysis and the possibilities, and, if it is feasible, in time I will also make a proposal for interoperability in the river navigation systems.

Neither can we accept Amendments Nos 25 and 26 because we do not wish to alter the maps of proposed internal ports. Finally, I would like to say that I fully understand Amendments Nos 29, 30 and 46, which seek to withdraw from the list of priority projects in Annex III those which have still not been completed after fifteen years. I fully understand them, and they would make sense, but there is a problem, very often these projects, which are of trans-European interest, are put forward by the Commission, and the Member States accept them, but show very little interest.

I do not wish to give examples, but we can all think of them. If the possibility offered by these amendments existed, some Member States would use it when a project that is very important for the Union is of little national interest. It would be different if we were always talking about projects of national interest. Then it would make sense to have a period of 15 years or even 10 years, but these are projects of Community interest, and, I stress, often the countries concerned only have a very relative interest. We therefore have to reject these amendments and Amendments Nos 44 and 50, which prejudge the content of the next review of the guidelines.

Finally, the Commission cannot accept Amendments Nos 59 and 60, which eliminate or modify the maps of the trans-European network attached to the proposal for a decision, as those maps are used by both the Commission and the Member States. This is what was proposed by Mr Sterckx, among others, as I already mentioned. In the same way, Amendments Nos 47 and 58 cannot be accepted, as they interfere with the justification of the projects in Annex III or with the principle of subsidiarity.

I would like to answer the question asked by Mr Savary regarding the funds being insufficient. I think that this will have to be discussed along with the new financial perspectives. Here we are focusing the funds more, but not increasing the funds allocated. By focusing the funds what we are doing is acknowledging that we are contributing more due to the strong Community interest of the projects. It is true that some countries may have more interest in a specific project. More in-depth consideration would in my opinion bring us to the conclusion that we need to allocate more to the trans-European networks, precisely in order to favour the creation of infrastructures that will benefit the Community.

I would like to remind Mr Watts, who I regret has just left the Chamber, that the fact that a project is in European interests is mainly to attract the attention of the countries where the project is being conducted, as the co-financing that we provide is only partial. It is a system for providing incentives for the countries where the project is being conducted. Ultimately, the specific project that is selected and subsidised is decided upon in the financing committee for the trans-European

networks, in which all the countries are represented and in which there is no leaning towards financing a specific country but rather the process is conducted in a balanced manner, taking into account Community interests.

To conclude, I would like to thank the rapporteur for his excellent work and the Committee on Regional Policy, Transport and Tourism as a whole, which has worked hard and effectively on this issue. The adoption of this text, I hope without any delays, will enable us to focus Community action on the essential matters set out in the White Paper, providing coherence for the whole transport policy. It will also enable us to prepare, under the best possible conditions, a second review of the guidelines, which I hope the Commission will put to Parliament in 2004. What we need to do is to continue with the effort of focusing on the main corridors, including the sea corridors, and to integrate the priority projects of the future new Member States of the Union.

4-039

President. – Thank you, Mrs De Palacio.

The debate is closed.

The vote will take place today at 11 p.m.

4-040

Companies' social responsibilities

4-041

President. – The next item is a report (A5-0159/2002) by Mr Howitt, on behalf of the Committee on Employment and Social Affairs, on the Commission Green Paper on Promoting a European framework for Corporate Social Responsibility [COM(2002) 366 – C5-0161/2002 – 2002/2069 (COS)].

4-042

Howitt (PSE), rapporteur. – Madam President, the European Parliament first called for action on corporate social responsibility in 1999. We welcome the Commission's Green Paper and today we set out a series of concrete steps which will turn European debates into European action. Let me highlight four steps in particular.

First, rules for disclosure of basic information about the company's social and environmental impacts. Although some companies now produce voluntary triple bottom line reports, too many do not. Of those that do, the OECD tells us that two thirds ignore internationally recognised standards, avoid independent verification or disown responsibility down their supply chain. Such rights of disclosure would build on the new economic regulations law in France, similar legislation here in Belgium, and the occupational pension scheme regulation in the United Kingdom.

For business, it is about levelling the playing field, reducing cost, simplifying procedures and industry representatives from British Telecoms, USF – even an old *bête noire* like *Chiquita* – have all said this must come in time. We ask the Commissioner to learn the lessons of her own excellent public consultation. Nearly half of the respondents challenge the basic definition of CSR as simply one beyond compliance. Legislation and voluntary action are not mutually exclusive. The prospect of legislation spurs voluntary efforts which in turn establish norms which legislation entrenches for future years. We must and should encourage both.

That is why the European Parliament will today vote for mandatory social and environmental reporting by companies, for new corporate governance rules, including making board members individually responsible for the social and environmental performance of the firm, and we will reaffirm our call for a new legal base for jurisdiction over European companies operations world-wide.

We want to see CSR issues incorporated in the European social dialogue, but we support too the setting up of an EU multi-stakeholder CSR forum. This will allow others with a legitimate interest in corporate performance to have a voice. The forum should not replace or duplicate existing initiatives which will drive forward the debate of the EU level, and should be a forum which will not be all mouth but which will have real teeth.

CSR really must be built into all EU policies and programmes. It is quite breathtaking that the European Commission and the European Investment Bank commit billions of euros of European taxpayers' money each year to the private sector, through contracts, regional aid, investment promotion, yet we do not have simple contractual clauses to respect the basic labour and environmental standards nor clear monitoring and complaints procedures to enforce them.

The Dutch Government has shown the way by linking access to export credits to compliance with voluntary standards. The EU must follow suit. We want to encourage voluntary action by companies, including the excellent business campaign led by CSR Europe, but we must balance our praise for good practice by the best companies with the recognition that we live in a world where there is also corporate irresponsibility.

Within Europe, we have the devastation of mass closures on affected communities or the difficulties of accessing capital in the poorest communities where it is needed most. Today the greatest public concern in Europe surrounds the abuses by European multinationals in developing countries. It is about the hundreds of people murdered each year for taking part in legitimate trade-union activity; two-hundred and fifty million working children world-wide; export processing zones set up specifically to evade minimum standards or the clothing sweatshops where they are simply ignored; slave labour on West African cocoa plantations or building oil installations in Burma; the victims of those killed in the civil wars in Angola or Sierra Leone, fuelled by the trade in conflict diamonds or corrupt payments to exploit minerals extraction; 1.5 million babies dying each year because their mothers do not breast feed misled by the marketing practices for infant formula.

European companies can knowingly or otherwise be part of these abuses and they can be part of ending them too. That is why the European Parliament will today vote to make CSR an active part of our trade agreements, development assistance, of our unparalleled network of delegations in third countries.

The EU itself must make a serious contribution to the implementation of the OECD guidelines on multi-national enterprise and should act as a champion of new global standards in international institutions, standards which put investor responsibility on an equal footing to investor rights. These are the elements that will truly forge a European framework for corporate social responsibility.

4-043

Kratsa-Tsagaropoulou (PPE-DE), *draftsman of the opinion of the Committee on Women's Rights and Equal Opportunities*. – (EL) Madam President, the Green Paper presents companies and society as a whole with a real challenge, aiming as it does to inform all our efforts to improve our economic performance, update our social model and promote European values of social solidarity and responsibility.

The purpose of the Green Paper is to clarify – and we agree here – that the correlation between economic activity and success must promote social responsibility which, in turn, will contribute to the ongoing success of the company and help revive the economy and society. So it is important to persuade companies, the two sides of industry and society as a whole to look on social responsibility as a long-term strategy, rather than an occasional activity. This strategy must be bound up with the quality of women's employment and women's professional integration and careers, because these are objectives which have been recognised as instrumental in achieving the strategic targets set in Lisbon.

So we believe that this policy should be based on information, increased awareness, voluntary action and a sense of responsibility. All the measures implemented must make provision for the law to be applied and for the *acquis communautaire* on equal rights for men and women to be incorporated; but they must also make provision for something more, which has to do with initiatives to help reconcile family and working life, to make sure women are fully involved in designing and implementing company policy and to enhance the image of women.

Similarly, we believe that the forum being proposed by the European Parliament should give serious consideration both to these issues and to involving women in its work.

4-044

Westendorp y Cabeza (PSE), *draftsman of the opinion of the Committee on Industry, External Trade, Research and Energy*. – (ES) Madam President, I would first of all like to welcome the Commission and thank them for putting forward this Green Paper, which has an enormous responsibility, not only for the present but also for the future. We are only beginning, but globalisation is already here and it is obvious that companies play a major role in social matters. They have rights but they must also have obligations to contribute to a fairer society that is more in keeping with the defence of human rights in the world, improving the environment, combating discrimination and in favour of basic and fundamental working standards.

It is wrong to think that, as the Howitt report suggests, it would be a burden for companies to introduce compulsory social responsibility, councils that are open to participation from all, not only shareholders, but also what are called stake holders, and a social and environmental report, because those companies in the global society that act according to those rules will be more profitable and will be able to operate much more easily in the world.

Paradoxically, the draftsman of the opinion of the Committee on Industry, External Trade, Research and Energy, Mrs Lucas, withdrew her name from the opinion. However, the chairman of the committee cannot withdraw his or her name, so I am presenting it on behalf of the committee, but I am in fact in the same position as Mrs Lucas in that I am convinced of the need for the social and environmental report to be compulsory. I therefore fully support the Howitt report from the committee responsible.

4-045

Bushill-Matthews (PPE-DE). – Madam President, I would like to compliment Mr Howitt on the very considerable work that he has done on this report. As he is aware, many of his colleagues have not been idle either and much of the work that we have done has been, as a result of the work of Mr Howitt, to try and unscramble or reshape his particular report.

Certainly, in committee we have worked well together across the groups and have produced compromise amendments that some of us can live with, some more easily than others.

Our basic position is that, yet again, we see being proposed today, the standard Socialist solution to every problem: legislation. The irony is that on this particular occasion it is being offered as a solution to an area for which there is no problem in the first place. Corporate social responsibility is something that is very much on the up, it is very strong within Europe. Europe is giving a lead on this and that is to be encouraged and supported.

As a group, obviously we support the very concept of CSR, but we do not welcome legislation which would stifle the very initiatives that we are trying to foster. This represents not just the view of governments, but also of businesses across the EU who have supplied input to the rapporteur.

We have tabled and re-tabled some amendments. Amendment No 1 is key and needs to pass if the group line will be to support the report. I hope that many of the other amendments which failed by one vote in committee, will also secure the support of the House today. We welcome the idea of some sort of stakeholder forum where companies can bounce ideas off each other and share best practice, but do not see this as a forum which will lead to the signing-up of agreements.

Finally, I particularly welcome the position taken by the Commissioner and would thank her for the letter that she wrote to my colleague, Mr Pronk, last month which said that the Commission has stated that the CSR is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. The Commission maintains this opinion which has been confirmed during the consultation process on the Green Paper. I trust you will note that the final report invites the Commission to bring forward legislation and I hope this is an invitation which you will very politely, but very firmly, refuse.

4-046

Thorning-Schmidt (PSE). – (DA) Madam President, as the previous speaker mentioned, the time is past when running a company was just about earning more money. Modern companies have to take account of other factors, for example people and the environment. That is, of course, the basic view of the Group of the Party of European Socialists, but it is fortunately also the basic view of modern companies and, in actual fact, of modern investors too. It has found splendid expression in this report, and I find it annoying that the Group of the Europe People's Party (Christian Democrats) and European Democrats will not accept that the tool in this context needs to be a mixture of carrot and stick.

Companies have to submit financial accounts at present but, in future, these financial accounts will, of course, also have to be combined with annual reports which tell the public what the companies have done to comply with their social responsibilities and their responsibility for the environment. The annual social reports must, of course, present a reliable picture of what has happened in this area, and that means that, in common with the financial accounts, they naturally must be subject to independent verification.

A couple of words, then, about the social labelling scheme. I hope that Parliament will support this today and that the Commission too will view the idea in a positive light, for the social labelling scheme will make it possible for consumers to choose products from companies which comply with their social responsibilities. Clearly, a series of common standards should be adopted for the social labelling scheme. Otherwise, the result will only be confusion, and consumers will not be given the opportunity to make their mark and to select the products they desire. The environmental label introduced by the EU could be a quite excellent source of inspiration. I also believe, of course, that the social labelling scheme enjoys the distinction of having a very broad appeal to the various political groups, for it is a specifically voluntary scheme and structure of incentives which uses a carrot instead of a stick.

4-047

Jensen (ELDR). – (DA) Madam President, there is nothing new in companies' assuming social responsibility. It has long been a part of European companies' day-to-day practice to assume responsibilities – over and above those required by laws and regulations – for their employees, their surroundings and the environment.

In Denmark, we have been working for a number of years on companies' social responsibilities, particularly with a view to keeping people in work and getting excluded groups into the labour market. This has taken place in the form of very productive dialogue and interaction between companies and authorities. Another example I want to mention is the cooperation between thirteen major groups in Scandinavia which, together with the World Nature Fund, are working on developing a sustainable development programme. The key term for describing these efforts is the pursuit of excellence, rather than mere compliance with what the law requires. It is about acting from the heart and taking the company as one's point of departure. In short, the key words are commitment and voluntarism.

It also jars with me, therefore, when many here in Parliament wish to regulate voluntary efforts and force companies to report on, and explain, their efforts. That is something I have fought against. On the other hand, I think it is a good idea to promote the exchange of experiences and ideas in this area and so support the efforts already made by companies and

organisations to structure and standardise this work. I think the Dublin Institute is very well suited to this purpose, given the skills and the network already possessed by the Institute. Much thanks is therefore due to the Commission for having initiated the debate. We in the Group of the European Liberal, Democrat and Reform Party are able, then, to support active efforts to develop companies' social responsibilities.

4-048

Lambert (Verts/ALE). – Madam President, like others I congratulate the rapporteur for the very serious and positive work on this dossier and endorse everything that he said in his introductory statement this morning.

My group welcomes the progress made by a number of companies to examine and audit their progress and to make that information public, whether it is information, for example, on their environmental impact, the effectiveness of their equal opportunities policy, or their involvement in the local community. There are companies that have recognised the benefits of greater transparency and positive action and for them, it has been a win-win situation.

There is, however, a problem with the speed of take-up and we agree that social irresponsibility is still out there. That is why my group firmly believes that there is a role for foundation legislation, not total legislation – do not let us fall into the trap of believing this is the only way forward – but foundation legislation to provide a baseline for public reporting. This would help the public to know and to understand what information they should expect.

The inclusion of supply-chain responsibility for us is crucial. A company that will not ensure in its total delivery the highest standards it often claims in its annual reports, is hypocritical and endangers the lives of workers and the public. We have seen this in my own country, for example, in the railway and nuclear industries.

In looking at the wider responsibilities of companies based in the European Union and the Union itself, my group has tabled amendments requesting Council to include in its remit for the Johannesburg summit on sustainable development the proposal for the negotiation of a legally binding international framework on corporate accountability and liability. We hope that will be taken up.

4-049

Pronk (PPE-DE). – (NL) Mr President, I should like to thank the rapporteur warmly for the work he has done.

In the Green Paper, the Commission mentions what is usually understood by social responsibility. This term is used to indicate that companies consider social issues and the environment of their own free will in the context of their company activities and in their relations with other parties. The Commission is right to point out that by assuming their social responsibility, companies do more than is legally required of them. This is exactly what has led to the biggest differences of opinion in this House. Listening to the rapporteur, one could be forgiven for thinking that the whole world can be changed not only by means of social responsibility, but especially with legislation based on this principle. Everything changes for the better, including child labour. I am surprised that volcanic eruptions have not been abolished.

This is, of course, far beyond the reach of this instrument. Social responsibility is what it is about. Legislation is only secondary; this only needs adjusting in certain cases when social responsibility causes problems. A great deal can be achieved with social responsibility, but if, on the other hand, you immediately resort to legislation, you end up on the wrong path. This is like going to the football World Cup in Korea and saying that you want to watch hockey.

Legislation in itself is not bad, and this is not what the PPE-DE is saying, but it does not belong in this report; it belongs in other reports. By using this term, you cannot suddenly introduce a whole raft of legislation. This must be done at the right time and in the right place. In my opinion, the Commission has borne this difference in mind at all times. Furthermore, I also think that it would not work, for if people think that by being socially responsible they are tied to legislation, this will not work as an incentive.

For all these reasons, pragmatic and principled, the report that is now before us, including our amendments, is the right one. Indeed, it is based on free will, and this is what we need to base ourselves on. We can then reach agreement with everyone involved and achieve all these fine goals.

4-050

Martin, Hans-Peter (PSE). – (DE) Madam President, ladies and gentlemen, hampered by the law as you are, imagine that the rules of the 1980s still applied in the football World Cup, to which reference has just been made. At that time, tackling from behind was still permitted. The great players did not have a chance. Intelligent adjustments were made to the rules of football. We are dealing with the very same thing in this area of CSR norms. We live in a different world. Small nation-states like Germany – not to mention countries like Austria, which are small-fry in global terms – can no longer raise sufficient taxes, perhaps not even to a reasonable amount, but enterprises have a responsibility, and one that they also want to take seriously, and if they are not bound by regulations, it is the ones who play fair who get penalised, because the foulers can carry on playing. This we must change. The crucial thing is transparency. That is why these requirements for annual social reports are significant and a matter of absolute priority.

(Applause)

4-051

Pérez Álvarez (PPE-DE). – (ES) Madam President, Commissioner, ladies and gentlemen, I would like to start by congratulating Mr Howitt on his work on an elaborate report in which it would have been easy to either go too far or not go far enough.

If we look at the concept of companies, there was a longstanding economic concept that a company was an organisation of people, which, through controlling goods and services, had the aim of producing goods and services for a market. This is a purely economic concept. However, the case law of the Court of Justice of the European Communities, which was recently enacted in Directive 2001/23, talks about a company as an organised group of people and elements enabling a business activity to be conducted pursuing their own objective. This is clearly a much broader concept which we could also relate to recital C of the report, which says that within companies and among investors a consensus is developing that they have a broader mission than simply making profits, and that the challenge for success lies in combining profitability with sustainability and responsibility.

I think that companies, whatever their format, however many staff they have or whatever funds they have, live in a global world in which their voluntary, encouraged and prompted contribution, and I realise what I am saying, I am not saying compulsory or imposed by law, to achieving a better society, has a new meaning. As it says in the Green Paper, although the main responsibility of the company is to generate profits, it can also contribute at the same time to achieving social and environmental objectives, and that should not be seen solely as an obligation or responsibility for particular types of companies or companies that operate in particular sectors.

I think that this is a good instrument for fulfilling the Lisbon strategy: an economy that is as developed as possible, creating more and better jobs, which respects the environment and guarantees social cohesion. It will ultimately be a suitable instrument for establishing the European social model and it will also be good for companies, because profitability and social responsibility go hand in hand and cannot be separated from each other.

4-052

Diamantopoulou, Commission. – (EL) Madam President, may I start by thanking Parliament and the rapporteur, Mr Howitt, for their tremendous support and very productive help in drafting this communication. There was huge involvement in the consultations, as one speaker has already mentioned; over 250 people were involved and I should like, if I may, to comment on the substance of the agreement which has come out of this overall consultation. We have confirmed that we agree that, when we say companies' social responsibilities, we mean the basis on which companies voluntarily incorporate their social and environmental concerns. And they do so, of course, in a way which goes beyond current statutory requirements. The incentive for companies to take this action must not of course fly in the face of the rules of the economy, which is why it is vital to make sure everyone is clear and knows that when companies implement social responsibility programmes, they improve both their profits and their consumer acceptance.

With this in mind, as regards the debate on whether this should be done on a voluntary basis or enshrined in law, I would say that, for the moment at least, as we are just starting to coordinate at European level, it really should be on a voluntary basis, but that the initiatives and endeavours made should be such that the final result, that is, the maximum number of companies involved, should be the same as if it were a statutory requirement. What does this mean? It means we need government agencies and planning in the field of companies' social responsibilities at both national and European level dealing with, one: information and, when I say information, I mean that we need to publicise the fact that companies constantly and consistently involved in social responsibility programmes have improved their profits considerably, and two: coordinating these efforts, so that we obtain optimum social and economic results, and by this I mean coordinating small and medium-sized enterprises, transparency, one of the most important issues dealt with by the rapporteurs, the facility to verify what companies say and new structures to evaluate company profiles. This is an area in which there are differing approaches and views and the Commission will present its final proposal in July. And then, of course, there is the question of compatibility with existing international agreements, such as the guidelines of the OECD or the International Labour Organisation, so that we can also work with developing world countries.

I should like now to comment on a number of very specific points made in the parliamentary report. As I said, and this is clear from your report, transparency and the facility to measure and compare companies' social and environmental performance is absolutely vital; in fact, in some countries, companies are already required to provide some sort of information on their social and environmental impact. These statutory requirements in certain Member States could help enormously in increasing transparency and we could use a procedure between the Member States to see what the positive results of this approach are. Of course, I agree with Mrs Kratsa that the question of equal opportunities, as regards policy both within the company and outside, is one of the basic points. I intend to propose that a European forum on companies' social responsibilities be set up in order to provide a platform at European level for all the interested parties to consider practices and means in connection with companies' social responsibilities and, of course, to help with what we have said, that is, information and coordination both within the European Union and at international level.

This forum could also examine whether or not there is a need for the ombudsman referred to in item 51. Similarly, item 29 contains an important message on the need to mainstream companies' social responsibilities and I totally agree with this. What I intend to do is to propose that the Commission incorporate companies' social responsibilities in the European Union's policies and in Commission affairs, so as to ensure that there is support for the development of companies' social responsibilities. On item 30, I agree on the role of the public administrations, as I described earlier, and as regards item 36 on the need for special cooperation with third countries, there is a whole dimension to our proposal on the role of European companies outside the borders of the European Union.

Companies' social responsibilities can obviously be expressed in the strategy on employment and we shall be looking at the open coordination method to see how we can present the best results and, of course, the social economy sector has a great deal of experience in social responsibility. These companies have a different basic approach and interests to other companies but can provide fundamental help, especially through cooperation and networks between the Member States. Finally, on item 53, I agree with what you say about core labour standards but, as you know, the Commission is already proposing to include core labour standards in bilateral agreements at European and international level and in all related policy areas of the European Union, that is, in trade, development, external relations and social matters.

I should like once again to thank Mr Howitt and all the MEPs who took part in what was a difficult debate and say that your report was the final and most important contribution to the dialogue and consultations on the Green Paper. I and my colleague Mr Liikanen intend to submit the final version of the Green Paper in June, once it has been approved by the Commission.

4-053

President. – Thank you, Mrs Diamantopoulou.

The debate is closed.

The vote will take place today at 11 p.m.

4-054

SAB 2/2002 as modified by the Council

4-055

President. – The next item is a report (A5-0179/2002) by Mr Podestà, on behalf of the Committee on Budgets, on Draft supplementary and amending budget No 2/2002 of the European Union for the financial year 2002, as amended by the Council (8605/2002 – C5-0218/2002 – 2002/2043(BUD)).

4-056

Podesta (PPE-DE), rapporteur. – *(IT)* Madam President, ladies and gentlemen, I am honoured to present today, on behalf of the Committee on Budgets, the second reading of Supplementary and Amending Budget No 2/2002. The Commission and the Council have suggested we should charge off as much as EUR 10.5 billion in outstanding payments in this SAB. This represents an enormous under-utilisation of available resources, which will be returned to Member State coffers in the form of reimbursements, even though the relevant expenditure commitments have not been cancelled. Moreover, the Commission has not prepared any plan to reabsorb unused payments from 2001, nor stated whether some of the unused appropriations from 2001 correspond to commitments from 2000, and which could consequently be reallocated to 2003 under the forfeiture clause, and whether it would thus be possible to release any appropriations that have been written off.

In the first reading Parliament refused to accept this situation, and tabled amendments to provide a EUR 4.5 billion boost for programmes with the highest outstanding appropriations.

The EU's commitments must be honoured, and we cannot allow, now or in the future, transfers to thwart the proper implementation of the budget as approved by the financial authority.

Following Parliament's first reading, the Commission, although aware of the gravity of the situation, declared that it could not, at least for the moment, use the extra appropriations effectively or concretely.

The Committee on Budgets took note of the declarations, showing a great sense of responsibility – partly because it wanted to strengthen appropriate cooperation with the Commission and the Council – and decided to take account of this situation. Accordingly, in an extraordinary meeting held yesterday, it decided not to endorse the budget amendments tabled in the first reading. Instead it called on the Commission to commit to presenting an assessment of the situation by 30 September next and to propose at that time any measures needed to address the total transfers and supplementary budget.

The other institutions also need to emulate the sense of responsibility displayed by Parliament here today, since we cannot disguise the fact that there is now more than EUR 100 billion in outstanding commitments and that the Community budget

needs to be managed more efficiently, consistently and transparently.

In view of the above reasons and comments, I would ask you to vote for the SAB 2/2002 report as adopted by the Council and for the amendments to the draft resolution tabled by the Committee on Budgets.

4-057

Walter (PSE). – *(DE)* Madam President, ladies and gentlemen, the supplementary and amending budget on which we are to decide today is one that will surely please the Finance Ministers, as they will be getting EUR 10.5 billion back. On the basis of mutual trust, we have withdrawn the amendments we tabled at first reading stage. We have to rely on the measures the Council has taken, and the Council can have confidence in our procedures. We have also done this because Commissioner Schreyer said last time that the funds we had reinstated could not be utilised. We cannot but wonder, though, why the funds are flowing at no better a rate than we find here. We have a total of EUR 113 billion left over, EUR 82 billion alone in the area of the Structural Funds, and, quite apart from this, EUR 11.4 billion in the area of internal affairs policy and EUR 12.9 billion in the area of category 4.

In the long run, this cannot be tolerated. Having already spent many years lamenting the arrears that have to be reduced, we have to come up with something a bit more definite. The question is whether the late entry into force of some of the programmes adopted actually has anything to do with it. The question also arises of whether the form in which we allocate these funds, with the amount of bureaucracy required, does not in many instances prevent the appropriation of money that the European taxpayer has made available in order to improve the situation of many people in Europe. I speak for the Social Democrats in suggesting that we, over the coming weeks, should push for a joint efficiency force, and I ask the Commission, in particular, to play its part in this. Such an efficiency force would be composed of people from outside – experts in administration and management, and also experts from the Court of Auditors, because the whole set-up has of course to be run properly if we want to work more efficiently, more quickly and with less bureaucracy. These outsiders will have to submit proposals to us concerning how the relevant application procedures might be improved.

This should involve us making relevant enquiries of, for example, officials of the Commission who are affected, the national and regional partners, businesses and organisations, and the regional banks, who have a role to play in the allocation of funding. The Euro Info Centres, which have a lot of expertise at their disposal, should also be involved. We must aim, not to start by getting this money into the European Budget and then return it, but to actually allocate it to the practical policies that we decided on. In doing this now, we must act with greater determination than in the past.

(Applause)

4-058

Virrankoski (ELDR). – *(FI)* Madam President, I would first like to thank the rapporteur for his excellent work. The additional budget under discussion contains two central issues: budgeting last year's surplus and the new system for own resources. The new system for own resources was already in this year's budget in December but it had to be removed because some Member States had not ratified it. Bringing the income side of the budget up to date in the middle of the year, despite agreement on the matter having been reached as early as two and a half years previously, is poor management.

The 40% reduction in the United Kingdom's contribution will be retained in the system of own resources. It is high time that this reduction was dispensed with, for example when drawing up the next financial perspectives because there is little basis for it. For example a small Member State like Finland has to finance this reduction with a sum corresponding to the annual running costs of an average-sized university.

The most depressing part of this year's additional budget is the budgeting of last year's surplus. Unused appropriations already amount to approximately EUR 18 billion, or 20% of the entire budget. This indicates incredibly poor management. This particularly concerns the Structural Funds in which under-utilisation stands at EUR 10.5 billion. This seriously threatens the regional and structural policy of the whole EU.

Madam President, the Council's aim to weaken the status of Parliament as a budgetary authority in conjunction with the updating of the Financial Regulation has overshadowed discussion of the additional budget. It tried to transfer powers belonging to Parliament to itself. Fortunately, Parliament's firm stand forced the Council to realise the facts and at the moment the updating of the regulation is progressing with better mutual understanding. Therefore, as a gesture of goodwill and to create a good atmosphere for cooperation, the Committee on Budgets is ready to relinquish its justified amendments which it made in the first reading of the additional budget and to accept the proposal of the Council as it stands. My group supports this position.

4-059

Diamantopoulou, Commission. – *(EL)* Madam President, the Commission is not satisfied with the level of the surplus for 2001, which is due mainly to delays in starting Structural Fund programmes. May I remind you that a new regulation is also being applied to overestimates of payments by the administrative services in the Member States. The main point is

that the level of implementation of Structural Fund payments is extremely low in all the Member States, without exception. Typical of the seriousness of the situation is the failure to implement EUR 10 million of the Structural Funds budget for 2001. My colleague, Commissioner Barnier, recently wrote to the Member States pointing out the consequences of these delays in implementing the Community budget and asking the Member States to step up the implementation of Structural Fund programmes.

Every year we ask the Member States to give us accurate forecasts of payment requirements and to use the payments entered on the budget for the year. The Commission does all it can to use outstanding appropriations for other requirements by transferring appropriations and, where it can, by proposing supplementary or amending budgets, as it has in the past. May I say that the Commission is delighted that Parliament approved the Council's second reading and say to Mr Podestà that we promise to deliver the evaluation report requested for the end of September.

4-060

President. – Thank you, Mrs Diamantopoulou.

The debate is closed.

The vote will take place today at 11 p.m.

4-061

IN THE CHAIR: MR ONESTA
Vice-President

4-062

Vote

4-063

Report without debate (A5-0171/2002) by Mr Nisticò, on behalf of the European Parliament delegation to the Conciliation Committee, on the joint text approved by the Conciliation Committee for a European Parliament and Council directive amending for the twentieth time Council Directive 76/769/EEC relating to restrictions on the marketing and use of certain dangerous substances and preparations (short-chain chlorinated paraffins) [3117/2002 – C5-0138/2002 – 2000/0104(COD)]

(Parliament approved the joint text)

Report (A5-0170/2002) by Mrs Riitta Myller, on behalf of the European Parliament delegation to the Conciliation Committee, on the joint text approved by the Conciliation Committee for a European Parliament and Council decision on the Sixth Community Environment Action Programme [11076/1/2001 – C5-0434/2001 – 2001/0029(COD)]

(Parliament approved the joint text)

Report (A5-0163/2002) by Mr Lange, on behalf of the European Parliament delegation to the Conciliation Committee, on the joint text approved by the Conciliation Committee for a European Parliament and Council directive on the reduction of the level of pollutant emissions from two and three-wheel motor vehicles and amending Directive 97/24/EC [7598/1/2001 – C5-0386/2001 – 2001/0136(COD)]

(Parliament approved the joint text)

Recommendation for second reading (A5-0130/2002) by Mr Cappato, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the Council common position for adopting a European Parliament and Council directive concerning the processing of personal data and the protection of privacy in the electronic communications sector [15396/2/2001 – C5-0035/2202 – 2000/0186(COD)]

4-064

Diamantopoulou, Commission. – The Commission supports the compromise package proposed by the Council presidency, including Amendments Nos 9, 13, 18, 25, 26, 28, 37, 38 and Amendments Nos 44 and 50. Amendment No 29 would also be acceptable but only without the words "or corporation".

4-065

Amendment No 46:

4-066

Cappato (NI), rapporteur. – *(IT)* Mr President, I have asked to speak as I wanted to draw the Commission's attention to a problem of legal basis in this report. The part of the amendment that we have just adopted provides for Member State exemptions in the processing of personal information. This second part, however, is intended to give an example of this exemption: data retention, or the blanket storage of personal data. We are dealing with a first pillar directive – the liberalisation of telecommunications – are we not? This addition seems totally inappropriate and outside our legal basis. In fact, only yesterday, the European Commission itself said it opposed an amendment tabled by Mrs Cederschiöld on behalf of the PPE-DE Group to cut the cost of data retention, precisely because it is outside the legal basis of the directive. If that was outside the legal basis, then this part must be so too. I would urge the Commission and the House to consider this.

4-067

President. – Mrs Frassoni, I do not wish to start a debate. You have the floor to speak on a point of order. I allowed our rapporteur to speak and he has given us a satisfactory warning. The Commission and Parliament have now been warned.

4-068

Frassoni (Verts/ALE). – *(FR)* Mr President, I am taking the floor simply in order to support this request, and to say quite simply that it is very dangerous to include, in legislation of the first pillar, items which are not very well-structured and which come under the third pillar.

4-069

President. – Thank you, Mrs Frassoni. Parliament is now fully informed.

(The President declared the common position approved as amended)

The rapporteur is asking to speak again, just before we congratulate him.

4-070

Cappato (NI), rapporteur. – *(IT)* Mr President, I should like to thank you for not linking my name with the result of the report, which provides for maximum restrictions on privacy in private relationships between citizens, and a minimum of privacy in relations with the State. This seems to me to be a real contradiction, and I would therefore prefer not to be associated with a compromise – with which, moreover, I have not been directly involved – which flies in the face of all the positions adopted by Parliament's Committee on Citizens' Freedoms and Rights.

(Applause)

4-071

President. – You are completely within your rights, Mr Cappato. Your request will therefore be taken into account.

4-072

Frassoni (Verts/ALE). – *(IT)* Mr President, the rapporteur asked you a question which, in putting this amendment to the vote, you have not answered. A question remains unanswered. This is the problem.

4-073

President. – Mrs Frassoni, all issues of acceptability are studied with the chairmen and with the services before the vote. If they have got as far as the plenary session, you can be sure that they have been examined from the legal point of view.

Recommendation for second reading (A5-0136/2002) by Mrs Korhola, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the Council common position for adopting a European Parliament and Council directive on public access to environmental information and repealing Council Directive 90/313/EEC [11878/1/2001 REV 1 – C5-0034/2002 – 2000/0169(COD)]

4-074

Diamantopoulou, Commission. – As regards the Commission position with respect to the amendments tabled by Parliament, I wish to confirm what my colleagues stated during the debate held in the House. In particular, the Commission can accept in full Amendments Nos 22, 28, 30, 32, 33, 42, 45 and 46.

The Commission can partially accept Amendments Nos 7, the third part, 9, the first part, 27, the third part, and 48, the second part.

The Commission can accept in principle Amendments Nos 9, the second part, 19, 27, the second part, but subject to either rewording or reordering.

The remaining amendments cannot be accepted by the Commission. For information the amendments not accepted are Nos 1, 2, 3, 4, 5, 6, 7, first and second parts, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 26, 27, first part, 29, 31, 34, 35, 36, 37, 38, 39, 40, 41, 43, 44, 47 and 48 except the second part.

4-075

President. – Thank you, Commissioner.

Mrs Korhola also wishes to speak.

4-076

Korhola (PPE-DE), rapporteur. – (FI) Mr President, I would just like to say that I support Amendment No 48, although you may have been informed otherwise in another context. The misunderstanding arose because I was previously of the opinion that this amendment would not be discussed but since this is not the case, I will express my support for it. The amendment aims to reinforce the general principle of not having to pay.

4-077

President. – The plenary has taken note of that. The Council could inform us of its comments, but there is no one from the Council present.

(The President declared the common position approved as amended)

Report (A5-0179/2002) by Mr Podestà, on behalf of the Committee on Budgets, on Draft supplementary and amending budget No 2/2002 of the European Union for the financial year 2002 [8605/2002 – C5-0218/2002 – 2002/2043(BUD)]

(Parliament adopted the resolution)

Report (A5-0135/2002) by Mr Bradbourn, on behalf of the Committee on Regional Policy, Transport and Tourism, on the proposal for a European Parliament and Council decision amending Decision No 1692/96/EC on Community guidelines for the development of the trans-European transport network [COM(2001) 544 – C5-0478/2001 – 2001/0229(COD)]

(Parliament adopted the legislative resolution)

4-078

Report (A5-0168/2002) by Mrs Cerdeira Morterero, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Kingdom of Spain with a view to the adoption of a Council decision on the setting up of a network of contact points of national authorities responsible for private security [5135/2002 – C5-0052/2002 – 2002/0802(CNS)]

4-079

Cerdeira Morterero (PSE), rapporteur. – (ES) Mr President, I would like to ask for the draft legislative resolution to be voted on so that it is not referred back to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, pursuant to Article 68(3). I would like to point out that there are precedents for this in Parliament such as the Karamanou, Deprez and Frahm reports.

4-080

President. – Absolutely! Previous judgments give us very clear precedents. I therefore propose that we should proceed straight to the vote on the draft legislative resolution, to which I am not aware of any amendments.

(Parliament adopted the legislative resolution)

Report (A5-0166/2002) by Mr Sousa Pinto, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Kingdom of Spain establishing a European Institute of Police Studies [5133/2002 – C5-0055/2002 – 2002/0803(CNS)]

4-081

(Parliament adopted the legislative resolution)

Report (A5-0167/2002) by Earl Stockton, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Kingdom of Spain setting up a European network for the protection of public figures [5361/2002 – C5-0051/2002 – 2002/0801(CNS)]

(Parliament adopted the legislative resolution)

Report (A5-0173/2002) by Mr Deprez, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Kingdom of Belgium and the Kingdom of Spain with a view to adopting a Council Act drawing up a Protocol amending the Convention on the establishment of a European Police Office (Europol Convention), the Protocol on the interpretation, by way of preliminary rulings, by the Court of Justice of the European Communities of the Convention on the establishment of a European Police Office and the Protocol on the privileges and immunities of Europol, the members of its organs, the deputy directors and the employees of Europol [5455/2002 – C5-0053/2002 – 2002/0804 (CNS)] and on the recommendation of the European Parliament to the Council on the future development of Europol and its automatic incorporation into the institutional system of the European Union.

4-082

Wynn (PSE). – Mr President, just before you vote on this, I must bring it to Parliament's attention. Within the report, under Recital H, and under Recommendation 2, which are quite similar, it reads "Calls on the Council to amend the arrangements for the funding of Europol by replacing Member States' contributions with funding from the EU budget". The reality is the EU budget cannot absorb these funds. I would ask if Mr Deprez would take on an oral amendment which would actually read "replacing part of the Member States' contributions".

4-083

Deprez (PPE-DE), rapporteur. – (FR) Mr President, first of all I should like to point out to the House that the text which is proposed in this recommendation is one which we have voted for on several occasions in exactly the same words and, moreover, also conforms to a possibility provided by the Treaty, whereby if the Member States cannot unanimously agree on any other method of financing, the operational costs will be borne by the Union's budget.

I should also like to draw the following fact to the attention of my friends on the Committee on Budgets: the text which I am proposing will have no impact on the budget for the year 2003 and probably on those of subsequent years. I say this because, in order to reject a convention, it is necessary to go through the same procedure as the one which created it. In other words, there will have to be a process of ratification by all Member States. Therefore there will be no costs borne by the Union's budget before the end of the financial perspective. Having said that, however, since we are now in this position, I have no objection to accepting the oral amendment that has been tabled. I therefore recommend that the House adopt it.

4-084

President. – Before anything else, I must remind you that the Committee on Citizens Freedoms and Rights is once again proposing that Parliament reject the wording of the initiative.

(Parliament adopted the legislative resolution)

Report (A5-0165/2002) by Mr Deprez, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Kingdom of Belgium with a view to the adoption of a Council decision adjusting the basic salaries and allowances applicable to Europol staff [14628/2001 – C5-0682/2001 – 2001/0830(CNS)]

(Parliament adopted the legislative resolution)

Report (A5-0162/2002) by Mr Novelli, on behalf of the Committee on Industry, External Trade, Research and Energy, on the proposal for a Council regulation on State aid to the coal industry [COM(2001) 423 – C5-0438/2001 – 2001/0172(CNS)]

(Parliament adopted the legislative resolution)

Report (A5-0144/2001) by Mr Konrad, on behalf of the Committee on Economic and Monetary Affairs, on the draft Commission regulation on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle industry

4-085

Konrad (PPE-DE), rapporteur. – (DE) Mr President, ladies and gentlemen, it is important to note when voting that Amendment No 1 must be based on the English version. The German original text does not reproduce the resolutions passed in the Economic Affairs Committee. This is due to an oversight. That being so, we will, when voting, be voting for the English version. I ask you to take note of this.

4-086

President. – Very well. The language services have now been notified.

4-087

Peijs (PPE-DE). – (NL) Mr President, I am unable to vote on this topic due to financial involvement.

4-088

President. – That has been noted, Mrs Peijs.

4-089

Rapkay (PSE). – (DE) Mr President, going through the voting list again with the rapporteur a moment or two ago, we came across a problem that affects the voting procedure. After consultation, we have decided that we want to substitute the PPE-DE's Amendment No 9 for the first part of what we decided on in committee. If we go through the voting list accordingly, we run the risk, if we adopt part of Amendment No 22, of Amendment No 9 being disposed of. That, at any rate, is what is in the voting list. We have agreed – and I think the rapporteur will confirm this, as we have just been discussing it – that we will vote down the first part of what we decided on in committee, that is, Amendment No 22, agree to the second part, and then vote for the PPE-DE's Amendment No 9 as well, in order to scrap the first part, which we have rejected.

4-090

(Parliament adopted the resolution)

4-091

Joint motion for a resolution² on the EU/Latin America summit

(Parliament adopted the resolution)

Report (A5-0169/2002) by Mr Fiori, on behalf of the Committee on Agriculture and Rural Development, on the mid-term review of the reform of the common organisations of the market (COMs) in the context of Agenda 2000 [2001/2127(INI)]

4-092

(Parliament adopted the resolution)

Report (A5-0164/2002) by Mrs Rodríguez Ramos, on behalf of the Committee on Agriculture and Rural Development, on rural development in the framework of Agenda 2000 – interim balance in the EU and the applicant countries [2001/2041(INI)]

(Parliament adopted the resolution)

Report (A5-0155/2002) by Mr Lannoye, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the Commission report entitled 'Evaluation of the active substances of plant protection products (submitted in accordance with Article 8(2) of Council Directive 91/414/EEC on the placing of plant protection products on the market) [COM(2001) 444 – C5-0011/2002 – 2002/2015(COS)]

(Parliament adopted the resolution)

² Tabled by Mr Salafraña Sánchez-Neyra and Mr Oostlander, on behalf of the PPE-DE Group, Mr Obiols i Germà and Mr Linkohr, on behalf of the PSE Group, Mrs Malmström, on behalf of the ELDR Group, and Mr Queiró, on behalf of the UEN Group, seeking to replace motions for resolutions B5-0318, 0323 and 0326/2002 with a new text.

4-093

Joint motion for a resolution³ on shipbuilding*(Parliament adopted the resolution)*

Report (A5-0159/2002) by Mr Howitt, on behalf of the Committee on Employment and Social Affairs, on the Commission Green Paper on Promoting a European framework for Corporate Social Responsibility [COM(2001) 366 – C5-0161/2002 – 2002/2069(COS)]*(Parliament adopted the resolution)*

4-094

IN THE CHAIR: MRS LALUMIÈRE
Vice-President

*EXPLANATIONS OF VOTE***– Myller Report (A5-0170/2002)**

4-095

Ahern (Verts/ALE). – President, I want to congratulate the rapporteur on her persistence. This report contains provisions for the listing and phasing out of environmentally harmful subsidies and for environmental taxes at appropriate national or Community level.

As well as this, all legislation arising from the strategies will be adopted under co-decision. The improved management and use of natural resources as well as waste management is an essential step if we are to establish a more sustainable production method and pattern of consumption.

The programme supports a reform of subsidies which have had an adverse climate effect. It clarifies the target for holding climate change by stricter reduction targets in the second period of the Kyoto Protocol. It also seeks to reduce greenhouse gas emissions from industrial production by providing incentives with the development of environmentally friendly, benign alternatives. The report is, of course, not perfect, but it will prove itself in the concrete implementation. I hope, therefore, that we can all support it.

4-096

Arvidsson, Cederschiöld, Grönfeldt Bergman and Stenmarck (PPE-DE), in writing. – *(SV)* In the European Parliament's first and second readings of the Sixth Environment Action Programme, we Swedish Conservatives voted against the introduction of EU taxes in the areas of the environment and energy.

This approach of ours, based on principle, still stands, despite our having voted in favour of the conciliation proposal.

4-097

– Recommendation for second reading, Cappato report (A5-0130/2002)

4-098

Ahern (Verts/ALE). – Madam President, this is important for all our citizens, but we have also experienced difficulties in our own work in Parliament as a result of spam mail. We had a recent example in the food supplements directive. The Green/ EFA group has fought right from the beginning for an opt-in and I am glad that Parliament has adopted that, because no other system could defend privacy and data protection efficiently.

However, we were critical that the proposal opens the door for Member States to force providers of electronic services to retain personal and other data for a certain period of time. I have voted against this paragraph. It is unacceptable, on the one hand, to allow eavesdropping and, on the other hand, not to establish any safeguards against these practices. Therefore I have voted against.

4-099

Fatuzzo (PPE-DE). – *(IT)* I voted for the Cappato report even though you, Mr Cappato, asked us to vote against it! Why did I vote for it? Privacy is, of course important, respect for private life is important, but I, Carlo Fatuzzo, like many

³ Tabled by Mr Valdivielso de Cué and Mr Langen, on behalf of the PPE-DE Group, Mrs Mann and Mr Duin, on behalf of the PSE Group, Mr Wurtz and Mrs Figueiredo, on behalf of the GUE/NGL Group, and Mrs Muscardini, on behalf of the UEN Group, seeking to replace motions for resolutions B5-0319, 0321, 0322 and 0325/2002 with a new text.

pensioners I have discussed this with, am against privacy. I accept that everybody should know what I say; I accept that everybody should know what I do; I accept that everybody should know where I go. It is my impression – and this is why I voted for the report – that, when everyone sees and knows what we are doing, perhaps we behave better, more honestly, more sincerely.

4-100

Cashman (PSE). – Madam President, the British Labour group voted in favour of the amendments on data retention, Amendments 46 and 47, precisely because we consider a very delicate balance has been struck in the detection of criminality and the protection of civil liberties, in particular the references to the fact that any measures must be proportionate and appropriate within a democratic society and, indeed, the references to Articles 6(1) and (2) of the Treaty of the European Union and, accordingly, the rulings on the European Court of Human Rights and the European Convention.

4-101

Gorostiaga Atxalandabaso (NI), in writing. – I have voted against this recommendation because the compromise found attacks directly Article 7 of the EU's charter on fundamental rights that protects European citizens' privacy.

I regret very much this recommendation that gives up any legitimacy to this House as the leading area in the world in the defence of human rights.

4-102

Ludford (ELDR), in writing. – The ELDR group voted to take out the part of Amendment No 46 that seeks to confer 'data retention' powers on Member States; this is the power for governments to require telecoms operators and Internet Service Providers to keep traffic, billing and location data for possible access by law enforcement agencies.

We do not disregard the case for some data retention for security purposes. But we oppose insertion in this Directive because the huge implications both for industry and civil liberties are not adequately addressed in this context.

It is dangerous and premature to endorse a blanket EU regime of data retention as an add-on to a telecommunications single market package. Any imposition of these powers should be debated at national parliament level and then addressed in the context of EU cooperation on policing and crime-fighting, including guarantees for citizens' rights.

This measure voted today is an internal market Directive, part of a package designed to open up the EU market to competition and enable telecoms companies and ISPs to operate on a level playing field. The original Commission proposal did not contain any reference to data retention powers, which was added by the Council of Ministers in its common position.

4-103

Mann, Erika (PSE), in writing. – (DE) I have not voted for the compromise motion of Article 15(1) proposed by Mrs Paciotti and Mrs Palacio.

The amendment to Article 15(1), which involves obliging the Member States to take steps to benefit national security among other things, is one that I regard as unbalanced. Where the mandatory storage of data is concerned, the rights of national legislators are insufficiently restricted and their duties are inadequately defined. The amendments made in Council mean that the Member States can require communications companies to systematically file all liable data from all users and make them available when authorised persons so request. These amendments neither specify important criteria, nor do they specify which data are to be stored, nor over what period of time, nor who is to bear the costs (themselves dependent on the quantity and time period involved) associated with the storage and processing of the data. This is left to the Member States. Moreover, it is not clearly set out what requirements, standards for liability and security measures are to apply to those enterprises to which the storage of data is entrusted.

These issues are at present a matter within the third pillar. Information has come into my hands indicating that a framework decision on mandatory storage is at present in preparation. The topic is also being discussed with all the parties involved (among others, law enforcement agencies, communications companies, and persons involved in the protection of data) in the Cyber Crime Forum set up by the Commission.

(Statement of vote cut short in accordance with Article 137(1) of the Rules of Procedure)

4-104

Meijer (GUE/NGL), in writing. – (NL) The invention of e-mail and the Internet offers unprecedented opportunities to people other than the users themselves. It can be abused by anyone who wants to make money by pestering fellow citizens with advertising for things that the people involved do not want at all. Worse still is when the recipients themselves have to pay for the privilege of receiving unsolicited advertising. There is therefore every reason to offer people legal protection against floods of unsolicited information which cost time and money to receive.

At first reading on 6 September 2001, I spoke in favour of an opt-in instead of an opt-out. This finally appears possible now, thanks to the proposed decision. I had therefore decided to vote in favour until it appeared that a new problem was arising. This time it is not the pushy private money-maker that is the villain, but the intrusive government, feared for its security standards. In the past, mail and telephone confidentiality was introduced to guarantee people freedom, but the compromise between the two main groups now makes it possible to abolish the protection of personal data. Tapping and recording communications might be unavoidable in extreme criminal cases, subject to a court warrant, but this must never become common practice.

4-105

Van der Laan (ELDR), in writing. – (NL) The D66 [Dutch Democrats '66] party in the European Parliament is delighted that the European Parliament has opted in favour of the consumer and has agreed to a European ban on unsolicited e-mail. It hopes that this Europe-wide ban will help establish a ban on spam outside Europe too, especially in the United States. After all, the Internet is a worldwide phenomenon, and its improper use is best tackled worldwide.

4-106

– **Recommendation for second reading, Korhola report (A5-0136/2002)**

4-107

Ahern (Verts/ALE). – Madam President, access to environmental information is a fundamental right and I am glad that the rapporteur has sought to restrict the use of confidentiality. This can be misused so that information which should be available is restricted under the guise of confidentiality.

The report explicitly mentions the Internet and that account should be taken of future development of information and communication technologies. It requests Member States to create publicly accessible databases where environmental documents would be held. This makes it easy for the public to access and locate information and is very welcome. In seeking to reinstate Parliament's original amendments, the rapporteur has moved to strengthen the position of the citizen. I very much welcome this and voted in favour of her report.

4-108

Fatuzzo (PPE-DE). – (IT) Here's to environmental information! It is extremely important and constructive that the public – including the elderly and pensioners – should know all about the environment. Madam President, I dreamt of the rapporteur, Mrs Korhola, who, as we know, after Mrs Grossetête – who with her French charm bewitched many others as well as myself from the outset – is one of the beauty queens of the Group of the European People's Party (Christian Democrats) and European Democrats. Now, our beautiful Mrs Korhola – I will deal with the other groups on future occasions – was actually at the information desk in this dream of mine, giving the public information on the environment. How could I vote against the directive? This is why I voted for it gladly.

4-109

– **Podestà report (A5-0179/2002)**

4-110

Fatuzzo (PPE-DE). – (IT) Madam President, you are calm and relaxed and you conduct all the sittings admirably, but you cannot deny that Mr Podestà, who is the rapporteur of the document on the draft budget, has chaired the proceedings with equal balance: he is calm, relaxed, and never gets angry. He is so well-balanced that he sits on the Committee on Budgets. Balance, as you know, is a gift of the elderly and pensioners, and this is why I was delighted to vote for this balanced report drafted by Mr Podestà, who I feel deserves, precisely because of this balance, to become – and I hope he will – the future President of the European Parliament because, as we know, balance is the most important virtue of the president of a parliament.

4-111

– **Bradbourn report (A5-0135/2002)**

4-112

Fatuzzo (PPE-DE). – (IT) Madam President, Mr Bradbourn's document talks about trans-European transport networks. It occurred to me that, in Italy, we say, referring to the Roman Empire: 'All roads lead to Rome'. Now that we are in the European Union, we should therefore say: 'All roads lead to Brussels'. Of course, there will be many more roads leading in all directions from Brussels, but I would point out the importance, Madam President, of corridors 5 and 8, particularly corridor 8 which, as you know, according to the proposals of our parliamentary committee, links southern Europe, Italy and the Adriatic with Varna in Bulgaria, on the Black Sea. It is not just north-south links that need enhancing, but also west-east in the southern part of Europe.

4-113

Marques (PPE-DE), in writing. – (PT) I would like to congratulate Mr Bradbourn on the excellent report he has presented to us, which has my total support. His report demonstrates a great deal of technical knowledge in the way it approaches the extremely important subject of developing the trans-European transport network. I would like to stress the two following points here:

- there is a need for a policy on infrastructural trans-European networks as a means of integrating the economies of the single market;

- trans-European networks are a vital instrument for Europe's policy of growth, competitiveness and employment, and a mean of boosting an operative cross-border transport market so as to establish a truly European internal transport market area leading to further progress for Europe.

4-114

Meijer (GUE/NGL), *in writing*. – (NL) This report is partly pre-empting the White Paper on the European transport policy that will be on the agenda soon. The report largely deals with the choice between the environment and well-being on the one hand and maximum company profits and the individualism of the privileged on the other. If we want to serve the environment and well-being, we must limit the unnecessary transportation of trade supplies and ensure that the remaining transportation of people and goods takes place by car and by aircraft as little as possible. There will then be every reason to invest selectively in modernising long-distance railway traffic and in removing bottlenecks on neglected waterways.

Anyone who wants to serve the privileged, however, will opt for more and larger airports and for more and wider motorways. I thought it was positive that the European Commission, more so than in the past, was inclined to give priority to the environment, physical planning and protection against nuisance. A majority in the European Parliament are now trying to undo this by demanding that more investments be made and that rail and water not be given preferential treatment over road traffic and aviation. The upshot of this will be that we will soon have an overcapacity of motorways and airports, with the sole aim of enabling companies to repeatedly choose between the transport modalities that are most advantageous to them at the time.

4-115

Miguélez Ramos (PSE), *in writing*. – (ES) The Autonomous Community of Aragon has a population of around 1 200 000 – 44.8 per square kilometre. However, the province of Teruel, one of its three provinces, only has an average of 9.3 inhabitants per square metre, as it only has 140 000 inhabitants spread over 14 785 square kilometres at more than one thousand metres above sea level. This uneven demographic distribution, which is distorted by the large concentration of the population in the capital, Zaragoza, has led to it being excluded from the Objective 1 regions. The province, which has three power stations in operation, is also undergoing a considerable crisis resulting from its mines being shut down.

The regional government considers that including it in the European high-speed train routes and more specifically in the route for the high-speed train from Madrid to Levante, would bring it closer to the axis of the Mediterranean basin, considerably helping its development and its recovery from the shortfall that has accumulated in recent decades in terms of communications.

I ask the Council and Parliament to take into account this situation and the damaging effects of geographical isolation and depopulation that are taking place in this province.

4-116

Pittella (PSE), *in writing*. – (IT) I support the Bradbourn report as the first step in reviewing Community guidance on the development of trans-European transport networks. For the future, we must attempt to achieve a thorough overhaul of this policy, both with regard to the trigger mechanisms – and here I mean the policy funding arrangements and involvement of the private sector – and to the TENs projects. In this respect, it should be said that the north-south axis must be upgraded to prepare for EU enlargement to include the countries of south-eastern Europe.

4-117

Titford (EDD), *in writing*. – If one were to judge by the Commission's report, it would be possible to believe that cross-border transport and the free movement of goods in Europe could not exist without the EU.

Needless to say, governments are capable of freely cooperating on transport matters – and a broad range of other issues – without needing to surrender their powers to an unelected, supranational authority.

But what makes this project particularly odious is the triumphalist claim in the Commission's report:

“The major cross-border projects of the last decade, such as the Channel Tunnel, the high-speed line between Brussels and Paris and the bridge/tunnel between Sweden and Denmark, send out signals to the citizens of the European Union that European integration is progressing”.

In other words, like everything else the Commission touches – or, more accurately, “taints” – the real agenda is political integration. This is not only odious – it is dangerous. When are the Commission and its fellow travellers going to realise that their continued efforts to hijack virtually every activity in Europe is creating the sort of backlash typified by Le Pen and Fortuyn? A lot less integration and a little more humility would do us all a lot of good.

4-118

Wuermeling (PPE-DE), in writing. – (DE) I greatly welcome the decision to include the autobahn through the Fichtelgebirge in the Trans-European Networks. Eastward enlargement, from which the border regions can derive great benefit, must not be allowed to be held up by traffic jams. At the same time, there is a need to create an efficient road transport infrastructure to avoid the strain imposed by slow traffic. The doubling of cross-border journeys is still something we have to reckon with.

4-119

– **Cerdeira Morterero report (A5-0168/2002)**

4-120

Fatuzzo (PPE-DE). – (IT) Madam President, I voted for Mrs Cerdeira Morterero's proposal, in other words, I rejected the proposal to establish a network of contact points for private security services in Europe. I regret, however, not being able to vote for a directive to organise private security services in Europe. Nevertheless, I do hope we will soon have a European Sherlock Holmes, Nero Wolfe, or Tom Ponzi in Europe too, because they could keep a look out for thieves. What type of thieves, Madam President? Why, the thieves who steal a pensioner's pension as soon as he has drawn it. Pensioners are often the victims of robbery and it would be helpful if this were to cease. Here's to European private investigators, then, and let us hope we will soon be able to vote for such a directive.

4-121

– **Sousa Pinto report (A5-0166/2002)**

4-122

Fatuzzo (PPE-DE). – (IT) Madam President, we voted to reject Mr Sousa Pinto's document because it does not offer a proper European police service and, in practice, proposes a copy of the European Police Academy. I would like to see national police services backed up by a genuine, efficient, effective European police service. Just as the United States – sometimes they do get it right – has the FBI, Europe must also have its federal police, a police service that works properly, is not a waste of money and is close to the citizen. Despite being European, it must be the police service of European citizens.

4-123

– **Stockton report (A5-0167/2002)**

4-124

Fatuzzo (PPE-DE). – (IT) I voted for the motion, Madam President. How can I explain why? I dreamt that I had become a VIP. Mr Fatuzzo was not just an MEP but a great Head of State. I was travelling around Europe and who was I protected by? I was protected, as chance would have it, by the rapporteur, the Earl of Stockton, who is perhaps listening to me now in his office. Well, I must tell him that – although he may not realise it – he looks like a famous Italian film actor, Bud Spencer, who is famous for being strong, the good guy against all the bad guys, and for his physical prowess; in other words, the ideal person to protect VIPs. That is why I was delighted to vote for this document.

4-125

Gollnisch (NI), in writing. – (FR) All the reports about the European police force, Europol, which are the subject of this joint debate, all originate from the same move, the replacing of Europe by individual States in matters concerning internal security and cross-border policing. The area of the European Community's competence is thus increasing by whole sectors at a time, and the principle of subsidiarity is being systematically misused, to the advantage of the ever-increasing competence of the Union.

The proliferation of European networks and agencies in police matters which we are witnessing today, and which has only just begun, is excessive.

Confusion as to who is responsible for what, a lack of any definition of remits and staff regulations of these European agencies... everything is vague, complicated and, at the end of the day, unworkable. Yet the policy of dismantling our institutions and our sovereignties carries on regardless, whatever the cost and whatever the damage caused. Thus, in addition to the European legal network, the European police college, and the European crime prevention network, all of which already exist, Europe now seeks to impose a European network for the protection of public figures, a European public prosecutor, a European penal code, and what else, I wonder?

We must say no to this policy of doing away with our national police forces, with our security and our justice, in favour of a single European police force, a single European security and a single European justice.

(Speech cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-126

Meijer (GUE/NGL), in writing. – (NL) The initiatives of the Spanish Government are remarkable. Its priorities not only include granting maximum scope to fisheries, moderating environmental measures, re-routing the River de Ebro to Murcia or the annexation of Gibraltar, but evidently also the organisation of oppressive violence. With an EU institute for police studies, an EU incentive for private security services and cross-border protection of eminent persons, it is starting to

resemble a feudal dictatorship modelled on South American traditions. In South America, politicians, officials, the military and important entrepreneurs hide behind walls, fences and armed guards. These screen them as much as possible from the ordinary public whom they provoke, while legislation underpins their self-appointed isolation. Instead of solving the problems for everyone, only the problems of the rich and powerful are solved, while the problems for everyone else, namely the vast majority of the population, only escalate.

Are we in the EU acquiring legislation of a similar kind, in which European security rules are becoming more important than small-scale experiences at national or regional level? The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs is right to note that an EU network should not determine the number of armed officials to be deployed or the level of priority to be given to escorts of prominent people in traffic, and it is also rejecting the other Spanish proposals to a large extent.

4-127

- Deprez report (A5-0173/2002)

4-128

Berthu (NI), in writing. – (FR) We voted against the European Parliament recommendation on Europol's 'incorporation into the institutional system of the European Union' because it seeks to remove Europol from the strictly inter-governmental sphere where its convention placed it, and to bring it within the ambiguous status of the third pillar, inter-governmental crossed with Community aspects, which would ultimately be a step towards bringing it more completely within the Community sphere.

Legally, this manoeuvre appears to us to be very blameworthy. In effect, the European Parliament is suggesting that the Council should officially replace the convention (which is a specific treaty) with the legal basis of Article 34(2)(c), which is within the Treaty and which in certain cases allows the use of a qualified majority. However, such a change, which is legal in nature and which has effects in law, is not possible without the ratification of the people. Therefore the manoeuvre is also politically deplorable. No one has the right, on such a fundamental issue – nor, moreover, on any other issue – to change the decision of the people behind their backs.

This sort of behaviour on the part of the European Parliament bodes ill as regards Parliament's respect for the people if more powers were given to it.

4-129

Korakas (GUE/NGL), in writing. – (EL) The whole purpose of the Spanish/Belgian initiative and the report under discussion is to amend the EUROPOL convention, in order to give it "operational" duties without any approval or ratification by the national parliaments.

Obviously, the powers granted to EUROPOL in the convention (to collect, process and exchange information) no longer meet the EU's current need to speed up the implementation of suppressive military instruments. Nor does it suffice that its material powers have increased to the point at which there is no form of serious crime (including so-called terrorism) in which it is not involved.

The 11 September is being used as another pretext for EUROPOL to take on what are strictly policing and suppressive duties alongside and over and above the equivalent national mechanisms, like the famous FBI. And for this, the convention needs to be amended. The Spanish/Belgian initiative suggests that this can be done by (unanimous) decision of the Council and the Deprez report goes even further with an alternative proposal to replace the convention with a Council "decision" so that the Council can amend it by qualified majority whenever it so chooses.

The MEPs of the Communist Party of Greece voted against both texts because they are an attempt to bring EUROPOL into line with the need to strengthen mechanisms to suppress and erode democratic freedoms and persecute grass-roots movements.

4-130

– Deprez report (A5-0165/2002)

4-131

Fatuzzo (PPE-DE). – (IT) Madam President, the Deprez report discusses the adjustment of basic salaries and allowances for Europol staff. As you know, Madam President, I voted for the report, in other words against this proposal, because there is a problem with regard to the size of the increase: a 5.2% increase in Europol salaries instead of 4.3% as proposed by the rapporteur. I would have voted in favour had there been a 'Fatuzzo allowance': that is, I would vote for it if the allowances of all the interpreters who have to stay here because Mr Fatuzzo delivers too many explanations of vote, and of Presidency officials and even the President, were doubled in a specific allowance for having to listen to the numerous explanations of vote delivered by Mr Fatuzzo.

4-132

Berthu (NI), *in writing*. – (FR) With the Deprez reports on Europol, we are floundering in complete incoherence. Just now we saw the Spanish and Belgian Governments – though they are not regarded as moderately federalist – being severely criticised by the European Parliament for their lack of Community feeling. In fact they were unfortunate enough to try to comply with the texts which place Europol in the area of inter-governmental relationships. In some ways it was a kind of fratricidal struggle between federalist lawyers and federalist ideologists.

In this second Deprez report, we see the Council, which is quite rightly disputing any Parliamentary power over the Europol budget (which is fed directly by Member States' contributions) coming to consult Parliament of its own accord on a very minor financial issue, a possible increase in the salaries of the officials of that body. We abstained because we believe that the European Parliament has no competence here.

All this shows that the status of Europol should be clarified and stabilised. In our opinion, it should not fall under the inter-governmental pillar in the strict sense of the word, nor under the Community pillar, but under an inter-parliamentary pillar, yet to be created, where the national parliaments would work as a network. In this context, Europol would be monitored, in addition to the present controls, by an assembly composed of representatives of the national parliaments.

4-133

– **Novelli report (A5-0162/2002)**

4-134

Fatuzzo (PPE-DE). – (IT) Madam President, I voted in favour of aid to the coal industry, which genuinely needs EU financial support, but I cannot hide the fact that, both personally and as leader of the Pensioners' Party, I am in favour of nuclear energy. I would like to see safe (of course!) nuclear power stations built in all European countries. I believe that the energy problem can only be resolved through a determined, Europe-wide return to nuclear plant, which must, I repeat, be safe, extremely safe. More specifically, candidate country nuclear plant must be checked and, once made safe, should continue to function.

4-135

Caudron (PSE), *in writing*. – (FR) We should remember that coal and steel were part of the original construction of Europe. At the end of the war, the six founder States decided to pool their coal and steel production. Thus it was that, on 18 April 1951, the European Coal and Steel Community (ECSC Treaty) saw the light of day. The ECSC Treaty was concluded for a period of fifty years, starting from the date of its entry into force. Consequently, it will expire on 23 July 2002. It was planned that, once the Treaty had expired, steel and coal would be treated like any other industrial product, particularly with regard to competition policy.

However, it is clear that, in the absence of any financial support measures, most of the European coal industry would be sentenced to disappear in the very short term. In fact, the greater part of Community coal production remains, and would have to remain, non-competitive in relation to third-country imports.

The Green Paper on security of energy supply has taken these facts into consideration. It envisages preserving a minimum production capacity, because coal is still an important source of home-produced energy which is available in the long term and is stable and secure.

(Speech cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-136

– **Konrad report (A5-0144/2002)**

4-137

Fatuzzo (PPE-DE). – (IT) After reading the Konrad report on vertical agreements in the motor vehicle industry and representations from car manufacturers, I must say, Madam President, that I have a dream: not 'I had' a dream, but 'I have' a dream. Although no longer a youngster, as president of the Pensioners' Party, I dream of being able to buy the car of my dreams: a Peugeot 206 CC sports car, a *Spider*, and I wish this dream could come true not just for me but for all pensioners. The Konrad report brings this dream closer, as it will reduce the price of all cars sold in Europe. This is why I voted for the report, in the hope that my dream will become a reality.

4-138

Ebner (PPE-DE). – (DE) Madam President, I would like to say, with reference to Mr Konrad's report on the opening up of the motor trade and automotive services, that I take a thoroughly positive view of the initiatives taken by the Commission and by Commissioner Monti. It was for that reason that I collaborated with the rapporteur in several attempts at finding new ways forward and making proposals, some of which were incorporated, in order to meet consumers and above all small and medium-sized enterprises halfway, and to support our smaller and weaker trading partners for the sake of more healthy competition. I believe this to be necessary, and that there is no justification for the lobbying tactics and political interventions that were used to maintain certain monopolies. I hope that the future will see further steps taken in this direction, founded on the compromise that has been adopted.

4-139

Caudron (PSE), in writing. – (FR) This is an own initiative report by the European Parliament on the Commission proposal to progressively open up the market in the motor vehicle industry.

In September 2002, the block exemption from competition rules granted to the motor vehicle industry comes to an end.

This Commission proposal would have to apply until 2010. It is intended to sever the link between distributor and manufacturer, to authorise the sale of vehicles of different brands on the same premises, to allow vehicle maintenance and repairs to be sub-contracted without affecting consumers' rights, and to make it compulsory for manufacturers to supply technical information to independent garage owners, who would have access to spare parts.

The Members, though agreeing, overall, with the executive committee, tabled a number of amendments intended to guarantee legal certainty for retailers and to limit the impact of total competition.

Thus the report proposes several amendments to the draft regulation, concerning the link between distributors and garage owners, sales of different brands in the same place, spare parts, legal contracts, and the timetable for the application of the new system.

(Explanation of vote cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-140

Figureiredo (GUE/NGL), in writing. – (PT) Up to now, the motor vehicle sector has had a set of vertical agreements between manufacturers, distributors and repairers, and has been granted a block exemption to avoid the application of the principles of Article 81 of the Treaty, which relates to competition policy.

This exemption regulation is now shortly due to expire and preparations are being made for liberalisation, with a transitional period of just one year. Up to now manufacturers have had a large measure of control over their market by means of exclusive agreements with distributors, exclusive distribution of original spare parts and repair guarantees. With the opening of the sector to competition it will be possible, for example, for supermarkets to sell cars, for distributors to sell various makes and for there to be an obligation to provide technical information to other spare part manufacturers and repair workshops so that they can manufacture parts and carry out repairs under competitive conditions.

It is also intended to liberalise the European sales market, despite issues surrounding car sales tax, so that restrictions and national agreements covering a region will cease to have any impact. Accordingly, consumers will stand to benefit from lower prices, as will some distributors and resellers, but smaller distributors without exclusive arrangements may not have the same bargaining power and there will be a trend towards a greater concentration in the number of distributors. It has been calculated that 20% of distributors may disappear with associated job losses. That is why we are not supporting this report.

4-141

Hortefeux (PPE-DE), in writing. – (FR) I am pleased that the Commission has maintained the principle of special exemption arrangements for this sector. Motor vehicles are goods which are expensive and highly technological, and which touch on vitally important issues, not only as far as consumers are concerned, but also in relation to safety and the protection of the environment.

I am very keen on preserving a high level of competition. However, I hope that the Commission will be careful, because throughout Europe the motor-vehicle distribution networks are fragile, and they must be preserved for the benefit of consumers.

My constituency is in the Auvergne region of France, which has a number of good features, but which is also experiencing difficulties with local economic development. I know how important it is to preserve the networks of garages and motor-vehicle distributors, not only because they contribute to the economic viability of such areas in terms of jobs and training, particularly for young people, but also because of what they give the consumer in terms of security and local services.

This is why I hope that the concept of territorial protection will be preserved, and that the 'location clause' will not be called into question unless a detailed evaluation in 2005 shows that this is absolutely essential.

(Explanation of vote cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-142

Martin, David W. (PSE), in writing. – I welcome the Commission's proposals for reform of the car market.

I regret that elements of Mr Konrad's report water down the Commission's plan. Motorists in the UK and elsewhere in the EU have for too long paid too much for new cars and been subjected to restrictive practices concerning after-sales servicing and spare parts.

I urge Mr Monti to speed ahead with reform.

4-143

- Motion for a resolution (B5-0318/2002)

4-144

Alyssandrakis (GUE/NGL), in writing. – (EL) The EU may have tried to create the impression at the EU-Latin America Summit that it is different from the USA, but there is little to choose between them. The only differences between the EU and the USA are the product of the imperialist standoff between them. Not a word about the joint communiqué on the exclusion of Cuba by the USA, on the breakdown of the peace process in Colombia or on the USA's 'Columbia' plan and how it intends to extend it. Not a word about the attempted *coup d'état* in Venezuela or any compunction on the part of the EU to defend its initial position on those behind it. In addition, it clearly supports government anti-grass roots measures in Argentina and fears that it will break its IMF fetters.

Clear efforts are also being made to make it even easier for European capital to penetrate Latin America. The EU has confined itself to proposing neo-liberal policies and free trade agreements with these countries, instead of helping them build up their own economies, and making serious efforts to integrate them in the so-called war against terrorism, turning a deaf ear to the voices of the people at the Port Alegre forum and the parliamentary forum in Sao Paulo.

The mass rallies in Madrid demonstrated that people are acutely exasperated with and determined to fight Europe Inc. The EU has nothing to offer the people of Latin America, given that there is not one area in which it counterbalances the USA.

4-145

Modrow (GUE/NGL), in writing. – (DE) There is no doubt that the Madrid Summit possesses political weight, as the states assembled at it represented 870 million people and one-quarter of the UN states. The few partial successes such as the association agreement with Chile and Mexico have not made the balance sheet since the 1995 Rio Summit a convincing one; I doubt whether Madrid will, despite all its avowed intentions, achieve a breakthrough in improving the quality of relations between the EU and the Latin American and Caribbean states unless the following three issues are considered in a dispassionate and constructive way.

1. Latin America is an interesting trading partner for Europe. The German economy alone achieves a surplus of EUR 3 billion from trade with it, but the real beneficiary is the USA, which is engaged in pushing forward its geostrategic and economic interests by means of the ALCA free trade area and safeguarding them against external competition. Europe is acting to its own detriment if, by failing to speak out against this or offer alternatives to it, it consigns Latin America to domination by North American corporations and banks.

2. Nowhere more than in Latin America are the adverse consequences of untrammelled globalisation shown so blatantly, heralded by the growing pauperisation of great segments of the population, even including the middle classes, and also by the crisis in Argentina's financial system and government. The Porto Alegre World Social Forum constitutes an opposing force, whose influence is also being felt in Europe.

(Statement of vote cut short in accordance with Rule 137(1) of the Rules of Procedure)

4-146

– Fiori report (A5-0169/2002)

4-147

Fatuzzo (PPE-DE). – (IT) Madam President, Mrs Doyle and Mr Purvis, who have the pleasure of being here to listen to me in person, why did I vote for the Fiori report? Not just because Mr Fiori is an important agricultural expert – he was the agriculture spokesman in the Lombardy Regional Assembly – and not only because of his name, 'Fiori', which could potentially make European agriculture the flower of Europe, but also because, last night, I dreamt, *inter alia*, that he was the biblical Joseph, interpreting dreams and thus managing to get grain during periods of famine in Egypt. I hope, then, dear Mr Fiori, that you can bring us seven years of fat cows!

4-148

Doyle (PPE-DE). – Madam President, the common agricultural policy cannot stand still, it must adapt to changing circumstances. However, all proposals referring to agricultural policy must respect Articles 32 to 38 of the Treaty and, particularly, the objectives of Article 33, namely ensuring the rational development of production and 'a fair standard of living for the agricultural community'. They must not involve any re-nationalisation of the common agricultural policy, hence my voting strategy. I would be concerned at any budgetary solution which would entail transferring part of the aid for cereals to provide an incentive to produce protein crops as per Paragraph 31. Using land set-aside to produce these crops could jeopardise the blue box status of the area payments in WTO and result in switching production to set-aside land with existing protein land being used to produce more cereals.

I am also opposed to the restoration of a differential, higher rate of aid for oil crops as per Paragraph 32 as this would mean a return to the limit of some 4.9 million hectares placed on oilseed production in the EU by the Blair House Agreement as part of the Uruguay Round.

It is not clear, Madam President, what Paragraph 35 means. Arable area payments are based on a fixed rate per tonne, which applies throughout the EU and only differentiated according to historical yields in each Member State or region in order to decouple these payments from production. Application of a uniform rate of aid would disadvantage Northern regions, including Ireland, which traditionally has had higher yields.

It is difficult to know what is in mind in the text of Paragraph 43. I do not support the increased use of intervention for any product, let alone certain fruit and vegetable products, neither does the Commission. Support should be channelled through strengthened producer organisations.

4-149

Berthu (NI), in writing. – (FR) We supported the Fiori report, which is broadly in the interests of our farmers, but we have to admit that we were appalled by Mr Fischler's statement, which seems to be moving in the opposite direction.

We have heard him criticise President Bush's 'Farm Bill' (which increases aid to American agriculture by 80% over the period from 2002 to 2007), but in the name of the sacrosanct principles of free trade which form the charter of the World Trade Organization. We do not believe that the problem should be tackled in this way.

In our opinion, the Americans would be within their rights, provided that they did not flood other countries with their products. Instead of condemning them outright, we should make a distinction between internal effects and external effects. We should also ask ourselves whether we too, perhaps, need to support our farmers in some way, and whether, with this in mind, we should perhaps seize the opportunity of the 'Farm Bill' to ask our partners for a renegotiation of the principles of the WTO.

If we do not take such action, the principles with which Messrs Fischler and Lamy are threatening the Americans today will rebound on us like boomerangs, and will destroy agriculture in the countries of Europe.

4-150

Figueiredo (GUE/NGL), in writing. – (PT) Despite the great debate and our proposals for improving the content of the report, which were partly successful, there are still various contradictions in the report.

It is to be welcomed that this mid-term review has triggered off a fresh debate about the reform of the common agricultural policy and the need for changes in various areas, and in particular the establishment of a permanent support system for dried fruit, safeguarding the origin of oils, the COM in bananas and other areas, recalling the principle of sovereignty and food safety and the need to review the export section of the CAP. However, what is not so good is that it emphasises the principle of cofinancing, which could undermine the application of the CAP and above all affect less-developed areas, which we cannot accept. We also welcome the reference to the need to approve the compulsory nature of the modulation of aids under the first pillar of the CAP, but we are unhappy about the fact that it stressed the need to sever the link between aids and production. That is why we abstained.

4-151

Meijer (GUE/NGL), in writing. – (NL) On the agenda, the Fiori report on the reform of the common agricultural policy and the Rodríguez Ramos report have been combined. Mr Fiori is right to mention the environment and food safety, but I have a feeling that, in practice, his main interests revolve around the WTO requirements, maintaining agricultural subsidies for southern Europe following the accession of poorer Eastern European countries, and blocking national regulations as far as possible. With this, he represents the bureaucracy of the past; economy of scale, pumping around tax money for no good reason and keeping the price of agricultural products artificially low. This seems to me to be a rearguard action that will automatically be fighting a losing battle when ten new Member States join the EU. The money will simply not be there any more.

It would therefore be preferable, first of all, to consider the social implications, the purchasing power and the continuing security of the people who lose their old jobs. It is better to invest money in this than in increasing production. Moreover, we must avoid the need for people to move away from the countryside unnecessarily and prevent the landscape from deteriorating further. Mrs Rodríguez Ramos is right to want more money for rural development and small-scale initiatives. I support her request to the European Commission to furnish proposals in this respect.

4-152

Sacrèdeus and Wijkman (PPE-DE), in writing. – (SV) We have chosen to vote against the report. We support a number of lines of thought, for example to the effect that the common agricultural policy must do more to promote multifunctionality in agriculture, that environmental requirements must be integrated into all forms of support, that support must promote smaller family farms, that the renationalisation of agricultural policy must be rejected, that support will have to be decoupled from production and that more extensive farming should be promoted.

We object to quite a few other aspects, however. A perspective from the developing world is conspicuous by its absence. The opening-up of the world market is presented as something thoroughly negative, and the important decision on 'Everything But Arms' is called into question. It is also maintained that future reforms should, in the first place, be aimed at stopping the loss of jobs in agriculture, which is not our own view. We do not accept that budget discipline should be applied less strictly, as proposed by the report. We think it doubtful whether new forms of support for, for example, bananas, rice, vegetable protein and nuts are really necessary, any more than the new support proposed for producer organisations.

A reformed agricultural policy must retain the European agricultural model and provide farmers with reasonable remuneration for the multifunctional nature of agricultural work. What, however, is equally clear is that there is a very great need for reform. There must be no more harmful consequences for the developing world, there must be a progressive increase in saleability, and support must be made compatible with sustainable development.

4-153

Souchet (NI), in writing. – (FR) Since this is a mid-term evaluation of Agenda 2000, let us start by examining the situation of European farming following the reforms of the CAP which have taken place since 1992. What do we find?

Prices of the main agricultural products have fallen. The overall income of Community farmers has been greatly reduced, while that of other occupational categories continues to increase. For essential products (sheepmeat, vegetable proteins), our deficit, and hence our dependence on imports of uncertain quality, has become greater. We have become net importers of cereals. Consequently, the drop in the number of farmers has accelerated dramatically in recent years and, in a new development, an increasing number of young farmers are giving up farming.

Agenda 2000 is a failure, and the principle of its reform should be a pricing policy which combines the consumer's requirement for greater safety, quality and traceability, the public's demand for sustainable, environmentally sound farming using all the land, and the farmer's need for a decent income. This reform will only be possible if we reconsider the application to agriculture of the rules of the free-trade system.

4-154

Adam (PSE). – Madam President, I voted for the report with some reluctance because I feel there should be more urgency for reform than is actually contained within it. There are, in fact, some elements of protectionism and suggestions that would turn the CAP simply into an income policy for farmers. These are not welcome. The real challenge faced by the farming industry is to become more competitive and closer to the consumer. I do not think indefinite subsidy is a solution.

* * *

4-155

Doyle (PPE-DE). – Madam President, would you allow me the luxury of a point of order before I address Fiori. Listening to my esteemed colleague on my left here, I think there might be a case for revising the rules on explanations of vote, whereby any of us are allowed one oral and as many written as we like in any one plenary session and I say that, really, to make business as efficient as possible.

Perhaps, Madam President, you could bring my views to wherever they should go for consideration on that point. It would speed proceedings up for yourselves and the interpreters.

4-156

President. – Thank you, Mrs Doyle.

As far as the explanation of votes procedure is concerned, the issue will be examined during the discussion of Mr Corbett's report.

4-157

– **Rodriguez Ramos report (A5-0164/2002)**

4-158

Adam (PSE). – Madam President, I supported this report with these qualifications: National allocations of the rural development fund are not equitable and should be changed during the mid-term review. The regulations should be more flexible and less bureaucratic. Measures to promote food safety, food quality and support for local products, while welcome, must not be allowed to distort competition. There is a wider rural world than farming and tourism. There are two districts in my region which have low unemployment, but low average incomes. Our ambition for rural areas must be higher economic activity and higher incomes.

4-159

Fatuzzo (PPE-DE). – (IT) Having declared that I voted for the Ramos report, and calling for vigilance to ensure that land seized by Communist regimes in the candidate countries is returned to the rightful owners forthwith and at no cost, allow

me, Madam President, without further ado, to speak about a personal experience and say that you took the words from my mouth since I too would have told Mrs Doyle that, in June, there will be a vote on the anti-Fatuzzo amendment, within the framework of the Corbett report on the revision of the Rules of Procedure. Naturally, I shall accept Parliament's decision, since it is entitled to silence an MEP or tell him what to say and how to speak in a parliament if it wants to. However, if it wants to decide that we should write instead of speaking in Parliament, then I would suggest we change its name from 'parliament' to 'scriptament'.

4-160

Alyssandrakis (GUE/NGL), in writing. – (EL) The rapporteur takes it as given that the so-called first pillar – that is, agricultural production – is wasting away and suggests mitigating the consequences of this by reinforcing the second pillar, that is, rural development.

In an attempt to turn the situation around, the report proposes reducing the budget for the first pillar on the basis of "eco-conditionality" criteria, in other words, using ecological pretexts to cut subsidies and transfer headings to the second pillar in order to maintain budgetary prudence. This move will open the floodgates to abolishing subsidies on a whole series of products which pseudo-scientific 'studies' will label as harmful to the environment.

Finally, as far as enlargement is concerned, the report goes along with the idea of a ten-year transitional period for candidate countries, hence promoting a twin-track CAP of countries with rights and obligations and countries with obligations and reduced rights.

The whole report is driven by an attempt to put a spin on 'Agenda 2000' and enlargement on terms which are unacceptable to the candidate countries. We shall vote against the report and stand by small and medium-sized farmers in their fight to overturn everything which the rapporteur takes as given and tries to put a spin on and the anti-farming policy which is wiping out and bankrupting European farmers with mathematical precision.

4-161

Berthu (NI), in writing. – (FR) Commissioner Fischler has just stated in this House that the European initiative to accept, duty-free, imports of products from the least developed countries – the so-called 'Everything but arms' initiative – would run the risk of accepting imports of GMO agricultural products. According to Mr Fischler, those countries would be obliged to produce GMO crops in order to increase their productivity. They would have no choice, and we, for our part, would be obliged to buy them and eat them for the sake of assisting development.

If that were to happen, we can see what the danger would be: development aid would be used as a pretext to make us import GMOs and to undermine the protection with which the people of Europe had hoped to defend themselves against such products. Then, later on, these exceptional imports would no doubt be used to argue that, for the sake of consistency, we should abolish all our prohibitions on the growing and selling of GMOs.

For a long time now we have been familiar with this sort of manoeuvre on the part of the Commission. We do not know what interests lie behind such manoeuvres, but we do know who will be the victims: the victims will be the people of Europe.

4-162

Figueiredo (GUE/NGL), in writing. – (PT) Overall, this is a positive report, although it has certain confusing aspects. In any case, it is important to stress that the increase in funds for rural development should involve appropriate amendments to take account of the specific situations in the various agricultural industries within the European Union.

As we proposed during the debate, and as the rapporteur accepted and incorporated into the report, it is important to support the marketing of high-quality products and to give more support to the development of local and regional markets, especially by strengthening the dialogue between producers and other agents of local development.

Here too it is important to defend compulsory and gradually increasing modulation of support for rural development under the CAP, in particular compensatory payments. However, it is important that this modulation should be at Community level, setting maximum support levels and with the possibility of increasing support for small and medium-sized farms and for family farms, because this is the only way we can restore the balance of support under the CAP between countries, producers and types of production, which is crucial when it comes to fighting the injustice that is prevalent, particularly in Portugal.

4-163

Souchet (NI), in writing. – (FR) I should like to emphasise just how much the reaction to the American Farm Bill expressed in this debate by Mr Fischler appears to me to be contrary to the interests of European farming. Fundamentally, even though it involves trade distortions which will need to be examined, the Farm Bill is an expression of an important development in the American position, which now recognises that sustainable agriculture cannot be guaranteed by the rules of free trade alone.

The responsible European attitude would have been to take note of this recognition, on the part of the United States, of the special nature of farming and the impossibility of treating it in the same way as the industry or services sectors, and to propose to the United States that we should act on this joint finding by studying, together, how to put into practice, at world level, this entitlement to national or regional protection of the farming model chosen by the people concerned, in other words by revising the WTO rules to exclude agriculture, and by creating a special world organisation for agriculture.

Instead of doing that, Mr Fischler poses as the herald of the free trade system and recommends that Europe should take the place of the United States as the unconditional champion of the opening up of world agriculture, in other words of a principle which tomorrow will be used to the detriment of our interests and which, if given free rein, will end by destroying our farming.

4-164

– **Lannoye report (A5-0155/2002)**

4-165

Ahern (Verts/ALE). – Madam President, I very much welcome Mr Lannoye's report because of the increasing evidence that pesticides cause problems for human health. After ten years of this directive, we can see that implementation is very haphazard and that citizens do not receive the protection from pesticides that they are entitled to expect on the basis of the scientific evidence available.

It is particularly important to note this legislation relates to maximum residue limits. This is the concept that there is an acceptable dose.

However, we know that the concept has been disproved and that there is no safety threshold for certain substances. What is more, no account is taken during the evaluation procedure of some important aspects such as endocrine disruption and the existence of vulnerable groups.

In addition, the arrival of seeds genetically modified to resist herbicides should have entailed re-evaluation of these herbicides as a priority. This clearly has not happened. There are other issues, such as the delay in dealing with dangerous substances, such as lindane, which are regrettable but I believe the rapporteur has addressed all these issues very thoroughly and I was very happy to endorse the report.

4-166

Fatuzzo (PPE-DE). – *(IT)* Madam President, in his report, Mr Lannoye says that the Commission is rather lazy, too indecisive to move for an early ban on the use of pesticides in agriculture. I do not believe that the Commission and its President, Mr Prodi, are lazy in this matter, but, just to be sure, I would suggest serving them lettuce, tomatoes, blackcurrants, strawberries, raspberries – it makes your mouth water! – that have been treated with fenprothrin, glufosinate ammonium, imidacloprid, aminotriazole, and tiabendazole. It makes your mouth water even more! Then they would be able to see whether these substances should still be used or not.

4-167

Lulling (PPE-DE), in writing. – *(FR)* I should like to use the vote on Mr Lannoye's report as an opportunity to remind the House of the catastrophic situation currently facing European beekeepers.

On 13 December 2001 the European Parliament voted in favour of its resolution on the Commission report on improving the production and marketing of honey. That resolution contains a real cry for help regarding the deplorable situation of beekeepers and their hives. This appeal by the European Parliament was heard by the Council, in particular at the Agriculture Council on 18 February 2002.

Unfortunately, our resolution did not receive a similar welcome from the Commission, which has still not reacted. Yet the situation continues to worsen.

Last week, therefore, I decided to send a written question to the Commission, condemning this lack of action. In Western France, because of fungicides sprayed on fields of wheat, more than four thousand hives have been affected and 70% of honey production has already been lost. The end result will be that if the Commission continues to fail to act, bees will be extinct in a few years' time.

Mr Lannoye's report on plant protection products also touches on this problem. In its opinion to the Committee on the Environment, the Committee on Agriculture has submitted two amendments.

(Explanation of vote cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-168

Souchet (NI), in writing. – *(FR)* Article 20 of the text which we have just voted in favour of requires that, when active substances are going through the approval procedure, account should be taken of their impact on domestic bee populations

and the views of professional beekeepers' organisations. This is not a problem that concerns only the future; it is a problem that exists right now. In western and central areas of France, for several years now and more than ever this year in the south-west, we have seen the extremely serious effects on domestic bee populations of several systemic insecticides used to treat the seeds of certain arable crops, in particular sunflowers and maize. It has now been proved that these products, which contain the active substances imidacloprid and fipronil, have a damaging effect on the nervous systems of honey-gathering insects, not only on the crop which undergoes the seed treatment but also for subsequent crops in the rotation, since these systemic products persist for several years in harvesting residues which are ploughed into the soil and subsequently in humus.

The whole of the bee-keeping sector is being damaged by the deaths of tens of thousands of beehives every year.

(Explanation of vote cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-169

Motion for a resolution (B-0319)

4-170

Brie (GUE/NGL), in writing. – (DE) It is not, unfortunately, the first time that today's topic occupies us, nor, unfortunately, has anything changed for the better in the past months. Although the Commission, when examining the competitive forces on the international stage, established that dumping was being practised and that competition was being blatantly distorted, the Council and the Commission have to date been neither prepared nor able to give the European shipbuilding industry effective support. It is of course all too easy to point only to South Korea's policy of giving subsidies. The existing situation is in every respect the result of the policy of global competition for sites, as advanced in the WTO by the Member States and by the Commission.

We have just heard the news of the bankruptcy of the modern shipyard at Stettin in Poland. Thousands of jobs have been lost in a country preparing to join the EU and in any case faced with far-reaching upheavals. Nobody in Europe can or should hope to profit from this. Many of Europe's shipyards are located in less-favoured regions. This has to do with the cataclysmic consequences of an employment policy and an industry policy whose significance for the regions affected is far more than merely economic. That is why we cannot and will not accept the Council's and the Commission's failure to take practical action, and we expect further international efforts at resolving the problem.

(Statement of vote cut short in accordance with Rule 137(1) of the Rules of Procedure)

4-171

Figueredo (GUE/NGL), in writing. – (PT) The European Parliament has devoted particular attention to shipbuilding in the European Union, given the problems faced by this sector since the 1994 OECD agreement was concluded and in view of the serious situation following the closure of many industrial installations and associated job losses.

It is obvious that not everyone is complying with the agreement to the same extent, in particular the USA and South Korea, who are resorting to unfair practices and uneven playing fields at world level. This applies especially to South Korea, whose share of the world market has risen from 10% to 50% in ten years. The negotiations initiated by the Commission with South Korea have not led to the re-establishment of fair and transparent competition on the world market, which means that we are experiencing a crisis of which the hallmarks are extremely low prices and the existence of considerable excess capacity, which could lead to the closure of the remaining companies. We are therefore calling for the revision of the OECD agreement and the restoration of the Community preference for shipbuilding, so as to encourage Member States to purchase vessels built in European shipyards.

These are therefore measures that the Commission and the Council need to take as a matter of urgency, and we are accordingly supporting the resolution approved by Parliament.

4-172

– Howitt report (A5-0159/2002)

4-173

Ahern (Verts/ALE). – Madam President, it is important that we have, or that we at least discuss, the Johannesburg proposals for legally binding international frameworks on corporate accountability and liability, particularly on the basis of core labour standards. I voted for this report, even though it was much weaker than originally proposed. It has indeed disappointed some of the citizens' organisations active in this field, because amendments were not sustained by Parliament on social and environmental reports on all levels of company and supply chain, on ethical pension funds and their investment policies, on the creation of multi-stakeholder platforms which include business, trade unions, NGOs, public authorities and those from development countries.

It is, nevertheless, welcome as there are some important issues which at least have had an airing and which we can hopefully pursue further in Johannesburg. So I support the report although I regret that it has been weakened in transit through Parliament.

4-174

Fatuzzo (PPE-DE). – *(IT)* Madam President, I voted for the Howitt report on corporate social responsibility, especially for paragraph 13, since, here, Mr Howitt calls for all pension funds to state their ethical criteria in their investment policies. However, I would have preferred it – and I would have taken greater pleasure in voting in favour – if it had established that the money currently paid to the State to pay for pensions that are often not paid out, or are paid late, or the rules are changed and pension payments are delayed by five to ten years, was to be left in workers' pay packets. If we citizens are mature enough to pay our taxes, if we are intelligent enough to pay our taxes, then we can be mature and intelligent enough to build up a pension on our own, or, if we want to be like the proverbial grasshopper, spend it as we please while we are still young; in any case, often we don't even live to see our pension.

4-175

Purvis (PPE-DE). – Madam Chairman, I voted against the Howitt report and did so in line with the majority on the Industry Committee. We must strive for conditions which are wealth creators. Our companies, both big and small, can operate at their best. Corporate social responsibility is good for companies. Being a good corporate citizen will redound to their advantage, will show up on the bottom line.

Therefore, it is in the corporate interest to be socially responsible, and any company which is not is heading for self-inflicted disaster. But a proper solution will differ – by size, by industry, by location, by financial condition, by many variable circumstances. That is why I find this report by Mr Howitt not just laughable in many of its absurd demands, but dangerous. Not only will its red tape and bureaucracy kill off the dynamism of our companies and wreck our SMEs with unnecessary costs, it will also eliminate any likelihood of us in Europe playing any part in realising the laudable aims of corporate social responsibility.

The Commission's approach is correct. Mr Howitt's interventionist approach is wholly misguided. We must urge the Commission to stick to its well-considered way. This is why I voted against Mr Howitt's report.

4-176

Caudron (PSE), in writing. – *(FR)* I entirely support the approach of the Committee on Employment and Social Affairs with regard to the area of corporate social responsibility. It seems to me that the social and environmental practices of European companies must be subject to controls similar to those used for competition practices. This is essential if we are to have a real social Europe alongside the internal market, in which competition plays the leading role.

This should be regarded as an all-important objective of any future-oriented business policy, and as a guiding principle of European social and economic policies.

Ideally, businesses, which are major investors, should have a strategy which goes beyond the horizon of their short-term profits and which would combine economic expansion, social progress and sustainable development.

The race for profits in the world economy makes it necessary for us to adopt practical measures to ensure that the social principles laid down at political level do not remain a dead letter. We must therefore demand that it should be possible to monitor the application of this concept of corporate social responsibility, even though, it has to be admitted, it is still somewhat vague.

One of the suggestions is that the Commission should submit a proposal, in the context of the appropriate directive, with a view to making it compulsory for businesses to produce social and environmental reports just as they produce financial reports.

(Explanation of vote cut short pursuant to Rule 137(1) of the Rules of Procedure)

4-177

Meijer (GUE/NGL), in writing. – *(NL)* On the one hand, companies play an important role for society as a whole, because they create employment and income and provide people with the products they want. On the other hand, however, owners and managers often take little interest in the consequences their actions have on their employees and the public and the environment in general, and their only concern is to maximise their return on investment. Without government legislation, bad companies would triumph over the good ones in the competitive battle. Those that incur the least costs and are therefore able to sell their products at the lowest prices can survive best, even if this is at the expense of democracy, jobs, the environment and animal welfare.

The introduction of binding Community rules at the level of international companies is to be welcomed, not only to protect values other than the economy but also to prevent better companies from being forced to become like the worse ones. The European Commission's Green Paper wishes to confine itself to voluntary agreements and a comparison of good practice.

The Committee on Employment and Social Affairs of the European Parliament is right to ask for social and environmental reports to be included in the fourth directive on company legislation, and also for independent control, equal opportunities for women and public access to the ethical criteria used by company pension funds in their investments, registered codes of conduct and trade union freedom.

4-178

Nobilis (UEN), *in writing*. – (IT) The Commission should be congratulated on its timely decision to address the vital issue of promoting a European framework for corporate social responsibility. We endorse the White Paper, the resulting consultation process and the enormous response it was given, and the relevant debate promoted by numerous Commission initiatives.

Mr Howitt, whose work we endorse, has highlighted many specific aspects, starting with the need for the Commission to table, within the framework of the forthcoming review of the European Works Council Directive, amendments requiring checks and monitoring of the most significant social and environmental consequences of corporate activity.

Of particular interest is the proposal to create an EU platform for corporate social responsibility that brings together the various stakeholders, making it possible to register codes of conduct, and offering arbitration between companies, individuals and the Community whenever the codes are violated.

With regard to the European awards, we would call on the Commission to encourage the Member States to provide incentives for national awards for corporate social responsibility too. These awards, intended as a reward for firms, could provide a significant incentive to adopt appropriate management procedures and to speed up the training and readaptation process for managers and employees, in order to provide them with the qualifications and skills they need.

(Text cut short in accordance with Rule 137(1) of the Rules of Procedure)

4-179

President. – Thank you, Mr Purvis.

That concludes the explanations of vote.⁴

I declare the session of the European Parliament adjourned.

(The sitting was closed at 1.15 p.m.)

⁴ Notification of Council common positions – Forwarding of resolutions adopted during the sitting – Dates for next part-session: see Minutes.