

## WEDNESDAY, 22 APRIL 2009

IN THE CHAIR: MRS ROURE

*Vice-President*

### 1. Opening of the sitting

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

### 2. Documents received: see Minutes

### 3. Debates on cases of breaches of human rights, democracy and the rule of law (announcement of motions for resolutions tabled): see Minutes

### 4. Credit Rating Agencies - Reporting and documentation requirements in the case of merger and divisions - Insurance and reinsurance (Solvency II) (recast) (debate)

**President.** – The next item is the joint debate on:

- the report (A6-0191/2009) by Mr Gauzès, on behalf of the Committee on Economic and Monetary Affairs, on the proposal for a regulation of the European Parliament and of the Council on Credit Rating Agencies (COM(2008)0704 – C6-0397/2008 – 2008/0217(COD)),

- the report (A6-0247/2009) by Mrs Weber, on behalf of the Committee on Legal Affairs, on the proposal for a directive of the European Parliament and of the Council amending Council Directives 77/91/EEC, 78/855/EEC and 82/891/EEC and Directive 2005/56/EC as regards reporting and documentation requirements in the case of merger and divisions (COM(2008)0576 – C6-0330/2008 – 2008/0182(COD)), and

- the report (A6-0413/2008) by Mr Skinner, on behalf of the Committee on Economic and Monetary Affairs, on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (recast) (COM(2008)0119 – C6-0231/2007 – 2007/0143(COD)).

**Jean-Paul Gauzès, rapporteur.** – (FR) Madam President, Commissioner, ladies and gentlemen, the report on rating agencies with which I have been entrusted has been particularly interesting to draft, and I am delighted, above all, that we have been able to reach an agreement with the Council and with the Commission so that this report has a chance of being adopted at first reading.

Analysing the various causes of the financial crisis has shown that there was an urgent need to enact legislation on rating agencies. The proposal for a regulation submitted by the Commission has been examined very carefully by Parliament in order to ensure that European legislation is at once exemplary, effective and pragmatic.

The recent conclusions of the G20 have further strengthened this determination. The compromise reached by the Commission, the EU Presidency and Parliament adheres to the guidelines sought by Parliament on the essential points of this regulation: the scope, the ratings of third countries, and the prevention of conflicts of interest.

Above all, however, I am delighted that this text has been able to lay the foundations for European supervision in the spirit of the findings of the de Larosière group's report. Indeed, Parliament has kept to the idea that the CESR should be the single point of entry for the registration of agencies. We knew that, given the current state of the law, there was not much more that could be done, but by acting in this way we have laid the foundations for this future European supervision.

Over the coming months the Commission will propose a legislative initiative that will enable the guidelines of the de Larosière report to be implemented, so as to create European supervision that is effective and coordinated.

As a stop-gap measure, and in anticipation of the Commission's legislative initiative, the regulation will be overseen under the coordination of the CESR by a college made up of representatives of the competent authorities of the Member States, the legal force of the decisions being guaranteed by the competent authority of the place in which the agency is registered.

I should like today to point out how appreciative Parliament was, during the second stage of negotiations, of the very constructive and very cooperative attitude of the Czech Presidency. This has meant that, through intelligent discussion, we have been able to develop a number of rules that should make it possible to guarantee this necessary transparency and to remedy the problems and the shortcomings that have resulted from the absence of legislation on rating agencies.

This result is therefore most satisfactory, and for this reason a global amendment reproducing the text on which the Commission, Parliament and the Czech Presidency – that is to say the Member States – have come to an agreement will be presented tomorrow to Parliament.

I believe that in this way the European Parliament, the Commission and the Presidency will have proved that, when faced with a crisis on an unprecedented scale, the European institutions were very resourceful. I hope that, in the same spirit, we will be able to adopt the other provisions of this financial package, and in particular the recast of the Directive on the capital requirements of banks, also referred to as Basel II.

During this period in which Europeans are questioning Europe's effectiveness, it seems vital to me that we be able to prove that Europe is capable of tackling the crisis.

**Renate Weber, rapporteur.** – (RO) I believe that we are now at a time when we must do as much as we can to keep alive commercial companies in Europe and, in particular, find those incentives to make successful businesses capable of providing as many jobs as possible. Such an initiative is all the more important now during the period of crisis we are going through. I welcome the Commission's proposal for a directive to simplify the reporting procedures in the case of mergers and divisions because its objective is to cut European companies' administrative costs by 25% by 2012, the precise aim being to boost their competitiveness.

The report which we have drafted and which we will vote on tomorrow reflects the Commission's thinking and is guided in particular by the following few factors. Firstly, the reporting obligations in the case of mergers and divisions must be reduced so as to offer Member States and companies greater flexibility in deciding which reports they really need on a case-by-case basis. At the same time, provisions resulting at the moment in double reporting, thereby incurring unnecessary costs, must be removed. Thirdly, the rules on publishing and providing information must be adapted to the new realities involving the use of the Internet so that we make full use of these new means of communication, while also conveying a message about protecting the environment. We must not forget either that the measures stipulated by the directives currently in force on providing information to shareholders were thought up 30 years ago and have never been adapted for the current technological options available. I would like to sincerely thank the shadow rapporteurs for the close cooperation we have had with them and for their support throughout this process of drafting the report. I would also like to thank the representatives of the Council and Commission for making themselves available and approachable over these recent months.

On 7 April COREPER reached an agreement on the entire compromise package negotiated with Parliament with the aim of adopting a directive on mergers and divisions at first reading. We would like this to happen, which is precisely the reason why many amendments have been submitted for tomorrow's plenary session vote, by adopting the compromise which we reached during the informal dialogue. Issues which were of major concern to some Member States, such as publication in local newspapers or the provision of hard copies and the use of the Internet were resolved, and the representatives of the political groups have given their consent to these amendments. With regard to publishing information in local newspapers, this practice will still be possible in those Member States which will consider this to be necessary. Regarding hard copies, the rule is that they will no longer be necessary if shareholders have the opportunity to download and print the documents, but Member States can arrange for commercial companies to provide these documents at their office for consultation.

Another important compromise relates to the date of the directive's implementation, which will be 30 June 2011, as specified in the Commission's proposal. Member States will also have the opportunity to decide what the consequences will be in the event of temporary disruption to Internet access as a result of technical problems. A substantial amendment relates to simplified mergers and divisions, when general meetings will no longer be required to approve them. Based on applying these simplified procedures alone,

it is estimated that savings of around EUR 1 54 million will be made every year, which makes it worth us adopting this directive at first reading.

**Peter Skinner, rapporteur.** – Madam President, you caught me slightly unawares as I had not seen the complete change of the timetable today, but I am very grateful for the chance to address the Chamber about a very important issue of the financial services industry, that is, the insurance and reinsurance industry, what we have done with the Solvency II report and how we have finally brought this now to Parliament in order to be able to establish what I think will be a very concrete basis for regulation across the European Union.

It is, of course, something which we are coming back to. There was Solvency I, and I am grateful to Mr Ettl when previously in Parliament we discussed this at some length and we managed to come up with some basis. But now we have to modernise, and the insurance industry is amongst many financial services industries which have to be at the forefront of change. It is clear, with the financial crisis and everything that has gone along with it, that the insurance industry is something which cannot be left alone.

There are several measures which come about from Solvency II which I think have helped to make this one of the leading reports, which will be a global leader at that. Amongst them is the issue of management of risk. I think it is not enough now that regulators simply tick boxes to establish whether or not the industry that they are meant to be guarding and protecting on behalf of the consumer is doing the right thing. It is essential that the day-to-day business of insurance and reinsurance companies is actually watched, managed and monitored by regulators over a period of time.

It is by this process and this process alone that we will be able to establish a proper and appropriate form of regulation. It is the reporting of companies: yes, they will be doing things to tell regulators what they are doing, but regulators will have to be involved. And across 27 Member States: not each individual Member State with their own separate rules now, considering what they can apply in terms of that regulation, but indeed they will be applying a standard formula of regulation across the European Union, which will lead, frankly, to the better consumer platform of protection that we expect.

Similarly, companies will manage to get economies of scale from this regulation, because now they will be reporting only in one way to each of the regulators. What they produce, what they have to say, what they do and how they report, will not just be to one regulator but it could be to a college of regulators, especially for groups, because, as insurance companies cross borders, it is now important that regulators team up and work together to ensure that the appropriate levels of reporting, the appropriate levels of figures and what information is supplied, are brought to bear to make sure that the markets are best protected.

It was during the discussion with the Council that Parliament saw some interesting and perhaps sometimes even deliberate ploys to move national industries one way or another, so I cannot pretend that this has not been a very difficult dossier to try to negotiate with the Council: it has. Parliament has pushed the Council a long way. It pushed it further than I think the Council established and really wanted to go under the last two presidencies, so I am very proud and pleased to have worked with the team that I have in order to be able to get the Council to move.

Unfortunately we will not have the kind of group support that we initially envisaged that we should, but because we are able to insert a review clause in this directive, we will be able to come back to group support and, three years after the introduction of this particular directive, I am hoping – and I expect the Commissioner to tell me that he will anticipate doing this as well – to be able to bring back group support in one way or another, specifically to match the economic side of this particular approach.

We want a regulation that is risk-based and principle-based, but one that will also support the capacity of the industry and one that will promote the very best instincts of regulators across the European Union and abroad. I will just finish on this one note. We must also challenge regulators elsewhere in the world and recognise country-to-country regimes only. I hope the Commissioner will agree with me about that.

**Charlie McCreevy, Member of the Commission.** – Madam President, today's debate takes place at a time when we are facing the greatest challenge to the European economy in modern times. Action is needed urgently: vigorous, targeted and comprehensive action in order to restore confidence, growth and jobs and to repair the financial system, to rebuild stability for the future, to promote trade and investment and to better protect our citizens – in short, to deliver an effective and stable financial system.

Based on the Commission's communication of the beginning of March, the Spring European Council set out a strong EU action plan for the future – a strategy to address the regulatory gaps in the financial sector,

to restore incentives and to reform supervision to match the single EU financial market. In a few weeks' time the Commission will present its views on the road towards building a state-of-the-art supervisory framework in Europe. These will be discussed by the heads of state or government in June. The Commission is ready to put concrete measures on the table in the autumn.

Clearly, global problems also require global solutions. The EU initiative to agree a coordinated global response to the financial crisis has been very successful. At the London meeting, G20 leaders made extensive commitments to address the weak points of the financial system in a coordinated manner, to jointly build a new financial architecture while defending an open, global economy.

The situation in the EU financial sector is serious. But a lot has already been done, and I am glad to note that the Commission, the European Parliament and the Council have reacted quickly and cooperated closely to respond to the crisis. We are about to successfully conclude the adoption of three key measures: firstly, the regulation on credit-rating agencies; secondly, the recast of Solvency II, as well as, thirdly, the revision of the Third and Sixth Company Law Directives on domestic mergers and divisions.

Firstly, the agreement reached on a regulation on credit-rating agencies will help address one of the problems that contributed to this crisis and thus will offer some prospect of restoring market confidence. The proposal adopted by the Commission last November sets some clear objectives for improving integrity, transparency, responsibility and good governance of the credit-rating agencies. The thrust of the initial proposal is preserved in this regulation, which will in particular secure the analytical independence of credit-rating agencies, the integrity of the rating process and an adequate management of conflicts of interest that existed before in the rating process. Moreover, a comprehensive supervisory regime will be put in place. European regulators will supervise the conduct of credit-rating agencies and take enforcement action where necessary.

On the issue of supervision, I have been vocal about the need to strengthen supervisory cooperation. I have therefore no difficulty in agreeing on the need to push forward in this crucial domain. Therefore, in order to ensure consistency and coherence in all relevant financial sector regulation, the Commission agrees, on the basis of the recommendations of the de Larosière report, to examine the need to strengthen the provisions of this regulation with regard to supervisory architecture.

On the issue of the treatment of credit ratings issued in third countries, the outcome of the G20 summit has changed the global situation. All G20 members have agreed on regulating credit-rating agencies through the introduction of mandatory registration and oversight regime. That is why I agree with the solution agreed in the negotiations between the Council and Parliament on the treatment of ratings issued in third countries.

I am pleased to note that the ambitious goals set by the Commission proposal have been kept. The Commission is very pleased with the outcome of the codecision process.

Let me now turn to Solvency II. I would like to thank the rapporteur, Mr Skinner, and Parliament for their work and their willingness to compromise in order to reach agreement in a single reading on this important subject. Such an outcome will be widely welcomed by the EU insurance industry, by supervisors and by stakeholders in general.

However, I also have to admit that I am disappointed with certain aspects of the compromise. The deletion of the group support regime, which I consider one of the most innovative aspects of the Commission's proposal, means that we will not be able to modernise – as much as we wanted – the supervisory arrangements for insurers and reinsurers operating on a cross-border basis.

I also remain concerned that some of the amendments regarding the treatment of equity risk could result in the introduction of an imprudent regime for investment in risk-based capital. This is particularly the case for the amendments which introduce the so-called duration approach as a Member State option. The Commission will pay close attention to ensure that the implementing measures brought forward in this regard are prudentially sound.

Nonetheless, the Commission will support the agreement between Parliament and the Council, if it is endorsed by your vote. The current Solvency regime is over 30 years old. Solvency II will introduce an economic risk-based regime that will deepen integration of the EU insurance market, enhance policyholder protection and increase the competitiveness of EU insurers.

As confirmed recently by CEIOPS in their report on lessons learned from the financial crisis, we need Solvency II more than ever as a first response to the present financial crisis. We need regulation that requires companies to properly manage their risks, that increases transparency and that ensures that supervisory authorities

cooperate and coordinate their activities more effectively. Solvency II will bring about a regime for the insurance industry that can serve as a model for similar reforms internationally.

The introduction of a review clause specifically mentioning the group support regime will enable the Commission to come back to this issue. I expect that progress in a number of different areas, connected to the recommendations of the de Larosière report, will have created a more favourable environment for reforms related to cross-border cooperation between home and host supervisors.

I now turn to the Weber report. Thanks to the efficient work of the rapporteur, Ms Weber, it has been possible to identify a compromise on simplified reporting and documentation requirements, in the case of mergers and divisions of public limited liability companies which will maintain a very significant part of the savings potential of the original Commission proposal, which amounts to EUR 172 million per year.

Measurements and studies carried out in the context of reduction of administrative burdens show that company law is one of the most burdensome areas of the EU acquis. For several reasons, administrative burdens hit SMEs harder than bigger companies. An expert report from 2007 estimates that small enterprises spend 10 times the amount that large enterprises have to spend in order to comply with information obligations imposed by legislation. Ten times, I repeat. At the same time, small businesses are the backbone of our European economy, and they are currently facing very difficult economic times.

In the current difficult and challenging economic situation we cannot afford such impediments. Instead we must strengthen our effort to ease the burden on our companies. In its resolution of 12 December 2007, the European Parliament welcomed the Commission's determination to reach the goal of a 25% reduction in administrative burdens on undertakings at EU and national level by 2012 and underlined that it would examine legislative proposals in this light. Today, only seven months after the proposal was put forward by the Commission, I am very pleased with this compromise, even though the Commission had gone even further in its original proposal. I look forward to Parliament endorsing this compromise, which will rapidly bring significant benefits to companies, especially to SMEs. And we should not stop there. Simplification and reducing red tape will remain at the heart of the Commission's agenda.

**Gay Mitchell**, *rapporteur for the opinion of the Committee on Economic and Monetary Affairs*. – Madam President, I do not want to aim this at anybody in particular. I think that Solvency II, regulation and CRAs are all very relevant and very important, but we need to build a fire station as well as douse the flames. I think we have got too much into the detail of saying: oh, we are going to build this fire station at some time in the future.

I cannot believe that, if President Sarkozy were still President of the European Council, we would still be going at the snail's pace we are going at. The Czech Presidency is a great disappointment, and the President of the Czech Republic in particular is a great disappointment.

I would say to you that if the Czech Presidency, or its successors, is not capable of doing the job, then it shows that we really do need Lisbon: we really do need somebody on a more permanent basis to give leadership to the European Union.

People are looking for hope; they are looking for some information about recovery. Does anybody in this House really believe that, if Jacques Delors were President of the Commission, we would be going at this snail's pace? It is time for action and for leadership, and we are not getting that action or leadership, and that is an issue that needs to be raised here this morning.

The European Investment Bank could do much more. The European Union and its institutions, together with countries like China, could do much more. This is not 1937. We did not have the institutions or the capability of addressing things that we have now. We do have those institutions now, within and outside the European Union – a small number of institutions that can cooperate together. What we are missing is leadership. Bring back President Sarkozy, or somebody like Sarkozy, and let us get the Commission properly led, to give people hope and let us start talking about that recovery. I do not see this coming from the European Council and it is time it did.

**Sharon Bowles**, *rapporteur for the opinion of the Committee on Legal Affairs*. – Madam President, I welcome the agreement for Solvency II and, like others, I regret the relegation of group support to a future review and the eventual inability on the part of the Council to explore with us ways to make it workable, taking into account some well founded concerns. In both the Committee on Legal Affairs and the Committee on Economic and Monetary Affairs I looked at what happens to the movement of capital at times of group stress, such as

near-insolvency, and it is certainly not as straightforward as the Commission draft or insurance industry representatives portrayed.

However, there are instruments available that could achieve the objective and we recommended Level 2 measures, but now we are left to look for the future for ways to maximise safe, economic use of capital in a group. I hope that Member States will rise to the challenge when it comes to looking for better solutions on winding-up.

Turning now to some of the things in the package, changes to Article 27 specified that supervisory authorities must have relevant expertise and capacity. I made the original amendment in part with the report on Equitable Life in mind, but in the context of the financial crisis it has a wider resonance and I have achieved similar inclusions in the capital requirements and credit-rating proposals.

It must be absolutely clear that taking a risk-based approach is not a soft option. Proper understanding of models and underlying assumptions should be a more intensive way of supervising than tick-boxes. Stress tests must challenge beyond the comfort zone of assumptions, and correlation factors should remain under active review.

Group supervision is now made an inclusive process, not winner-takes-all for the group supervisor, although there has to be responsibility at a single end point ultimately. The role of CEIOPS is augmented, and it is worth stressing that it was the discussion around Solvency II that led the way towards mainstream thinking on enhanced roles for the Level 3 committees. Importantly, it is also clarified that there should not be conflicts between the mandate of a national supervisor and its role within CEIOPS.

These amendments were somewhat prescient when made quite some time ago, but have shown their worth as the financial crisis has developed. As the rapporteur has said, the Parliament team has done well and in the context of Solvency II; so has the Czech Presidency.

**Karsten Friedrich Hoppenstedt**, *on behalf of the PPE-DE Group*. – (DE) Madam President, Commissioner, ladies and gentlemen, the rapporteur has already pointed out both the aspects worthy of criticism and the positive aspects of the result achieved on Solvency II. I believe we can say that it represents significant progress towards rendering the European insurance industry workable in future, even in times of crisis. I also believe that, as has already been said, we have made clear where the aspects worthy of criticism lie, namely in group supervision. There is, of course, more work to be done in the combined area of group supervision and group support. In a crisis, however, when capital flows are not as would normally be expected, it is natural that there is a need to catch up in this field and also to show consideration for countries experiencing difficulties.

We have also discussed another issue that is crucial, since there are 500 million consumers in the European Union, who are also all insured persons, with 'equity risk'. Industry, the economy and the Member States also all have clear opinions on the subject. We have had to accept a compromise on this, which may also be reflected in the analysis at some stage under a review-clause system. The important thing is that we can say that the European Union has sent out a signal in this regard that Europe is on the move, that it is capable of action. I believe that the United States, China and the other countries working on these prudential issues and preparing better systems for the future in these particular circumstances have also recognised this signal. That is one of the important insights.

I should also like to reiterate the following very clearly with regard to the past. Four presidencies have been involved, including the current one. The negotiations have varied widely, naturally also under the influence of pressure from the respective Member States, but we have achieved a result. That is one insight.

The second is that we have worked together with the European insurance industry, and that the impact studies on the individual fields were very important in this regard. Why was that? It was because of the need to involve the insurance industry in finding a path to this solution in view of the very complicated system and subject matter. If we consider that 1 400 undertakings took part in the last impact study – both large and small, as the aim is not market clearance but to involve all actors in the interests of consumers – then this has been a great success. Together with the Solvency II negotiating team, we have refused to be intimidated by any particular sources of pressure, and instead have steered a clear course in the interests of consumers, of the insurance industry and, above all, of course, of our parliamentary duties.

**Gianni Pittella**, *on behalf of the PSE Group*. – (IT) Madam President, ladies and gentlemen, I think it is clear to everyone that a cycle of development is over, a cycle that in recent years brought to light the imbalances and contradictions of a certain way of understanding globalisation: an ultraliberal globalisation that in too many

cases has benefited from the weakness of the institutions and has looked on politics as a hindrance, an annoyance of which to rid itself.

It now falls precisely to politics to restore citizens' faith in light of the severe economic crisis we are experiencing. In order to do so politics must take the lead, indicating the future prospects and obstacles to be overcome. We must redress the contradiction between the rapid growth of the world market and the weakness of the institutions capable of counterbalancing and controlling the excessive power of the financial economy.

The rating agencies regulation represents an important step forward in this sense. I have worked on this dossier as the shadow rapporteur for the Socialist Group in the European Parliament, in full cooperation with JeanPaul Gauzès, the report's author, whom I sincerely congratulate.

The most significant points of the regulation are the product of Parliament's commitment during the difficult negotiations with the Council. I refer to solid achievements such as the requirement for agencies to register on European territory, forecasting and civil liability, the dual security system for the approval of notes from third countries and above all the possibility that this regulation may enter into force quickly and not after two years, as initially requested by national governments.

The regulation also has a strong symbolic value, however. We are in fact regulating a sector that like others – I am thinking for example of speculative funds – has benefited in recent years from a total legislative void. The outcome of this kind of self-regulation is clear for all to see, and it is terrible. Now is the time to take courage and build a new structure for the financial markets. We must be aware that in this sector, even more than in others, Commissioner, it is not enough for national governments to act alone!

For this reason, I feel a pang of regret despite the excellent result obtained, because an opportunity was missed; due to opposition from the Member States – for which the Council has a serious responsibility – the will was not there to make provision in the text for a single, European supervisory body for the ratings sector. An official request for this was made to Parliament, but a lack of political ambition and realism has so far prevented it from finding support. On this point, Parliament continues to demonstrate its ability to look well into the future, and I hope that the national governments will do the same.

**Wolf Klinz**, *on behalf of the ALDE Group.* – (DE) Madam President, the failings of the credit rating agencies that preceded the crisis have made the regulation of these agencies inescapable. The objectives of the present Regulation on the registration of credit rating agencies are, once again, transparency, guaranteed high quality, greater competition, the overcoming of conflicts of interest and, as a result, better protection of investors. Reaching agreement was no easy task. The positions of the Commission, Parliament and the Council started off far apart but, on the whole, these objectives have now largely been achieved. One good thing is that there is to be only one rating category. Categories 1 and 2 for regulatory and other purposes will be a thing of the past. Conflicts of interest have been overcome: there will be no advisory services in addition to credit rating activities. Credit rating agencies from countries outside the European Union will have the opportunity to approach the European market and operate here by means of an equivalence regime involving certification – which is important for small agencies – or by means of the endorsement system – which can be used by large agencies.

The Committee of European Securities Regulators (CESR) will play a crucial role in the registration and supervision of credit rating agencies. For all this, I also note a number of shortcomings in the present dossier and Regulation. I fear that, in practice, the opportunities to enter the European market will be impeded by all the rules and requirements. These requirements are perhaps too restrictive, and they could end up cutting off the European market, and could thus lead to protectionism through the back door – which would be a bad thing. I hope that my fears will prove to be unfounded.

Our rules for internal governance go a very long way – too far, in fact. They are almost overkill. There are no comparable rules in any other EU regulation. We would have done better to define clear principles and leave responsibility for implementing and developing these principles with the undertakings themselves.

Finally, in my opinion, we have not made any progress on putting an end to oligopolies. We shall have to endure many years of very little competition.

**Cristiana Muscardini**, *on behalf of the UEN Group.* – (IT) Madam President, ladies and gentlemen, the economic crisis is far from over, although membership of the euro zone has given Europe a certain stability. The

International Monetary Fund puts the cost of the financial crisis at USD 4 000 billion, two-thirds of which can be attributed to the banks.

There are many goals to be reached: restoring confidence, supporting growth and protecting employment. This can only be achieved through an economic policy capable of setting the financial system to rights, but Europe does not yet have an economic policy! Despite the London G20 proposals to give a new boost to the credit system, there is still a severe lack of clear rules – as we have been saying for years – to govern the financial market, its operators, the products offered and the derivatives.

The markets should be subject to regulation and surveillance, most importantly for the financial sector, which, uncontrolled, has opened the way for an escalation of unprecedented indebtedness. What to do with this enormous debt that has built up by granting credit without guarantees? Should it be written off? Should it be included in a cleansing mechanism put in place by the banks? Should future transactions in OTC derivatives be banned and the banks asked to put an end to their derivative contracts once and for all?

We need definite responses, new lines of credit for small and medium-sized enterprises and for savers, to prevent uncontrolled relocations and to realign OMC rules to the real situation. If we do not talk about world trade rules we will resolve nothing; that is to say, in the face of this systemic crisis we must reform the system, restoring to politics that steering role that is too often lacking, refocusing attention on the real economy and abandoning the easy opiates of virtual finance!

**Alain Lipietz**, *on behalf of the Verts/ALE Group*. – (FR) Madam President, Commissioner, ladies and gentlemen, first of all I should like to state that I fully agree with what Mr Mitchell said in his speech. We are not on schedule; we are not up to speed. Nonetheless I would point out to him that it is important not to make the same mistake regarding the French President that the French sometimes make regarding Mr Brown. Speeches about action do not guarantee that the action will be effective.

In terms of the crisis itself, it is clear that, for us, the crisis did not start with finance. It is rooted in the social and environmental spheres. That being said, it combines with the financial cycle, that is to say that, when the cycle is going well, we take risks, but when it is no longer going well, we tell ourselves that it might be wise to regulate things slightly.

We are at the stage where regulation – and strong regulation at that – is required. Regulation at single market level is required, that is to say that we need far more centralised regulation at European level. This is what guides us in our choice of votes. We fully support the Gauzès report and the progress it makes. For years now we have been calling for more centralised regulation and supervision at European level, and the first stage that has been achieved with the CESR is in our view entirely appropriate.

However, despite Mr Skinner's efforts – and, on this point, our criticism is exactly the same as Mr Mitchell's – we regret that the governments have not understood. We do not agree with the compromise that is proposed and that rejects the system of group supervision. I believe that such a method will lead to further disasters.

We shall therefore vote against the Skinner report – not against the work of Mr Skinner himself, but against the compromise imposed by the governments.

**Sahra Wagenknecht**, *on behalf of the GUE/NGL Group*. – (DE) Madam President, ladies and gentlemen, like public security, justice or environmental protection, stability of the financial markets is a public asset and, as such, should be under public scrutiny. After all, we have already seen it happen: anyone who leaves the regulation of financial markets up to the big banks, insurance companies, hedge funds and credit rating agencies in the private sector runs the risk of seeing gigantic sums speculated away in search of maximum returns and, ultimately, the general public having to foot the bill for the losses.

The crisis has shown only too clearly that voluntary self-regulation has failed, yet the Commission has not wavered in its commitment to this. Instead of prohibiting risky finance products and imposing clear rules on the financial sector, it is to continue to allow private actors to decide for themselves what risks to run and how these are to be assessed. We believe this to be irresponsible.

It has now become clear that, in the interests of profit, the credit rating agencies have systematically underestimated the risks of structured finance products and thus really set in motion the trade in unrecoverable loans. The appropriate course of action, therefore, would be to put a complete stop to the outsourcing of risk management to private, profit-oriented actors and to create a European public rating agency to give an independent opinion on the quality of the various securities. The Commission has yet to even consider this solution.



The Gauzès report rightly demands that the rating of sovereign debt must be considered a public good and must therefore be undertaken by public actors. Why should this principle be restricted to sovereign debt, however?

In the case of the planned Solvency II Directive, too, the Commission and the rapporteur back the failed concept of self-regulation. For example, insurance groups are to be allowed recourse to internal models of risk assessment when calculating capital and solvency requirements. Time will tell whether Member States' supervisory authorities have sufficient capacity to understand these models. Personally, I doubt it.

Moreover, both the Minimum Capital Requirement and the Solvency Capital Requirement are much too low, and must be increased substantially. Since this could pose problems for some banks or insurance companies, we advocate that this capital increase take the form of government holdings entailing corresponding influence on company policy. Such part-nationalisation would be a courageous first step towards reorienting the financial sector towards the common good.

In the longer term, the whole financial sector should be moved to the public sector in any case, as only nationalisation can ensure that this sector fulfils its public duty instead of gambling itself away in search of ever higher returns on the global financial markets. It is high time conclusions were drawn from the disaster that has been caused.

**Godfrey Bloom**, *on behalf of the IND/DEM Group*. – Madam President, I have spent 40 years in financial services, so I think perhaps I know a little bit about what I am talking about here.

Let me just say a little about the UK Financial Services Authority (FSA), which will guide us onto the target of how mistakes are made. The FSA in the United Kingdom has a rule book of half a million words. Nobody understands it – least of all the FSA. The FSA interprets its own rule book in secret; they keep the fines that they impose to beef up their own salaries and pensions; there is no court of appeal. I have written to Commissioner McCreevy on this subject and it drives a coach and horses through Articles 6 and 7 of his own Human Rights Act. There is no court of appeal. There is no legal recourse at all if they get it wrong. The general public has been given the impression that if a regulation has an FSA stamp on it it cannot go wrong. There is no concept of *caveat emptor*.

Now it is going to be, it would appear, subsumed by some sort of EU overseer, consisting no doubt of ignorant bureaucrats, Scandinavian housewives, Bulgarian mafia and Romanian peg-makers. Frankly, I think you are going to get on really well with each other.

**Bruno Gollnisch (NI)**. – (FR) Madam President, the reports by Mr Gauzès on rating agencies, by Mrs Weber on reporting and documentation requirements in the case of merger and divisions, and by Mr Skinner on the taking-up and pursuit of the business of insurance and reinsurance, contain provisions that are undoubtedly useful, but they cannot be described as measures to combat the financial crisis. The crisis that we are experiencing is clearly on an altogether different scale, and it cannot be resolved by these technical and one-off measures alone.

What action is needed to resolve the terrible crisis that we are experiencing? Firstly, there has to be a break with the dogmas on which you have based your work up to now, namely those that believe in the benevolence of the international division of labour, of the free movement of persons, and of goods and capital.

There has to be a break with the free movement of goods, which has pitted European workers against the workers of countries which, like Communist China, are a haven for the most cynical form of capitalism, where workers do not have the right to strike, freedom of association, adequate retirement pensions, or social protection, and where they earn ridiculously low wages. China is not the only state in this situation, however.

There has to be a break with the free movement of persons, which has led us, which has led you, to accept and even to recommend, as the only means of replacing future generations, a mass immigration policy, the disastrous consequences of which we can clearly observe today.

Lastly, there has to be a break with the free movement of capital, which was the trigger factor of the crisis, since it allowed the crisis in the US home mortgage market – which was an entirely circumstantial crisis that should have remained confined to the US market – gradually to contaminate all our economies and to ruin our savers, our workers and our employers.

It follows that small and medium-sized enterprises must be released from the shackles of tax meddling and red tape; simple rules are needed so that monetary values actually correspond to what exists in terms of industrial or service assets; and an investment policy must be launched, but it must be a viable one. Those are just a few essential measures that we would like to see taken by the Member States' governments ultimately in the context of these national policies that have shown their superior ability to react.

**John Purvis (PPE-DE).** - Madam President, I am pleased that Solvency II has at last reached the point of decision. Mr Skinner and his shadows have displayed exemplary resilience and patience in achieving this. I am sorry, also like others, that group support is excluded, but not surprised, frankly, in the current febrile circumstances. We need to work hard to achieve a group system that will work for and in a truly European single market for insurance, which is also effective with third countries – we cannot have any more AIG fiascos.

I would also like to compliment rapporteur Gauzès and the Council on reaching a reasonable conclusion to the regulation of credit rating agencies. Clearly, these agencies have made serious mistakes, and some form of increased regulation was inevitable. But who has not made mistakes, not least the regulators themselves, and can we be sure they are now above making any future errors?

I was concerned that the rabidly hostile scapegoating of credit-rating agencies would result in excessively intrusive and counter-productive regulation, with an overwhelming Eurocentric, protectionist and extraterritorial dimension. The compromise, I am glad to see, has muted these tendencies to some extent, but not to the extent I would have liked to have seen.

Credit ratings are an opinion – they are useful opinions, they are expert opinions, but they are only opinions, so it is up to investors to take full responsibility for their investment decisions. No doubt these lessons have now been learned and all too starkly and at a cost.

I am glad the scope is restricted to ratings used for regulatory purposes. I am glad to see that we have moved away from equivalence and endorsement, when dealing with third-country ratings, to equivalence or endorsement. But could the Commissioner please confirm that this means that investors can still invest freely in stocks and bonds in third countries which are not rated in Europe or which do not have equivalent status?

We must be on the look-out for unintended consequences. With no prior impact assessment, these will almost certainly appear and, therefore, the review requirement in Article 34 is of vital importance.

**Pervenche Berès (PSE).** – (FR) Madam President, as far as Solvency II is concerned, that is a reform that was launched well before the crisis and that the latter has shed new light on. As legislators, we have hesitated: did this agreement need to be concluded at first reading?

In the end, the determination of the negotiators will have enabled us to reach a compromise which, I believe, has at least two virtues: firstly, it forces the insurance sector to assess its risks better, a process which, until now, still involved relatively old mechanisms that were without doubt unsuitable for the reality of what the insurance sector had become; and, secondly, it emphasises the need for supervision mechanisms to adapt to what insurance companies have become, in terms of both their multitude of consumer-focused products and offers, and their transnational set-up.

As legislators, we were very keen to take account of the reality of this market, that is to say of a market where, for example, in certain countries there are life insurance mechanisms that account for a substantial share of this sector and where, in the light of the crisis, we had to take account of the effect of pro-cyclicality when applied to the insurance sector.

We also had to ensure that the adoption of this legislation did not disrupt the architecture of the insurance market and, in particular, that it enabled mutual associations to occupy a place within this legislation. However, it is quite clear that this is just one stage, and I should like to mention six points, in relation to the sector, on which we shall have to resume our work immediately in future.

The first is obviously taking on board the conclusions of the de Larosière report and the need to ensure that equality and harmonious conditions exist among the various colleges of supervisors, and, to this end, the need to strengthen the European authority responsible for monitoring insurance companies.

The second point – many of my fellow Members have mentioned it – is to implement this infamous group support mechanism, and, on this point, I do not share the view of Mr Lipietz. Of course we would have preferred to have had group support, but what is unclear about the fact that it is difficult today for countries

in which 80% or 100% of the insurance sector is in the hands of foreign companies, without any solid legal basis, to accept this mechanism? We need to make progress in this area.

The third stage for the future is harmonisation between what we are doing here and what is happening with pension funds. How can we conceive of having to improve solvency in insurance terms, but not of asking ourselves the same question where pension funds are concerned? This is an absolutely huge challenge.

The fourth task for the future concerns the installation, the creation, the establishment of a deposit guarantee mechanism, as we have today in banking, and which is still lacking in the insurance sector.

The fifth point concerns the marketing of insurance products and the guarantee that the way in which insurance intermediaries offer products to the insured makes it possible to accommodate their interests and protection requirements.

Finally, the last point concerns the transposition, in this sector, of what we are going to put in place for the banking sector, namely retention mechanisms in relation to securitisation.

On that basis, I hope that, in future, we will be able to learn from the lessons of this crisis in order to guarantee European citizens an insurance sector that represents for them a real guarantee of ...

*(The President cut off the speaker)*

**Marielle De Sarnez (ALDE).** – (FR) Madam President, our rapporteurs are not to blame, but I do believe that the Commission's proposals have come rather late in the day and are no match for what has taken place. To prevent any further crisis, we obviously need to be much more ambitious and more pro-active.

We have to be more ambitious and more pro-active in the area of regulation, firstly. We have to harmonise our legislation, and the most powerful signal would undoubtedly be to provide ourselves with a European regulator. That is ultimately the way to make a statement.

In terms of rating agencies, we need to create European agencies whose independence is guaranteed and to put a stop to this scandalous business of seeing agencies rate businesses that pay them.

Regarding hedge funds, we need to regulate them and to devise a form of taxation that penalises all short-term financial transactions.

Lastly, as regards tax havens, some very simple measures must be taken. We have to ban any banks that perform transactions with tax havens or that refuse to cooperate from operating in Europe.

That is all for now. However, I do believe that we need to go further, and I should like here to suggest two courses of action. The first is that we must, in my view, give thought to enlarging the euro zone and to integrating new members. This political gesture would probably be as powerful as the reunification of Germany was in its day, and it would show the solidarity that exists within Europe and would increase the influence of our Union.

Finally, the second is that we must progress towards economic, budgetary and monetary integration, and towards tax harmonisation, which is the only way to combat fiscal dumping in Europe.

All of this is necessary, but what our fellow citizens expect most of all – and I hope that the Commission is listening – is for us to take action in response to the crisis. Our fellow citizens are still waiting for a true European recovery plan and, for example, a substantial loan. They are still waiting for Europe to offer proper support to our SMEs, to genuinely plan investments for the future and, above all, to support all those in Europe who are affected by the crisis. I am thinking of the unemployed, of those working part time, and of the households that are experiencing huge difficulties at the moment.

This, in my view, is where the urgency lies and this is what Europe's leaders will be judged on in the future.

**Ewa Tomaszewska (UEN).** – (PL) Madam President, the introduction of Solvency II and of the change to the system for conducting and supervision of insurance activities which had been in preparation for the last few years is a move of great importance, especially in a time of financial crisis. I have been involved with pension schemes for years, and I am aware of the significance of the financial supervision of pension funds in relation to the mobility of workers and the necessity of cross-border supervision.

When we encourage people to be mobile, we must ensure that those who change their country of employment and their pension system can be sure that their social insurance contributions are deducted in the right way

and are credited to the right accounts, and that the security of their future pension will rise as a result of Community solutions in the area of principles of investment and supervision of pension funds.

I congratulate the Committee of European Insurance and Occupational Pensions Supervisors and its consultative panel, in whose work it was my privilege to participate until September 2007, and I congratulate the rapporteur, Mr Skinner.

**Mary Lou McDonald (GUE/NGL).** - Madam President, the Global Financial Stability Report of the IMF estimates that the financial crisis will cost USD 4 billion. This is an estimate that may rise. This crisis has been brought about, as we all know, by a kind of casino capitalism, crony capitalism, and a financial services sector that has been subject to no regulation – or to light-touch regulation, as it is sometimes politely referred to.

The fall-out of all of this for workers and families across Europe has been nothing short of catastrophic. I have been struck in the debate and in the reports that have been produced by the very polite way in which we are addressing this scandal. I am struck by the fact that the Liberal and Christian Democrat groups are concerned at over-prescription, or that protectionism may be introduced through the back door.

The fact is that the EU response to the financial crisis has been sluggish and minimalist. The fact is that we do require a protectionism, and those that must be protected are workers and the real economy. We have yet to have a debate on the issue of jobs – although that is what matters for citizens – and this institution remains wedded to a system that has failed. Let us acknowledge that and be radical and brave.

#### IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

*Vice-President*

**Nils Lundgren (IND/DEM).** – (SV) Madam President, a global financial crisis is shaking the world economy and proposals for how to prevent it happening again are now coming thick and fast. More regulation and more supervision are the 'in' things. Of course, the starting point must nevertheless be to ask ourselves what went wrong. Allow me to summarise the causes in 50 seconds.

We have an ownerless capitalism. The finance companies are run by officials who can design systems which give them gigantic bonuses and pensions when profits rise. Profits can be increased in the short term by the management raising the risk level in the companies by means of lower equity. When the risks become reality, the management have got their money and the losses are borne by others.

There is no incentive for those who could change these policies to do so. People depositing money in banks know that there are deposit guarantees. Everyone knows that most banks are too big to be allowed to go bankrupt. They will be saved by taxpayers. Rating agencies know that they will not get the work if they question the solvency of their clients. The policy that is pursued by central banks and finance ministries is based on the idea that bubbles must not be burst. They therefore grow unreasonably large.

Are we discussing solutions to these problems? No, we are not!

**Othmar Karas (PPE-DE).** – (DE) Madam President, ladies and gentlemen, the economic and financial crisis, the most severe since the Second World War, has a global impact. The uncertainty, impatience, helplessness and loss of confidence are palpable, as are the gaps in the regulation of financial markets. We are spurred on by the need to adopt joint European responses and take a global lead. The realisation of the need to create 'more Europe' makes things possible that were rejected and prevented only months ago by members of the Commission and the Council when they were called for by Parliament.

Our model of the social market economy – as much market as possible, as much regulation as necessary – provides the framework not only for European but also for all global regulation. The actions of the European Union have been a success, but we are still far from finished and far from achieving our objective. Another stage is being completed, and further chapters must be tackled or completed without delay. It is only resolve and the courage to take bold regulatory action at European level that build confidence.

We are also deciding today – much too late – on regulatory action for credit rating agencies. We need registration, we need scrutiny, we need to deal with incompatibilities. We are adopting the Solvency II Directive – something we would have had to do even in the absence of a financial market crisis. The Banking Directive is due for adoption in May. We must eliminate the pro-cyclical effects from the existing regulatory system once and for all. Not only hedge funds but also private equity investments need to be regulated. All executive pay with a bonus component should also have a loss component.

There is less discussion of liability issues in Europe than in the United States, and the system of European supervision is not yet ready. We should organise this according to the European System of Central Banks and hasten to take as many decisions as possible by the summer. I call on you to do so.

**Robert Goebbels (PSE).** – (FR) Madam President, ladies and gentlemen, Parliament is about to adopt rules governing international finance. They will not be enough, since there is evidently no political will in either Europe or the United States to eliminate the excesses of pure speculation, such as, for example, naked short selling, the sale of goods that one does not even own.

The international financial crisis did not start on the islands. It started in the United States, and it spread through the City to the other large financial centres. All of these centres were supposed to have been properly regulated. Nevertheless the G20 found ideal culprits: tax havens, whether real or not.

As far back as in 2000, I recommended, in my report for Parliament on the reform of the international architecture, eliminating all the black holes in international finance, starting with hedge funds and the other purely speculative funds.

The G20 intends to regulate only speculative funds that pose a systemic risk. The systemic risk becomes apparent afterwards, when the crisis has erupted. In reality, the leading G20 powers have spared their own offshore centres, the Channel Islands, the Virgin Islands, Hong Kong and Macao, not to mention onshore centres such as Delaware.

As Jacques Attali said, in the future, London and New York will have the monopoly on speculation. The message is clear: international finance will be regulated for the benefit of the major countries only. All pigs are equal, but some pigs are more equal than others.

**Andrea Losco (ALDE).** – (IT) Madam President, ladies and gentlemen, it is right to criticise and to point out delays, but it is also right and opportune to say that today we are taking a step forward, and that in the face of this dreadful crisis, which has rocked the world's economies, the European institutions are introducing specific legislative measures in key sectors such as rating agencies and insurance.

I believe, at least from what I have followed closely, that the directive on the taking-up and pursuit of the business of insurance and reinsurance is highly significant. The agreement reached *in extremis* with the Council has in essence given these sectors new, more efficient rules, which take account of the dynamics of the real market, outside set formulae.

The principles of economic assessment and capital requirements, corresponding to the risks actually taken by companies, as well as risk management incentives, harmonisation, report supervision, public information and transparency are all essential aspects to making the insurance sector more competitive and strengthening protection for the insured.

The final compromise enabled reasonable solutions to be found to the problems of the possible pro-cyclical effects of the new rules and of the rules on the handling of investments. We could have done more, of course, but I believe we have reached a point from which we can take further steps forward.

**Adamos Adamou (GUE/NGL).** – (EL) Madam President, the current economic crisis has again turned the spotlight on our firm position on the need for regulation, not deregulation of mergers between and the establishment of multinationals and other companies, the need for changes to antitrust legislation and the need for intervention to prevent monopolies and cartels which, among other things, manipulate the market, set prices and make workers redundant and which are driven solely by the profit motive.

Citizens can see the results of growth without any social face which, instead of creating permanent jobs, aims to further concentrate wealth and power into the hands of a few. The liberalisation of the financial markets, which is the standard policy of the right and others, has caused a deep economic wound which directly affects the people.

Given that, up to a year ago, the political advocates of deregulation and adversaries of government regulation were boasting about the state of the economy, allow me to remind you that it was precisely these policies that resulted in waves of poverty and inequality, in negative growth in the economy and in profiteering by food companies, which made profits in the order of 40 billion each in 2008.

However, the citizens will send a message to those who created the crisis and, with it, the inequalities.

**Johannes Blokland (IND/DEM).** - (NL) Now that the central banks of Europe and the United States have predicted the first signs of economic recovery, it is important not to waver in the implementation of guidelines to prevent a repeat scenario.

The role of the rating agencies in the credit crisis is considerable, as indeed, investors relied blindly on the advice of these agencies without consulting third parties. There are various reasons why the ratings were not adjusted adequately in a changing market – reasons that cannot all be prevented by introducing new rules. Introducing an establishment requirement within the European Union for carrying out rating activities is a good start but, given the global character of the market, it is no more than a start.

The European Commission must harmonise the guidelines with third countries as a matter of urgency, for which reason it would be preferable to adopt a central approach within the European Union in this area. It is clear that more is needed to regain trust in the financial markets. Let us therefore make a start with new financial morals.

**Werner Langen (PPE-DE).** – (DE) Madam President, today, we are seeing the first legislative proposals to emerge from the financial market package. Solvency II was long overdue: I wish to start by setting this aside. The negotiations on this were very good, the results are useful, and we shall be giving it our support.

In the case of credit rating agencies, a problem has arisen that one can really describe as a case of market and policy failure. For years, Parliament has been calling on the Commission to present proposals on various aspects of the causes of the financial market crisis, which have been a very long time in coming. What Mr Gauzès has now negotiated is useful. It establishes independent criteria and new supervisory structures and does indeed have the potential to resolve this conflict of advisory and assessment interests and to increase transparency. It is a sound proposal.

Yet it is not enough. I remember the debate in this House with British Prime Minister Tony Blair, who was acting as though he had the solution ahead of the G20 Summit in London. The fact is that, over the last 10 years, there have been refusals even from within the European Union – particularly by the United Kingdom, but also by the European Commission – to regulate certain things in a manner that should have been obvious. These were not new phenomena; the bubble had indeed grown very large. The task now is to make progress with the accounting rules – as the Commissioner mentioned in connection with executive assessment and bonus schemes. It is unacceptable for there to be no regulation in this field. In addition, we must resolve the issue of capital – of securitisation, for example – by the end of May, and also find a speedy solution with regard to European supervisory structures and the de Larosière report in general.

We cannot wait for the United States on all the issues. Let us proceed as we did with the climate action and renewable energy package: let us Europeans take the lead and present the world with a useful template. Then we shall have made our contribution to overcoming the crisis.

**Ieke van den Burg (PSE).** - (NL) If you will allow me to make a preliminary comment, I would like to say that I have listened with astonishment to all kinds of speeches that have been delivered here by Members of this Parliament about leadership and tackling capitalism. These are all Members we never saw when we were doing the actual groundwork in order to steer the capital in the right direction.

I was shadow rapporteur for the report by Mrs Weber, and she is someone who did do the groundwork in a dossier that is about modernising, simplifying and lightening the burden for businesses when it comes to European rules and regulations. The dossier formed part of a large package of superior legislation, and I should like to stress that this superior legislation is not simply a question of deregulation and lightening the burden, but also about responding more adequately, more flexibly and more dynamically to developments with clear powers, not least for the supervisors involved.

In this connection, I should like to say two things which, in fact, also relate to the other two dossiers that are up for discussion today. First of all, there is no point in trying to solve yesterday's problems. We should, instead, anticipate what will happen in the future and put a process in place which will enable us to react to dynamic developments and innovations adequately. This is exactly why we have introduced such a process in the Lamfalussy procedure, which we developed recently.

Secondly, we should consider the level that is under scrutiny. The actors within the market transcend borders and have become international. As such, there is no point in fooling ourselves into thinking that these actors can be controlled by small national supervisors. These major actors who very much dominate the market

really have to be tackled at the European and the global level. This means, in my view, that powers should be put in place at that level so that direct supervision is possible.

As it happens, the rating agencies allowed for this. It was Parliament's intention initially to grant the Committee of European Securities Regulators (CESR) the power to take care of registration, but, sadly, it did not work because of the tug-of-war that will inevitably ensue between the big countries and large financial centres to attract those head offices and be able to play first fiddle there, in an attempt to get the large rating offices under their wings. This is regrettable, to my mind. I would have preferred to see this done at European level from the word go.

The same scenario unfolded in the case of Solvency II. Firm action was also lacking when powers were granted in a bid to make binding statements at European level in the event of supervisors failing to reach agreement. This also means that these guest supervisors refuse to transfer powers to supervisors who play first fiddle. Although this is regrettable, provision has been made, not least in recital 25, for us, as Parliament, to clearly indicate that, next year, we should try to improve and strengthen this aspect based on the Larosière proposals.

**Olle Schmidt (ALDE).** - (SV) Madam President, Commissioner, the financial and economic crisis has shown that we in Europe must be able to act together. We should be pleased that Europe had, and still has, the euro rather than 16 different currencies. This has alleviated the difficult times. It was only when the euro zone countries met in Paris last autumn that the crisis could be stabilised and the recovery could begin. Following this, the global efforts continued with the G20 summit, which was the start of something new – a world where the major nations of the world met on equal terms.

We must now ensure that we are better equipped next time the crisis strikes. The directives that are being discussed today are important and, in my opinion, balanced. We need greater openness and transparency on the market, greater opportunities to act across borders and improved supervision. We must also combat protectionism and, in my view, support free trade. We must also limit risk-taking and put a stop to excesses. The free market also needs its boundaries and rules. As a Liberal, I can also agree with this, of course. However, we must take care not to over-regulate, which is a risk in the current mood. Let us not forget that the market economy creates prosperity.

**Bernard Wojciechowski (IND/DEM).** – (PL) Madam President, Commissioner, at the beginning of the month we were told that all remedial measures against the financial crisis have been taken. The budget of the International Monetary Fund will rise by as much as USD 500 billion, which means it will treble in size. The World Bank will be USD 100 billion richer, and USD 250 billion has been set aside for subsidising international trade. There is to be a supposedly more stringent supervision of the finance market and control of tax havens and bankers' salaries. President Obama said that the recent G20 summit will be a turning point in the pursuit of global economic recovery.

On the whole there is probably nothing to worry about, although perhaps there is one exception. Why did world leaders wait so long to bring in their elaborate emergency support plan, and why did they not condescend to bring about global economic recovery earlier? Did they not have that trillion? The fundamental question is, therefore, where did that trillion come from? From the sale of 400 tonnes of gold? It would appear that in official communiqués not a word is said on this subject. Perhaps the money was borrowed from a bank? Since there will now be a recovery — and here I direct my request to Mr Barroso and Mr Topolánek — perhaps the leaders will hold another meeting and add another trillion, so that we will have a kind of 'turbo-recovery'.

**Margaritis Schinas (PPE-DE).** - (EL) Madam President, there can be no doubt that in Europe we are today suffering the consequences of an anarchic, eccentric American/Anglo-Saxon model of organising the financial markets, which learned how to function without rules, without supervision and without democratic accountability and which, of course, polluted the global and European economy.

With the texts which we are debating today and will vote on tomorrow, we are building a protective shield here in Europe for the citizens. A protective shield which will safeguard them from this paradox in which we are currently living, where money flows are supranational and the rules of supervision and accountability, where there are any, are national.

So Europe is reacting, albeit slowly, but better late than never. This, of course, leaves two major questions which need to be answered. The first question is: why did we need to live through a crisis in order to react? Why did we need to wait for all this to happen in order to introduce rules? The answer will be given by the

citizens, by rewarding those who are calling for legislation and punishing those who wanted to persuade us that self-regulation is the panacea for all the evils we are experiencing today.

The second question is, will these texts that we are debating today be the only ones or will there be overall supervision and an overall review of the legislative and regulatory framework? The answer to this second question will be given by us because, as co-legislators, we shall exert pressure so that we do not just stay with the Gauzès report on credit rating agencies, which failed to see the iceberg coming towards the Titanic, which is why what happened did happen, but which quickly saw that certain Member States needed to be downgraded because they did not 'allegedly' have an adequate credit rating.

We need to examine and correct all this from the beginning: nothing will remain the same in the European Union after the current crisis.

**Manuel Medina Ortega (PSE).** – (ES) Madam President, I refer solely to the report by Mrs Weber on the proposal for a directive of the European Parliament and of the Council amending Council Directives 77/91/EEC, 78/855/EEC, 82/891/EEC and Directive 2005/56/EC as regards reporting and documentation requirements in the case of mergers and divisions.

We are in the process of simplifying administrative procedures. Our position is in favour of the proposals from the Commission introducing certain changes, but we have included some amendments which have been tabled by nearly all the political groups and which, naturally, I have supported, since they make it possible to simplify matters.

We are speaking, of course, of a very important change, which is the elimination of documentation, the introduction of web pages and references to web pages, the elimination of requirements for experts and other types of requirement that up until now have been obligatory, which could lead to a fairly significant reduction in costs and time, while still providing guarantees both to creditors and, for instance, to workers in the undertaking and other persons with access to it.

I believe that the proposals made to us by the Commission are fairly positive and that the proposals to amend the text that we are tabling adopt the same approach, guaranteeing independence, above all in the case of the use of web pages, and the need for references, in other web pages that are used, to any information in these web pages, so that this use is not complicated and there is sufficient additional information.

In short, Madam President, I believe that Parliament will be able to adopt this proposal for a directive by a considerable majority and that the resulting text will be better than the text originally submitted to us by the Commission.

**Margarita Starkevičiūtė (ALDE).** – (LT) We can see from current events the influence large financial groups, and the mistakes they make, have on the real economy, especially the economies of small countries. Therefore, the documents presented should create a legal framework to manage two main processes: firstly, to harmonise the free pro-cyclical movement of capital within a financial group with the necessity to ensure the liquidity of the real economy and macroeconomic stability during the economic recession; secondly, to help share responsibility between home and host supervisory institutions, to ensure that a financial group's activities are appropriate, and to clarify who will cover losses if mistakes are made.

It must be said that the document presented is only the first step in this direction, and I would like to stress that these problems will not be solved unless the impact of competition law on the activities of financial groups is assessed. We always forget this aspect and it should be a priority in the new term of Parliament.

**Sirpa Pietikäinen (PPE-DE).** – Madam President, I think that this package, which is part of the measures to deal with the financial crisis, is quite good with regard to Solvency II and the credit rating agencies and will result in good compromises and outcomes.

However, when we look to the future, I would like to raise three issues. Firstly, I would like to see the European Union being more ambitious and active at global level. Even though the G20 outcomes are steps in the right direction, they are still too modest and far from having a proper, global, convention-based regulation, both on funds and different financial instruments, and on regulation.

Secondly, when it comes to the de Larosière report and our own actions, I think that the outcome of de Larosière was rather good, especially when it comes to supervising and analysing the systematic risk at European level. But I would like to point out two pitfalls here. Firstly, concerning micro-supervision: I do see that the proposed moral there, which would still be based very much on cooperation instead of a centralised



European aspect, has very serious problems. Secondly, from what we have already heard about the Commission's preparation concerning venture capital and hedge funds, there is much to be hoped for and expected from there.

So, if we really want to be effective at this level globally, we will have to do our homework properly, and I would really like to see a better and more ambitious approach from the Commission in this field.

**Antolín Sánchez Presedo (PSE).** - (ES) Madam President, the package of measures on credit rating agencies, insurance and company mergers and divisions is a first step in boosting the confidence and efficiency of the financial markets. It is in line with the principles endorsed by the European Union and the G20 of reinforcing transparency, responsibility and integrity within the financial markets and places the European Union in a position of international leadership. For this reason, I support the measures, even though we will have to go further.

The failings of the credit rating agencies are one of the causes of the financial crisis: self-regulation is not enough. The regulation plays a pioneering role in introducing registration, responsibility and monitoring of the agencies, in tackling conflicts of interests, improving working methods and the quality of various types of qualifications, including those from non-EU countries. A future revision of payment systems and the creation of a European public agency are still to be dealt with.

The directive on solvency codifies all the existing *acquis* on private insurance and incorporates technical advances on improved risk management that will give impetus to innovation, improve resource use and increase the protection of insured persons and financial stability within the sector. The new framework for the supervision of insurance groups takes a prudent line, open to further development. The creation of supervisory bodies is a step forward in the process of the integration and reinforcement of European financial supervision, which must continue to advance and could be a model that could become a world standard. Parliament will monitor and promote its development.

Finally, the amendment of various directives in relation to reporting and documentation requirements in the case of mergers and divisions is a form of legislative simplification, and highlights the fact that the aim of reducing burdens on businesses by 25% can perfectly well be combined with strengthening the rights of the public and shareholders, provided that information and communication technologies are used.

**Daniel Dăianu (ALDE).** - Madam President, I am glad that, in the end, common sense has prevailed in Parliament and the Commission concerning the causes of this financial crisis. People have realised that this crisis is not of a cyclical nature and that a thorough overhaul of the regulation and supervision of financial markets is badly needed. The de Larosière group report and the Turner report, too, have made this quite clear. These reports are in analytical tune with the Lamfalussy follow-up report of Parliament.

The documents which are being debated today are to be seen in the same logic of action. Unfortunately, our economies will still suffer for quite a while, not least because of the public budgets and, probably, future inflationary facts of the efforts which are being undertaken to clean up the huge mess. Let us hope that we will learn more this time than we have from previous episodes of crisis.

**Klaus-Heiner Lehne (PPE-DE).** - (DE) Madam President, ladies and gentlemen, this is a really interesting, good debate – for the simple reason that, looking at the reports, we are combining two aspects that do not, at first, appear to be directly linked but which are related to ways of coping with the crisis and reviving the economy.

I was shadow rapporteur in the Committee on Legal Affairs for the Weber report, on which I should first like to congratulate Mrs Weber most warmly. The Weber report is not about crisis management in the traditional sense but about simplifying company law and helping to cut red tape and eliminate burdens on companies. This, coming at this specific point in time, at the end of the parliamentary term, clearly proves and exemplifies the European Parliament's handling of this particular issue and its attempts to further develop company law in the interests of companies – which I very much welcome.

As this debate also presents the opportunity to say something about financial market legislation in general, it should be noted that the fact that we in Parliament are now achieving results and concluding our proceedings at first reading on the first financial market package also sends out a signal towards the end of this parliamentary term. I believe that this, too, is important.

Nevertheless, I should also like to point out that the second package – which, of course, is still being prepared by the Commission at the moment – will unfortunately be too late for this parliamentary term. There are

reasons for this. As you will remember, we have indeed discussed the regulation of certain areas of financial markets in the past, namely in the committees of this House and on various occasions in plenary, but this always met with massive opposition. There was opposition from the Council. The socialist UK Prime Minister, Gordon Brown, refused to acknowledge certain realities for a long time.

There was also opposition from the Commission – which had been offering resistance on hedge funds and other sectors for a long time – and from within this House. When it came to launching legislative own-initiative reports, the Chairman of the Committee on Economic and Monetary Affairs rejected this for a long time on account of an unnecessary dispute over competences. I am pleased that everyone has now seen the light. Commissioner McCreevy is regulating hedge funds, Mrs Berès is permitting own-initiative reports and Gordon Brown, too, has changed his mind. This is a positive development, one that my group and I very much welcome.

**Jean-Pierre Audy (PPE-DE).** – (FR) Madam President, my speech will relate to the report on rating agencies, and my first words will be an expression of gratitude to my friend, Mr Gauzès, who has acted competently, lucidly and pragmatically.

However, at the risk of straying from the subject somewhat, Madam President, I should like to speak about the problem of the rating of states. In this crisis that we are experiencing, states have become major financial players in the face of the potential collapse of the financial sector.

They have taken guarantees, they have debts, they have equity stakes, and that is why I wonder whether the European Union ought not to propose, as part of the new global regulation of capitalism, the creation of a global public state rating agency, an independent body that would come under the International Monetary Fund and would enable citizens to have an idea, via these ratings, of the quality of the finance of states, which, I repeat, have become key financial players.

**Kurt Joachim Lauk (PPE-DE).** – (DE) Madam President, three brief points are important in my eyes. Firstly, we have achieved a sound consensus on the need to subject all financial institutions, without exception, to regulation in future. The Commission is now able, little by little, to put forward proposals encompassing all actors – which is absolutely essential.

Secondly, we should consider how to develop the European financial supervisory authorities thus necessitated and bring them under our control, and to significantly reduce our dependence – be it official or unofficial – on the regulatory institutions of the United States, since we know these to have been a spectacular failure.

My third point is that I am concerned about financial developments in the euro area as a whole, as the spreads and indebtedness between the various countries of the euro area and the credit rating activities of these countries are growing apart rather than together. We should take every possible measure in this regard, and should require the individual countries to enforce discipline.

My final point is that we need to ensure that the EU does not end up falling into debt. The EU Member States are deep enough in debt as it is. We do not need any more indebted institutions.

**Pervenche Berès (PSE).** – (FR) Madam President, I would just like to point out to Mr Lehne that it was the socialists in this Parliament who wanted legislation on speculative funds, and that it was their determination that above all led to our having this legislation on speculative funds and, also, in Mr Gauzès's report, to the call for the Commission to work on the idea of a public credit rating agency.

Moving on, I should like all the same to take advantage of this opportunity to tell the Commissioner that I am astonished at this situation where double standards exist in relation to the Commission's monopoly on legislative initiatives. When the Council asks the Commission to put a proposal on the table to harmonise the bank deposit guarantee, the proposal is there three weeks later. When the European Parliament submits a proposal for a legislative initiative by Mr Rasmussen, which was voted for by the vast majority of this plenary, you work it so that the proposal in question is put on the table just when the European Parliament will no longer be able to debate it.

We asked you for a legislative initiative in this area last September. What have you been doing since then, Commissioner?

**Charlie McCreevy, Member of the Commission.** – Madam President, I express my appreciation and admiration for the efficient handling of these three files by Parliament and the three rapporteurs in particular. This has resulted in a quick consensus, which will definitely improve the functioning of our financial markets. The

EU regulation on credit-rating agencies will improve integrity, transparency, responsibility and good governance in the credit-rating activities.

Mr Purvis asked a couple of questions in this particular regard, concerning the freedom to invest in particular products. Now, investment is free to all products, whether from the European Union or not. Ratings are not mandatory, so EU firms are not obliged to invest in rated products. But let me stress that, for regulatory purposes – that is, calculation of capital requirements – the ratings that can be used are those either issued in the EU for both EU and third-country products, or endorsed or recognised as equivalent in the European Union.

Although I am disappointed with certain aspects of the agreement on Solvency II, as I outlined earlier, the EU will have a framework for the insurance industry which could serve as a model for similar reforms internationally. Of course, this is not the end of the story. Much work remains to be done: implementing measures will need to be in place some time before October 2012 in order to give Member States and the industry some time to prepare for the introduction of Solvency II. I can assure you that the Commission will play its role in order to facilitate this process and put these long, overdue reforms into practice as soon as possible in the interests of all the parties involved.

Even though I referred to this in my earlier introductory remarks, I would just like to stress again that group supervision remains in the proposed Solvency II, although group support is out – I think it is just important not to get two concepts mixed up entirely.

Finally, with the simplified reporting and documentation requirements in the cases of mergers and divisions of public limited liability companies, the agenda on the administrative burden reduction is advancing, and this will contribute to the potential for growth and help Europe on the way to economic recovery.

**Jean-Paul Gauzès**, *rapporteur*. – (FR) Madam President, ladies and gentlemen, I shall limit myself to two or three brief remarks. The first is that there has been fairly broad agreement in this House concerning the report on rating agencies, and, of course, European legislation will evolve over time, but I believe that, for now, it may serve as a model for an international agreement.

Finally, allow me to thank the shadow rapporteurs, Mr Pittella and Mr Klinz, who have worked hard alongside me, the teams from the Commission, the Presidency and, of course, the secretariat of the Committee on Economic and Monetary Affairs and the experts, without whom this work could not have been concluded so successfully.

**Renate Weber**, *rapporteur*. – Madam President, it was quite interesting listening to all the speeches this morning in Parliament at a time not only when we are living through the toughest financial and economic crisis, but also when the European elections are approaching. The reports which we have discussed today, and will vote on tomorrow, are not meant to solve the financial crisis, but we hope they will help us avoid making the same mistakes in future, or at least major mistakes, and hopefully they will support a relaunch of the European economy.

When one hears that small enterprises today have to spend 10 times more than big companies in order to comply with EU legislation on reporting requirements, it is normal to wonder why this is so and how we have come to have rules which through their effects may actually kill these small enterprises and why it has taken us so long to change this. I am glad that Commissioner McCreevy mentioned that company law is probably the toughest in the EU *acquis communautaire*. Maybe it is time to change it, certainly not to make it softer, but perhaps to bring it more in line with the current realities we are living through.

If we want to be more efficient, it is better to put our energy into being constructive, and I think it is fair to say that what happened with the package we discussed today is proof of this. It is proof that we have acted responsibly and we have reached a compromise with the Council and the Commission in order to adopt this package at first reading. Can we do more? Certainly, but let us vote on this and work in the right direction.

**Peter Skinner**, *rapporteur*. – Madam President, I would like to start by saying what I should perhaps have said first of all, which is a thank you to all the services of the Commission, the Council, and particularly the Parliament, for the work that they put into this. I have to say that without their work and their help, we would not have achieved this.

Like many around the room, we are quite astounded by the level of technical detail that goes into many of these reports, but let us say about Solvency II that it was forged outside a crisis to face a crisis. It has risk management in it and – as many people have heard round the room – this is a first for much of the financial

services legislation. It also does – and I agree with the Commissioner – contain group supervision. Group support, unfortunately, is out, but we have heard all about that. Let us hope that we can get that back. Capital is defined as well. Many aspects of this report make it a world leader.

My second point is about the strategic impact of using such legislation. In many respects, just having a regulation that works over 27 Member States is not going to be helped if we do not have the twin, which is a strategic regulator at a European level which works over 27 Member States as well. We need to overcome the differences that exist between regulators and make sure that we speak with one voice. It is particularly important when we come to recognise regimes elsewhere in the world. Just this weekend I met with Paul Kanjorski, Chair of the Subcommittee on Finance in the US Congress, and others, who are now talking about accelerating the prospects for a single regulator at a federal level in the United States. If they do that before we do it in Europe, we could be severely embarrassed by not having the regulator we need at a European level.

This is a report which is at a global level and a global measure, a process about which we could all feel proud, but we also need to make sure that we continue to push for the changes on the issues thrown up by the de Larosière report and also on group support which will bring about economic efficiency. I hope that everybody can support those measures.

**President.** - The joint debate is closed.

The vote on the report (A6-0191/2009) by Mr JeanPaul Gauzès will take place on Thursday, 23 April 2009.

The vote on the report (A6-0247/2009) by Mrs Renate Weber and the report (A6-0413/2008) by Mr Peter Skinner will take place today.

#### **Written statements (Rule 142)**

**Sebastian Valentin Bodu (PPE-DE), in writing.** – (RO) I do not wish to discuss here the importance of rating agencies. Everyone knows that they are crucial in providing a sound basis for investment decisions, whether in relation to the financial products or the issuers (meaning therefore that they provide much more than simple opinions). However, I do want to emphasise the importance of setting up a European agency.

During a period of deep economic crisis like the one we are just going through at the moment, rating agencies should remain, regardless of the economic conditions, transparent and credible instruments, providing support as Europe steers through these troubled times. We cannot disguise the fact that the current crisis is also down to rating agencies as they have analysed in a totally confused manner conventional instruments along with other hybrid instruments, all against the backdrop of accusations of a lack of transparency and conflict of interests.

We need new organisations in this sector, which will generate competition in providing objective ratings. We must think about protection for the investors and their confidence in rating agencies. The EU must guarantee that rating agencies operate according to clear regulations. What better way then to fulfil these conditions than to set up a European rating agency which operates according to Community regulations.

**Călin Cătălin Chiriță (PPE-DE), in writing.** – (RO) I would like to say that I welcome and support the proposal for a European Parliament and Council directive amending previous directives on reporting and documentation requirements in the case of mergers and divisions. I particularly welcome the concrete measures proposed for reducing the administrative burden which needlessly disrupts the economic activities going on in the European business sector.

I support the objective of this initiative to help boost the competitiveness of companies within the EU by reducing the administrative burden imposed by European directives in the area of commercial company law, where this reduction can be achieved without having a major adverse impact on the other parties concerned.

I strongly advocate the effective application of the action programme approved by the European Spring Council in March 2007, aimed at reducing the administrative burden by 25% by 2012.

I believe that European firms and citizens greatly need a reduction in the red tape imposed by the Community *acquis* and certain national legislations.

## 5. Facility providing mid-term financial assistance for Member States' balances of payments - Facility providing mid-term financial assistance for Member States' balances of payments (debate)

**President.** - The next item is the joint debate on:

- the report (A6-0268/2009) by Mrs Pervenche Berès, on behalf of the Committee on Economic and Financial Affairs, on a facility providing medium-term financial assistance for Member States' balance of payments (COM(2009)0169 – C6-0134/2009 – 2009/0053(CNS)) and

- the statements by the Council and the Commission on a facility providing medium-term financial assistance for Member States' balance of payments.

**Pervenche Berès, rapporteur.** – (FR) Madam President, the European Council has decided to double the 'balance of payments' facility for countries outside the euro zone, and on 8 April the Commission introduced the concrete provisions designed to turn this proposal into a reality.

Here at the European Parliament we wish to accept our responsibilities and to enable the Ecofin Council to act promptly for, as we see it, this proposal contains a sign of solidarity towards non-member countries of the euro zone that is of vital importance for tackling the root of this crisis.

Back in November, we were already doubling this 'balance of payments' facility, since it rose from EUR 12 to 25 billion, and, today, to take account not only of the reality, the severity of the crisis that we are in and that is having a particular impact on countries outside the euro zone, but also, without doubt, of the European Parliament's timetable, we propose to you that this facility be doubled, to bring it up to EUR 50 billion. This is in light of the fact that what we decided in November has already enabled support to be given to Hungary, to Latvia and, yesterday, to Romania.

We feel that this is necessary, and we have held a debate among ourselves, which I will not hide from you, to learn whether this assessment of countries outside the euro zone should be done exclusively on a case-by-case basis, or whether, in reality, there was basically a more global situation that was that of countries outside the euro zone.

That is why, in our resolution, we propose that the issue of enlargement conditions be considered and the extent to which membership of the zone can be a protective factor be confirmed.

We are also very insistent in calling for the European Parliament to be informed of the substance of the analyses of the crisis situations these countries are facing. This is because, when the Commission grants its loans to countries outside the euro zone, there is a certain transparency and substance to the information on the behaviour of private banks and on the behaviour of operators which has led to this crisis, that the European Parliament must be informed of.

Lastly, we believe that all possible mechanisms for tackling this crisis should be used and implemented by the Commission. This is particularly the case as regards Article 100 of the Treaty, which would also permit the implementation of special mechanisms for countries within the euro zone. We believe it is essential to explore these given the severity of the crisis.

There are two final elements. Firstly, as we see it, the conditionality of these loans is an element for discussion; we understand that. Generally speaking, the Commission carries out this work in harmony with the IMF. What we want is the creation of a working group to look at how these memorandums are drawn up and how they take account of the actual situation of the country in question, but also of the European Union's overall strategy, particularly as regards arbitrage between investments, purchasing power support and conditionality in terms of a strategy on environmental growth and sustainable development.

Lastly, we identify in this mechanism evidence of the ability of the European Union and of the Commission to borrow on the international markets, and we therefore believe that we have here a useful foundation on which to base a debate that we are also conducting on European borrowing and on the capacity of the European Union to finance future strategies and investments through such borrowing.

To conclude, the Commission has implemented a new mechanism to ensure that repayments will enable the European Union's budget to cope with these demands. We support this amendment to the regulation and we hope that this Parliament will give its full support to this worthwhile proposal.

**Charlie McCreevy**, *Member of the Commission*. – I am taking this debate on behalf of my colleague, Mr Almunia.

The proposal on the table today concerns one of the core values of the Union, namely solidarity. Against the backdrop of the international financial crisis, the Commission proposes further reinforced solidarity with the Member States that do not yet benefit from the protective umbrella of the euro. The facility for supporting Member States' balances of payments is, by definition, foreseen for exceptional circumstances and was only used on a few occasions in the past. We do, however, live in exceptional times.

As you know, the Commission proposed last year an increase in the ceiling of outstanding loans that the Community can provide to support Member States' balances of payments. The ceiling was raised from EUR 12 billion to EUR 25 billion, but a substantial part of this amount has already been earmarked. At the request of the countries concerned, the ECOFIN Council decided to provide balance of payments support to Hungary of up to EUR 6.5 billion in November. On 20 January it decided to grant up to EUR 3.1 billion to Latvia, and the decision to provide up to EUR 5 billion to Romania is in the pipeline.

Already earmarked financial assistance under the regulation thus adds up to around EUR 15 billion. There is, moreover, no immediate end in sight to either the financial crisis or global deleveraging, and ongoing financial stress in other Member States could result in further needs for financial assistance.

The European Council of 19 and 20 March therefore welcomed the announcement by President Barroso that the Commission intended to make a proposal for increasing the ceiling of the Community's balance of payments support to EUR 50 billion. The doubling of the ceiling will provide an important signal to financial markets of the European Union's strong commitment to helping Member States under financial stress. The extension of the total possible credit line to EUR 50 billion will provide a large buffer to cater for further possible needs for financial support.

Such strong signs of solidarity among Member States should also help to calm financial investors' fear of further financial market deterioration in the Member States outside the euro area. By reducing the incentive for capital withdrawal, it would decrease the probability of balance of payments problems in the concerned countries.

In this context I would like to express my gratitude and respect for the excellent spirit of cooperation at the European Parliament and, in particular, the Committee on Economic and Monetary Affairs. The Commission adopted this proposal just before the Easter holidays on 8 April and only two weeks later you are now about to vote your legislative resolution and motion for resolution in plenary.

Thanks to your swift and efficient work, the ECOFIN Council will be able to adopt the amended regulation on 5 May. The European Union will thus be well equipped to react rapidly should the need for further balance of payments support arise. This is a powerful signal to Member States that the European Union is willing and ready to help and should be turned to in the first instance in case of balance of payments problems.

This obviously does not exclude that a Member State would also ask for assistance from other international organisations such as the IMF, with which the Commission has been closely cooperating on the latest financial support packages.

I would like to conclude by saying that I agree with the statement in your draft motion for a resolution that the current international situation proves the relevance of the euro and that all Member States outside the euro area should be encouraged to fulfil the Maastricht criteria in order to join it.

**President**. – The Council has announced that it will not be making a statement. The debate will therefore continue with speakers from the political groups.

**Zsolt László Becsey**, *on behalf of the PPE-DE Group*. – (HU) I would like to begin by thanking the rapporteur for compiling this report so quickly and, if Mrs Berès is listening to me, for also being sensitive to this issue, which is, in any case, a positive thing. However, this does not solve the problem of my not understanding why we should deal with this matter in such a panic-stricken manner, ignoring the views of the average MEP. After all, the EUR 25 billion available so far could comfortably cover the cost of the urgent assistance given to Romania.

This topic is being tabled for discussion for a second time within a short period. In the speech I made in November, I actually stated that the raised ceiling was inadequate, and I was right. The reason for this was not only because new Member States have presented new claims, but also because, maintaining the view I

had at that time, I still think that this is a political issue. In fact, it is a disgrace that it is not the EU which is dealing with the balance of payment credits for Member States outside the euro zone which are in dire straits, but that we are handling this jointly with the IMF, somewhere between the credits for Turkey and Pakistan. This is a disgrace for Member States.

Until now, we thought that, when we joined, we would serve one god, but we now must serve several gods. On the other hand, we should also examine carefully – as we already requested the Commission to do in November, but without any success – what has led to this situation. It would have emerged then that the irresponsible economic policy pursued by the governments of the Member States affected, as in the case of Hungary, was the primary cause, which the Commission also contributed to due to the shared responsibility for economic policy or rather the lack of it. But it would also have been clear that solidarity, regarded as one of the EU's basic values, failed when it came to prevention. In actual fact, a lack of euro liquidity is also lurking behind Member States' payment problems and devaluing currencies. This is partly due to the parent companies' caution underlying the vulnerable subsidiary network at local level and partly because they did not receive any specific, practical help from the euro zone, mainly the Central Bank, unlike their fellow Member States in the euro zone which had their liquidity topped up as much as possible. But another factor making it difficult to be competitively neutral is that, because of the currencies' vulnerability, these countries outside the zone cannot benefit during the crisis from the budget incentives provided by the rest either.

I am pleased that our report raised the issue of the European Parliament's involvement. The attention of my fellow Members might mainly be drawn to the specific conditions for partial assistance agreed with the countries outside the euro zone which are in dire straits. How could it happen that, according to the agreement signed with the Hungarian Government, while completely ignoring the basic problem of European demographic trends, a drastic reduction in childcare fees was prescribed? I find it particularly disgusting that in the supplementary agreement signed in March of this year, Hungary is being forced to reduce its national top-up for direct agricultural payments. After all, this is not a social issue, but it was included in the accession treaty in order to alleviate our existing major competitive disadvantage. How did such an immoral action occur to you, together with the spineless Hungarian Government? Do you have any idea how much damage this is causing to Hungarian farmers and to the EU's reputation? We will, of course, vote for the proposal as it is a step forward, but it only marks a partial degree of solidarity. What we need to achieve is full solidarity.

**Elisa Ferreira**, *on behalf of the PSE Group*. – (PT) Madam President, among other aspects, the crisis has not only revealed the huge gaps between countries in the euro area, which was perhaps the main conclusion of the EMU@10 report, but in particular the extreme vulnerability of those countries which, while belonging to the European Union, are not part of the euro area.

That is why boosting the EU resources available to assist with balance of payments crises is absolutely vital. That is also why we welcomed the financial assistance ceiling being raised from EUR 12 billion to EUR 25 billion, and now to EUR 50 billion.

However, it is more important to tackle the root causes of the problems, and not just their most obvious manifestations.

The enlarged Europe and the euro area must now reinterpret the sense of European solidarity and the objectives of cohesion and real convergence. In this respect we not only need to understand the capacity of Europe's cross-sectoral policies, but also revisit new financing instruments, such as Eurobonds.

Financial assistance for balances of payments is essential, but is in no way enough to guarantee the sustainability of the European project and the European single currency.

**Guntars Krasts (UEN)**. – (LV) Thank you, Madam President. The increase in the European Union medium-term financial assistance mechanism to EUR 50 billion is the response that is needed to the current situation. It is an important signal to European Union Member States which are not in the euro zone, and particularly to those Member States that have joined the European Union comparatively recently. The effect of the world financial crisis on the financial and economic situation in this group of states has differed, but in all of them local and international confidence in those states' financial systems has diminished significantly. Therefore, the reinforcing of the Community assistance mechanism is a demonstration of solidarity between Member States; it will have a stabilising role on the financial markets and will serve to reduce the risk of instability in the European Union's economy as a whole. The strengthening of the medium-term assistance mechanism will also make it easier for Member States to obtain the funding they need from international financial institutions. I support the proposal by the relevant committee to instruct the Commission to inform the European Parliament about memoranda of understanding with Member States in receipt of assistance, as

well as the need to carry out a check in two years' time on the conditions providing the basis for assistance. Thank you.

### IN THE CHAIR: MR MAURO

*Vice-President*

**Alain Lipietz**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, Commissioner, this is the second time that we have had to increase the guarantee provided by the European Union to overcome the difficulties of its members, non-members of the euro zone. This is the second time: we already increased it in December.

Mr McCreevy has congratulated us on the promptness of our action. We already acted promptly in December, and we should like to say to Mr McCreevy, as Mrs Berès did a moment ago, that the lift ...

Yes, Mr McCreevy, please? Please? Commissioner ...

... We should like reciprocity to be applied, by which I mean that, when Parliament asks you to submit a draft on the regulation of hedge funds, you respond to us immediately, and in the same timeframe that we apply when you ask us to increase aid for the protection of the balances of payments.

We are indeed in a crisis; we may not need to sit every day, but at least let us not have to wait six months from the European Parliament's requesting a directive on hedge funds to the Commission complying!

Clearly, then, as far as this aid is concerned, we fully agree on the need to increase this credit line, and I am slightly surprised by Mr Becsey's remarks. We had exactly the same discussion in December. Commissioner Almunia explained to Mr Becsey that it was the Hungarian Government itself that had requested aid from the IMF, but not from the European Union, and that it was the European Union that said: 'But we too can help you'.

It is quite clear that the European Union has a duty to show solidarity towards countries outside the euro zone, but there is also no reason why IMF aid, to which each of us, Hungary and Romania included, contribute, should be turned down.

Thus, in the Berès report – which we shall, in any case, vote for – there are two things that bother us. Firstly, what is the point of saying in paragraph 4 that we must commit ourselves to inter-country solidarity only to then point out in paragraph 11 that under no circumstances are we bound by a country's commitments? It is true that we are not bound by a country's commitments, but there is no use in pointing this out when we say that we will show solidarity with one another.

The second problem is the assertion that there is no legal basis to increase this solidarity, but it is precisely the responsibility of the Commission to provide this legal basis. We are in a crisis, and it is high time we were given a legal basis.

**Werner Langen (PPE-DE)**. – (DE) Mr President, I should like to start by thanking Mrs Berès for the speed with which she produced a draft report. As you know, the procedure comprises two stages. The first is the consultation; the opinion on the Council regulation. This is not a codecision procedure. At this stage, we in the committee were unanimous in our view that the increase from EUR 12 to 25 to 50 billion was the right step to take. Three Member States have already availed themselves of funds: Hungary – whose situation Mr Becsey has just discussed along with its domestic responsibility – Latvia and Romania. These European funds enable us to provide effective assistance and thus to actively support countries that have run into payment difficulties.

Yet we should not forget that, at the same time, the international institutions have decided to increase funding from the international financial institutions – the International Monetary Fund (IMF), the World Bank and development banks – by USD 1 100 billion. This means we have a dual instrument. Europe has contributed to increasing this funding whilst also assuming its own responsibility. Against this background, the draft resolution on which we in the Committee on Economic and Monetary Affairs voted yesterday evening on the basis of compromise proposals is also suited to the adoption of Parliament's requests, requirements and demands of the Commission and of the competent Council in this regard for future legislation.

In this connection, there is a legal issue with regard to the Eurobonds and Article 100, which is binding on only the euro area. If we consider that there is no legal basis for Eurobonds in the Treaties at present, we are on the right track. On the other hand, however, the Commission must be given the task of examining the



conditions required to make such measures possible in the first place. I regard this as a responsible course of action.

Therefore, our group will be supporting the proposal as a whole – both the proposal for a regulation and the motion for a resolution. We hope that this does not mean Europe embarking on some sort of additional financing responsibility that would shoot any budget to pieces. Therefore, the limit of EUR 50 billion is completely justifiable at present. If new challenges should present themselves, we shall not be able to close our eyes to them.

**Dariusz Rosati (PSE).** – (PL) Mr President, I would like to express emphatic support for the Commission's proposal to double the amount of financial aid permissible for new Member States which are not in the euro zone. I would like to congratulate the Commission on its quick reaction, and also to thank our rapporteur, Mrs Berès.

The present crisis has shown beyond all doubt that new Member States which do not belong to the euro zone can be very vulnerable to fluctuations in financial markets, often through no fault of their own. It has been said here that European Union aid should originate from the principle of solidarity. I agree entirely with this, but I would like to add that it is also required by the fact that the crisis did not arise in the new Member States and they are not responsible for the turbulence in the financial markets, and so giving them aid is fully justified.

At the same time I would like to add that irrespective of whether the proposal is appreciated and supported or not, the most effective method to eliminate similar threats in the future is to allow these countries to enter the euro zone as quickly as possible. This will be less expensive and will give the European Union greater stability.

**Edit Herczog (PSE).** – (HU) Mr President, Commissioner, Mrs Berès. We are unable to predict the duration and magnitude of the crisis, but we are constantly monitoring it. Even if we are unable to tackle the crisis *ex ante*, we must try to keep the response time to a minimum and achieve the maximum degree of transparency, democracy and efficiency. On the subject of time, we are dealing with the crisis like the Greek god, Cronos: the time spent handling the crisis is swallowing up its own children. We will become victims of the crisis if we are unable to take quick, effective action. The European institutional system must assume the role of Rhea, Cronos's wife, which means we have to get the better of Cronos, in other words, make the most of the time for dealing with the crisis. I would like to thank the European Parliament, the European Commission and the European Council for their joint decision in favour of boosting solidarity and efficiency. However, since Mr Becsey has brought up domestic political matters, I would also like, if I may, to draw attention to the fact that while tackling this crisis, it is the duty of MEPs to work together in national parliaments. What we need is not division between the government party and the opposition, but help from every party involved in managing the crisis. This applies to my country, Hungary, and to every other country too.

**Theodor Dumitru Stolojan (PPE-DE).** – (RO) I would like to thank the European Commission, the Council and European Parliament for the efficiency with which they have devised this measure. Many Member States which are not part of the euro zone will benefit from this top-up to the intervention fund for balance of payment requirements, including Romania. Without this measure, the situation triggered by the economic and financial crisis would have been much more difficult in these Member States outside the euro zone. Given also that it has been shown once again that the Member States which use the euro have weathered the financial crisis better, I would suggest that in the memoranda of understanding which will be signed between the Commission and Member States to be able to use these funds, Member States should be reminded, especially the new ones, that they have an obligation to take every measure to join the euro zone.

**Andrzej Wielowieyski (ALDE).** – (FR) Mr President, Commissioner, I wholeheartedly support Mrs Berès's report, and I note that the very fact that we already have the G20 instead of the G8 is a considerable step forward.

I believe that the positions adopted in London, especially by the Europeans, are reasonable, but we must not stop there. It is not just a question of being able to monitor the markets and hedge funds better, or of supporting our balances of payments and the economy with billion-dollar cash injections.

The international monetary system is not working properly because we do not know exactly how much goods and services cost in the various countries. We therefore need to go further and to give thought to the idea of introducing an international currency or, at the very least, of creating a common political system bringing together a few main currencies.

China, Russia, many developing countries, but also the new members of the Union – we all need stability and ground rules.

However, Commissioner, that also depends on us, the Union.

**Margarita Starkevičiūtė (ALDE).** – (LT) I would like to draw attention to an unpleasant fact which is hiding behind fine words. In reality, Europe is now split in two: the euro zone and the non-euro zone. An hour ago we discussed the control of financial markets; it is obvious that the aim is to ensure the movement of capital and the activities of financial groups uniformly throughout the whole of Europe. This means macroeconomic management is left in national hands and if there are problems, countries are left to solve those problems themselves. This is not the sort of attitude that will help us strengthen the common market. We need common macroeconomic management and this will be achieved if we support the proposal of the de Larosière Group. However, we need this macroeconomic management on a European scale, not just within the euro zone, and we need it now. I think that one of the European Parliament's proposals for the ECOFIN meeting should be to discuss macroeconomic management not just on the basis of the euro zone, but at European Union level.

**Charlie McCreevy, Member of the Commission.** – Mr President, Mr Becsey raised the question of the conditionality attaching to loans. Let me just say that conditions are discussed with governments and with all Member States within the Council, so they are not imposed unilaterally.

A number of speakers raised the question of the legal base on which this particular provision has been made. The use of Article 100 as the basis for a new instrument on EU balance of payment assistance has been considered by the Commission. However, due to the urgency of the matter and to ensure continuity, it has been fair to stick to the current legal instruments and limit the revision of Regulation (EC) No 332/2002, establishing a facility providing medium-term financial assistance for non-euro-area Member States to a minimum, i.e. to the increase in the ceiling as agreed by the European Council, and to some necessary technical improvements that appear necessary on the basis of the experience gained with the implementation of the balance of payments facility since last autumn. A number of speakers raised that particular point.

Let me once again thank the European Parliament for the efficient way that it has dealt with this particular file.

**Pervenche Berès, rapporteur.** – (FR) Mr President, it is true that we would at times like the Commission to show the same sense of responsibility and effectiveness as the European Parliament.

I would say to Mr Becsey that, in my view, the resolution on which we are going to vote in this House clearly underlines the issues involved in membership of the euro zone, as well as the importance of bringing the concept of solidarity to life within the European Union, and that is one of the reasons why we strongly support this proposal.

Commissioner, on the matter of Article 100, the problem is not one of knowing whether Article 100 is going to be used here, but of knowing whether we in the European Union are finally providing ourselves with all the tools to tackle the reality of this crisis and its potential future developments.

We believe that the Commission must implement the secondary legislation so that, in future, it may be able to use Article 100 in order to tackle problems within the euro zone for which the EUR 50 billion to be voted on today could not be used.

That is the spirit of the European Parliament's position, and I hope that the Commission will hear this message, whether it be on the arrangements, on the complete set of tools required to tackle this crisis, or on the conditions for drafting the memorandums and on the conditionality of these loans in the negotiations with the Member States concerned.

**President.** – I have received a motion for a resolution<sup>(1)</sup> pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Friday 24 April.

(The sitting was suspended at 11.20 a.m. and resumed at 12 noon)

---

<sup>(1)</sup> See Minutes.

**IN THE CHAIR: MR PÖTTERING***President***6. Voting time**

**President.** – Ladies and gentlemen, I should like to welcome you all most warmly. I am particularly pleased that we are joined by Czech Minister for Foreign Affairs, Mr Karel Schwarzenberg. Mr Schwarzenberg, I wish you a very warm welcome to the European Parliament.

*(Applause)*

The next item is voting time.

*(For results and other details of the vote: see Minutes)*

**6.1. Parliament's calendar of part-sessions - 2010****6.2. Agreement between the EC and Pakistan on certain aspects of air services  
(A6-0188/2009, Paolo Costa)****6.3. Accession of the EC to UNECE Regulation No 61 on uniform provisions for the approval of commercial vehicles (A6-0243/2009, Helmuth Markov)****6.4. Animal health conditions governing the movement and importation from third countries of equidae (A6-0248/2009, Lidia Joanna Geringer de Oedenberg)****6.5. Trade arrangements applicable to certain goods resulting from the processing of agricultural products (A6-0249/2009, Lidia Joanna Geringer de Oedenberg)****6.6. Coordination of social security systems (A6-0207/2009, Jan Cremers)**

*– Before the vote:*

**Jan Cremers, rapporteur.** – (NL) I can be very brief. We discussed the first reading of this dossier less than a year ago. At that point we, as Parliament, pleaded for better provision of information to the employees involved or European citizens who move freely. At the European Parliament's instigation, after the Council of Ministers had determined its position, negotiations started, which we managed to bring to a successful conclusion.

I should, above all, like to say a word of thanks to my fellow Members, and Jean Lambert in particular. We managed to work well with the European Commission. The Czech Presidency also recognised the significance of this dossier, and I think we achieved a sound result, not least for everyone who wants to move freely in Europe. I should like to leave it there.

**6.7. Coordination of social security systems: implementing Regulation  
(A6-0204/2009, Jean Lambert)**

*– Before the vote:*

**Jean Lambert, rapporteur.** – Mr President, I wish to begin by thanking all colleagues who have been involved in this over the last five years and the Commission and the Council for their work on this implementing regulation.

The coordination of social security systems has been in place since 1971 – it is not new, as some thought the last time we discussed it – and it is this regulation that will be discussed in the context of the cross-border health-care debate on Thursday morning. This is *the* regulation to which that refers, and this is the implementation of it.

We believe we have made considerable progress, not least in terms of the electronic means of communication, which hopefully will speed up the process for all citizens, but we in Parliament believe that we have added to citizens' rights within this process, that they are now entitled to much more information, not least in the case of those who have been posted for work purposes. We also believe we have made minimal progress on deadlines – although that is something that rests with the Member States.

This is important: it now means we can bring in the updated regulation and, hopefully, this will work more rapidly and in the best interests of all citizens. Again, I would like to thank all colleagues who have been involved in this long, difficult but, hopefully, very fruitful outcome.

(Applause)

#### **6.8. European metrology research and development programme (A6-0221/2009, Erika Mann)**

– *Before the vote:*

**Erika Mann, rapporteur.** – (DE) Mr President, ladies and gentlemen, the reason we are able to conclude this procedure at first reading is that we have succeeded in bringing about excellent cooperation across the group divide and with the other institutions. For this, I should like to offer particular thanks to my fellow MEPs, the Council, the Commission, the secretariat of the Committee on Industry, Research and Energy, the European Economic and Social Committee and, of course, the large body of researchers behind it all.

We now have within reach concerted European research, in the context of future cooperation between the 22 National Metrology Institutes. This will introduce substantial Europeanisation into the important field of measurement. In addition, there is to be enhanced cooperation in future involving the five Member States not yet participating in this integration. We have achieved this by means of Article 169, which we apply when coordinating national and European research funding. Each amounts to EUR 200 million, and this will enable us to achieve cooperation between the nation-states.

Research in the field of measurement covers a wide range of fields, from diabetes to the nanotechnology or space fields, and will be important to the whole field of standard setting in relation to CO<sub>2</sub> in future. So, then, I wish to reiterate my particular thanks to everyone involved. I hope that this will lead to enhanced European cooperation in this very important research area in future.

#### **6.9. Timber and timber products (A6-0115/2009, Caroline Lucas)**

#### **6.10. Minimum stocks of crude oil and/or petroleum products (A6-0214/2009, Miloslav Ransdorf)**

#### **6.11. Critical Infrastructure Warning Information Network (CIWIN) (A6-0228/2009, Luca Romagnoli)**

#### **6.12. European Network for the Protection of Public Figures (A6-0193/2009, Gérard Deprez)**

#### **6.13. National restructuring programmes for the cotton sector (A6-0200/2009, María Isabel Salinas García)**

– *Before the vote:*

**Charlie McCreevy, Member of the Commission.** – Mr President, since the adoption of the new cotton reform by Council in June 2008, much work has been invested in setting up restructuring programmes in the main cotton-producing Member States.

This proposal is the Commission's response to the Council's invitation to propose adjustments to the framework for these restructuring programmes. The main modification concerns the possibility of introducing

an eight-year, instead of a four-year, programme, which would allow for more substantial restructuring operations.

The Commission thanks the rapporteur for the support given to the Commission proposal.

**President.** – We are pleased when the Commission praises our work; this should always be the case.

#### **6.14. Protocol on the Implementation of the Alpine Convention in the field of Transport (A6-0219/2009, Reinhard Rack)**

– *Before the vote:*

**Reinhard Rack, rapporteur.** – (DE) Mr President, the accession of the EU to the Transport Protocol of the Alpine Convention is a small but perfectly formed piece in the jigsaw of a new transport policy in Europe. We are still left with the subjects of the efficiency, fluidity and safety of transport, and to these we are adding concerns relating to the people living near, and the environment surrounding, the routes. This sends out an important message. Particularly after a 15-year membership of this European Union, we Austrians feel reassured by the fact that it was we who introduced our European Community to a great many of these concerns, and that this has led to Europe taking on these concerns.

Many thanks to all the Members who contributed to this.

#### **6.15. Draft amending budget No 2/2009 (A6-0192/2009, Jutta Haug)**

#### **6.16. Draft amending budget No 3/2009 (A6-0194/2009, Jutta Haug)**

#### **6.17. Request for defence of the immunity of Aldo Patriciello (A6-0196/2009, Aloyzas Sakalas)**

#### **6.18. Request for defence of the immunity and privileges of Renato Brunetta (A6-0195/2009, Aloyzas Sakalas)**

#### **6.19. Request for consultation on the immunity and privileges of Antonio Di Pietro (A6-0197/2009, Aloyzas Sakalas)**

#### **6.20. Request for waiver of the immunity of Hannes Swoboda (A6-0190/2009, Klaus-Heiner Lehne)**

– *Before the vote:*

**Hannes Swoboda (PSE).** – (DE) Mr President, I just wanted to make known that I shall not be participating in this vote.

#### **6.21. Control of the budgetary implementation of the Instrument for Pre-Accession Assistance (A6-0181/2009, Rodi Kratsa-Tsagaropoulou)**

#### **6.22. Effective enforcement of judgments in the EU: the transparency of debtors' assets (A6-0252/2009, Neena Gill)**

#### **6.23. Annual report on the deliberations of the Petitions Committee 2008 (A6-0232/2009, Mairead McGuinness)**

#### **6.24. Gender mainstreaming in the work of committees and delegations (A6-0198/2009, Anna Záborská)**

## **6.25. Common rules for the internal market in electricity (A6-0216/2009, Eluned Morgan)**

– *Before the vote:*

**Eluned Morgan, rapporteur.** – Mr President, Parliament has moved from its first-reading position on the Electricity and Gas Directive. I would just like briefly to explain why.

The report as it stands is far from perfect, but we believe that we have made substantial gains for energy consumers in the European Union. We have put the issue of energy poverty onto the European agenda for the very first time and we have ensured the independence of the national regulatory authorities and given them an increased role to police the new system.

We would like, however, to encourage the Commission and, in particular, the competition authorities to continue their work in ensuring that companies that own both generation and transmission systems play by the rules and do not abuse their positions.

I would like to thank colleagues for all their help over the years.

## **6.26. Agency for the Cooperation of Energy Regulators (A6-0235/2009, Giles Chichester)**

## **6.27. Access to the network: cross-border exchanges in electricity (A6-0213/2009, Alejo Vidal-Quadras)**

## **6.28. Internal market in natural gas (A6-0238/2009, Antonio Mussa)**

## **6.29. Conditions for access to the natural gas transmission networks (A6-0237/2009, Atanas Paparizov)**

## **6.30. European public administrations ISA: interoperability solutions (A6-0136/2009, Dragoş Florin David)**

## **6.31. Machinery for pesticide application (A6-0137/2009, Leopold Józef Rutowicz)**

– *Before the vote on Amendment 39:*

**Leopold Józef Rutowicz, rapporteur.** – (PL) In July 2006 the Commission presented a strategy the objective of which was to reduce the general risk and adverse impact of pesticides on human health and the environment. The last element of that strategy is the proposal for a directive on machinery for pesticide application, amending Directive 2006/42/EC on machinery. The directive sets out the requirements with which the machinery for application should comply in order to limit the adverse effects of pesticides on the environment, the operator and the surroundings. Establishing these requirements will reduce the differences between regulations and the procedures followed in some countries of the Community concerning the application of pesticides, ensure a uniform level of environmental protection in the Community, and enable free flow of these machines in the EU market, which is especially significant for small and medium-sized enterprises, which are most often the producers of this type of equipment.

The draft of the proposal and suggested amendments were the subject of discussion during workshops, at meetings with representatives of the Council, the Commission, shadow rapporteurs and interested parties, and during tri-partite talks. In view of the large technical differences between different types of machine — from simple, hand-operated ones to those operated by qualified personnel — some of the amendments were not adopted and it was decided that they will be contained in standards developed by the European Committee for Standardization at the request of the Commission. Thanks to this a consensus was achieved, Amendment 39 was adopted, and this position has been confirmed by the Council.

I would particularly like to thank the shadow rapporteurs, representatives of the Commission and the Council, the administration of the Committee on Internal Market and Consumer Protection and interested parties for

their help and cooperation. I propose adoption of the directive, which will contribute to increased protection of the environment, operators and their surroundings when applying pesticides.

**Charlie McCreevy, Member of the Commission.** – Mr President, the Commission would like to thank the rapporteur, Mr Rutowicz, for his work and efforts in processing this proposal.

The Commission welcomes compromise Amendment 39 and is looking forward to the rapid adoption of the proposal along those lines.

The Commission would like to make the following statement: ‘To support the essential requirements included in Section 2.4 of Annex I, the Commission will mandate CEN to develop harmonised standards for each category of machinery for pesticide application, based on the best available techniques for preventing unintended exposure of the environment to pesticides. In particular the mandate will require the standards to provide criteria and technical specifications for the fitting of mechanical shielding, tunnel spraying and air-assistance systems for spraying for preventing contamination of the water source during filling and emptying and precise specifications for the manufacturer’s instructions to prevent drift of pesticides, taking account of all the relevant parameters, such as nozzle pressure, boom height, wind speed, air temperature and humidity, and driving speed.’

### **6.32. Fuel efficiency: labelling of tyres (A6-0218/2009, Ivo Belet)**

### **6.33. Amendment of Regulation (EC) No 717/2007 (mobile telephone networks) and Directive 2002/21/EC (electronic communications) (A6-0138/2009, Adina-Ioana Vălean)**

– *Before the vote:*

**Adina-Ioana Vălean (ALDE).** – Mr President, this is a minor modification requested by the Council in order to remove an inconsistency about the exchange rates applicable for SMS caps and the cut-off limit. Therefore, as agreed with the Council, the following text should be added at the end of Article 1(4) of the original regulation, which is Article 1, point 2(b), of the amending regulation: ‘The same reference exchange rates shall be applied to annually revise the value of the charges governed by Articles 4a, 4b and 6a(3) where these charges are denominated in currencies other than the euro.’

*(The oral amendment was accepted)*

### **6.34. Reporting and documentation requirements in the case of merger and divisions (A6-0247/2009, Renate Weber)**

– *Before the vote on the amended resolution:*

**Charlie McCreevy, Member of the Commission.** – Mr President, the Commission welcomes the adoption of the Weber report endorsed in the compromise text on simplified reporting and documentation requirements in the case of mergers and divisions of public limited liability companies. Even though the Commission had gone even further in its original proposal, this will maintain a very significant part of the savings potential of the original Commission proposal, which amounts to EUR 172 million per year.

The agenda on administrative burden reduction is advancing, and this will contribute to the potential for growth and help Europe on the way to recovery.

### **6.35. Insurance and reinsurance (Solvency II) (recast) (A6-0413/2008, Peter Skinner)**

– *Before the vote:*

**Charlie McCreevy, Member of the Commission.** – Mr President, I would like to express my appreciation and admiration for the efficient handling of the Solvency II file by the European Parliament and for your willingness to compromise.

With Solvency II, the EU will have a modern framework for insurance supervision, which will then be official for the insurance industry and for policyholders.

I personally regret the deletion of the group support regime, because it is a missed opportunity to make further progress in group supervision. However, the Commission will support the agreement between Parliament and the Council if it is endorsed by your vote.

This, of course, is not the end of the story. Much work remains to be done: implementing measures will need to be in place some time before October 2012 in order to give the Member States and the industry enough time to prepare for the introduction of Solvency II.

I can assure you that the Commission will play its role in order to facilitate this process and to put these long overdue reforms into practice as soon as possible in the interests of all parties concerned.

### 6.36. Interim Trade Agreement with Turkmenistan

– *Before the vote:*

**Karel Schwarzenberg**, *President-in-Office of the Council*. – Mr President, let me remind you that the Council has always examined the opinions and resolutions of Parliament with great interest and attention. At the same time, the Council has taken the issue of human rights very seriously, as evidenced in the contractual relations of the European Union with countries in various parts of the world.

Under the Cotonou Agreement, a treaty between the European Union and the group of African, Caribbean and Pacific States, there have been more than 15 cases since 1995 when the Community has partially or fully suspended the application of agreements in relation to some of the countries for non-execution of obligations relating to the human rights clause.

You will certainly also know about the sanctions the Council imposed on Uzbekistan following the Andijan events in 2005. Of course, much remains to be done in the field of human rights and respect for the rule of law and democracy in Turkmenistan.

We will continue to push, in particular, for the release of all political prisoners, for free access of the International Committee of the Red Cross to prisons, for lifting of the restrictions on foreign travel and for freedom of the media in civil society. We are committed to taking appropriate measures in conformity with the agreement, including, if necessary, the suspension of the agreement with Turkmenistan, in case of a violation of human rights, as stipulated in the agreement.

**Charlie McCreevy**, *Member of the Commission*. – Mr President, the Commission has carefully taken note of Parliament's concerns about the democracy and human rights situation in Turkmenistan. We welcome the statement in the joint draft resolution that the conclusion of an interim trade agreement would be a good first step that will allow us to engage more with Turkmenistan in order to promote further positive developments and cooperation.

The Commission is aware of Parliament's concerns regarding the possibility of suspending the agreements. I recall the statement by my colleague, Ms Ferrero-Waldner, at the debate last month that both the Interim Trade Agreement (Article 1) and the PCA (Article 2) contain human rights clauses which constitute an essential element of those agreements. As well as these provisions, Article 28 of the ITA and Article 94 of the PCA will enable each side to take appropriate measures in case of grave violations of the agreements. In the Commission's view, these measures could also include the suspension of the agreements.

The Commission undertakes to monitor closely the human rights situation in Turkmenistan, together with Member States, and to report on a regular basis to the appropriate bodies of Parliament. Should Parliament recommend taking measures in the light of reported grave violations of essential elements of the Interim Trade Agreement, especially with regard to human rights, the Commission will seriously consider duly reflecting Parliament's recommendations in its proposal to the Council.

**Harlem Désir (PSE)**. – (FR) Mr President, the declarations by the President-in-Office of the Council and the Commissioner are very interesting since they prove the European Parliament right in calling for the signing of a new trade agreement with Turkmenistan to be linked to respect for human rights. The latter is a fundamental principle for trade agreements made by the European Union.



However, given the huge number of human rights violations in that country, even now, I believe that the best way to establish this philosophy is to start by postponing this new trade commitment that you are proposing to us, and thus not to give our assent, which we are being asked to give today.

**Helmuth Markov (GUE/NGL).** – (DE) Mr President, I should like to say that, in its debate and its papers, Parliament has called on both the Commission and the Council to state that, if Parliament were to call for this agreement to be suspended or revoked, they would do so.

The statements were very different. The President-in-Office of the Council expressed no opinion at all as to how the Council would react if Parliament were to call for this. The Commissioner merely replied that the Commission would give some thought to what it would do if Parliament made this request. My point is that Parliament's demands have in no way been met by either the Commission or the Council, and therefore I can only recommend that we now withhold our support for this.

(Applause)

**Daniel Caspary (PPE-DE).** – (DE) Mr President, ladies and gentlemen, we have now been debating the subject of Turkmenistan for three-and-a-half years in various committees in this House. There are European Treaties by which Parliament, too, must abide, even if we do not always like it.

Today, we have managed to obtain, in the Council and Commission statements, the assurances that are possible within the framework of the European Treaties. The Commission and the Council have agreed to seriously consider following Parliament's lead when it delivers opinions and possibly even calls for the suspension of the agreement.

As we all know, unfortunately, this is all Parliament can hope for within the scope of the European Treaties. There is one mistake we should not make, and that is to hold our relations with a country hostage in order to obtain more power for the European Parliament. I urge you to recognise the statements by the Council and the Commission. That was all that could be hoped for. Against this background and in these circumstances, I would ask you to support the signing of the agreement.

**Daniel Cohn-Bendit, on behalf of the Verts/ALE Group.** – (DE) Mr President, if that was not on behalf of the group, I move adjournment on behalf of the Group of the Greens/European Free Alliance.

(The request for referral back to committee was rejected)

### **6.37. Interim Agreement with Turkmenistan (A6-0085/2006, Daniel Caspary)**

### **6.38. Community framework for nuclear safety (A6-0236/2009, Gunnar Hökmark)**

### **6.39. Community control system for ensuring compliance with the rules of the Common Fisheries Policy (A6-0253/2009, Raúl Romeva i Rueda)**

### **6.40. Conservation of fisheries resources through technical measures (A6-0206/2009, Cornelis Visser)**

### **6.41. Common Immigration Policy for Europe: Principles, actions and tools (A6-0251/2009, Simon Busuttil)**

### **6.42. Green Paper on the future of TEN-T policy (A6-0224/2009, Eva Lichtenberger)**

## **7. Explanations of vote**

### **Oral explanations of vote**

#### **- Parliament's calendar of part-sessions - 2010**

**David Sumberg (PPE-DE).** - Mr President, you might think that, because I am leaving this Parliament in July, I should have no views at all on the programme for Parliament in 2010. But I would be failing those

who sent me here for the last 10 years if I did not use this opportunity as a protest against holding this Parliament in Strasbourg at all. It is a scandalous waste of taxpayers' resources. There is no reason for it: there is an adequate Parliament building in Brussels. When I mention this to people in the United Kingdom – the expense and the trouble that everyone goes to to come here – they are absolutely astounded, particularly in a time of economic stringency, that we should pursue the habit. The time has come to end the Strasbourg farce, to ensure Parliament operates only in Brussels and make a real contribution to saving public money for better reasons to spend it on.

### IN THE CHAIR: MR COCILOVO

*Vice-President*

**Christopher Heaton-Harris (PPE-DE).** - Mr President, each year the Conference of Presidents tables different amendments to try to ensure that we spend more time in Strasbourg than we should. In fact we spend more time in Strasbourg than anybody out there really appreciates, because just getting to this place involves almost a day of travel for most people. We should not be choosing to come to Strasbourg at all.

The one extra right I would like this Parliament to have is the right to choose where it sits. My colleague, Mr Posselt, recognises there is some local advantage to politicians who live close to this place. However, it is not easy for all of us just to commute across the border from Germany. To get constituents here – people who want to visit to see how this Parliament works – it takes over a day. We have perfectly good facilities in Brussels. We should not be voting to extend the time we spend in Strasbourg: we should be voting to get rid of it.

#### - Report: Mairead McGuinness (A6-0232/2009)

**Daniel Hannan (NI).** - Mr President, I have just one issue to raise here, which is the scandalous saga of the land-grab laws in Spain, which has been before the Committee on Petitions in one form or another these past six years. Throughout this House all of us will have constituents, whatever our nationality, who have been suffering from abuses under the urbanisation law in the Spanish Costas, as indeed thousands of Spanish citizens are.

The attempts to bring this matter to judgment in this House have been shamefully frustrated by a number of Spanish deputies in both parties, and I would particularly appeal to my colleagues in the Spanish Partido Popular to remember the importance of the sanctity of property. They of all people should understand – knowing their history and knowing what happened in the Second Republic, when ownership was not secure – how important it is that people should feel that their title deeds are not up for violation by state abuses.

#### - Report: Anna Záborská (A6-0198/2009)

**Hannu Takkula (ALDE).** - (FI) Mr President, first of all I want to say that Mrs Záborská's report adopts the right approach. It is very important that equality can be implemented in Parliament's various roles, be they committees or delegations.

It is also very important that when candidate lists are compiled for the European Elections, they can also contain as many female as male candidates.

We need one another, and I hope things will develop in a direction where, one day, gender no longer plays such a big role as skills and expertise. When Parliament takes its decisions, it is most important that we have skilled and expert people – both men and women – in the committees. That way everyone will have a common, clear view on how to build a better future and a better Europe using knowledge and skills.

#### - Report: Eluned Morgan (A6-0216/2009)

**Daniel Hannan (NI).** - Mr President, there are enormous savings to be had by the creation of a common European grid. Somewhere in Europe, at any given moment, there is surplus electricity, and breaking down national barriers will substantially reduce our dependence on imported energy sources. Unfortunately, though, that kind of model of integration – a free-market, decentralised, organic one – is not what we have been voting on in our series of reports today. We are instead going down this road towards harmonisation, towards fixed prices, towards protection, towards a common negotiating position vis-à-vis Russia and other third parties. It is a basic ideological difference in the European Union between a free market based on mutual product recognition and a harmonised market based on the reduction of consumer choice, the protection of producers and the regulation of authority.

I think there are particular dangers for a country like Britain. We were, until two years ago, the EU's only net energy producer. Even now we are roughly in equilibrium. A common energy policy could end up being for us like the common fisheries policy, one where we are the only country putting a substantial amount into the common pot, from which all others are then drawing on an equal basis.

**Syed Kamall (PPE-DE).** - Mr President, before I go further I would just like to pay tribute to the rapporteur, Mrs Morgan. I know she is about to leave this place and, though we do not always agree on issues, I think everyone will agree that she has done a tremendous amount of work on this report.

We all know, if we look at the history of liberalisation in the EU, that telecoms liberalisation has been a great success, offering choice, lower prices and better services to consumers right across the EU. It is a shame that the postal market and the energy market, in particular, have lagged behind in this respect. This is certainly a few steps in the right direction, but we still need to sort out the problem of network unbundling and also access to other markets.

It is not right that some markets, such as the UK market, remain open to competition, whereas companies in Germany and France are able to access the UK market, yet prevent companies from the UK and other countries accessing their own market. The time for protectionism is over. It is time to have more faith in the market.

**- Report: Ivo Belet (A6-0218/2009)**

**Hannu Takkula (ALDE).** - (FI) Mr President, first of all I would like to say that Mr Belet's report is excellent. It is very important that we make sure we are being energy friendly, saving energy and acting efficiently in every way – in transport and in other areas.

This is what we should also be aiming for in the case of tyres. This specific report talks about transport and tyres, but it is important to remember that safety is the most important issue and something that must never be compromised.

In this matter we need to find the right sort of balance. Energy efficiency in tyre manufacture must not be allowed to override safety. In other words, if we want to guarantee energy efficiency and increase it, at the same time we have to ensure that safety is not undermined in the slightest, because on motorways, small roads and everywhere, safety must be the priority and main objective as we develop transport in Europe.

**- Report: Adina-Ioana Vălean (A6-0138/2009)**

**Hannu Takkula (ALDE).** - (FI) Mr President, first of all I wish to thank the rapporteur, Mrs Vălean, for her excellent report. It is very important that we get to a situation in the future in Europe where the costs of mobile phone calls throughout Europe can be lowered and become uniform across the internal market.

At present, the problem is of course that, when we go from one country to another, we often have to purchase new subscriptions, or if we do not purchase a new one, we have to pay very high charges.

It is important that, while there is free movement of people and labour and a common economic space is being built – something which should in fact be in operation at Union level – a coherent system for mobile charges should also be established. That would be in the interests of the public.

The European Union must act in a way that gives priority to the interests of the public, and if we want to we can act to ensure that prices for voice calls come down.

**Syed Kamall (PPE-DE).** - Mr President, as the rapporteur of the Committee on the Internal Market and Consumer Protection on this report, I am very proud of the work that we did in introducing more transparency. One of the big problems for many years has been the issue of bill shock for a number of consumers when they return home to find a larger than expected bill.

However, if we look at the rest of the report, and particularly the issue of price caps, I think we should recognise that, without this regulation, prices have been falling anyway. The Commission itself admits, on its own figures, that most consumers do not roam: 70% of consumers do not roam at all during a year. The level for regular roamers is much lower. So what we are really doing is reducing call costs and data costs for a privileged few MEPs, Commission officials, European journalists and European businessmen.

Let us hope that companies, when they try to regain that revenue from elsewhere, do not start charging domestic users – and particularly the poor – more for their calls. Let us hope that we are not robbing the poor to pay for cheaper calls for the rich.

**Bruno Gollnisch (NI).** – (FR) Mr President, I welcome the report by Mrs Vălean on a subject where, for once, the European Union's powers are fully applicable.

In this field of telecommunications, I must say that the situation is at times absolutely unbearable. There is the deception of consumers who, having used a mobile telephone such as this one, which their contract told them included international calls, have a shock when they discover the cost of their bills. To give an example, this is what happened to me only recently when, having used an Internet connection two or three times in Italy one day, I received a bill from the virtually nationalised French operator Orange for EUR 1 200, and for another day spent on the very edge of the French border, between Evian and Geneva, I received one for EUR 3 000!

These are absolutely unspeakable practices that are bordering on daylight robbery, and these operators are responsible – they provide no transparency for consumers. The rules on the transparency of mobile telephone contracts within the European Union must therefore be standardised.

**Daniel Hannan (NI).** – Mr President, of course we are all in favour of lower charges when travelling abroad with our mobiles – you would have to be insane to be against that, but that is only one part of the equation. When we in this House oblige the operators to lower their roaming charges they have to find the money from elsewhere, and that will usually mean raising the charges for those who do not travel.

This is, in other words, a tax on non-travellers for the benefit of travellers. There will be teenagers in council estates in my constituency who are now facing higher charges so that a number of businesspeople, MEPs and Commissioners can talk more cheaply when abroad.

I have to say we were not disinterested parties. All of us involved in this vote stand to gain very substantially from the kind of regulations that we have been pushing through in this field over the last year. If you want to understand how power has shifted in Europe, you need only read this report. 'Who whom?', asked Lenin in perhaps the pithiest statement of political philosophy ever uttered. Who has the power, and over whom does he wield it? Well, there can no longer be much doubt over who has the power: we do – we Eurocrats.

**Inese Vaidere (UEN).** – (LV) Mr President, thank you very much for giving me the floor. I voted for this report because I think that what has been done in the sphere of mobile communications by the European Parliament is extremely important. When I remember my first days of working in Brussels, one minute talking on the phone cost three euros or more; now, thanks to these regulations, we are paying these limited amounts, and that has benefitted the European public as a whole. I would also like to point out that these roaming tariffs have been very unclear. This applies in particular to texts. While we have obtained big savings on voice calls, at times firms have made too much of a profit on texts, and this, again, was not in the interests of citizens. I think that through this directive and regulation we have made a huge advance in the defence of consumer interests, and also nowadays, now that data transmission is so very important that people receive data on their mobile phones, the fact that these tariffs have been reduced constitutes a major achievement by the European Parliament.

#### **- Report: Peter Skinner (A6-0413/2008)**

**Eoin Ryan (UEN).** – Mr President, I would like to congratulate Mr Skinner on this report. He has done an excellent job. It has been a huge undertaking but he has really delivered on this very complex piece of legislation. I would also like to congratulate the European institutions and Member States, who have brought us this successful conclusion of Solvency II.

It is a good example of how Europe must work together towards financial recovery. Burdens will be shared, as will solutions. This European approved response is a good example of a closer relationship on financial cooperation. We have to work to make sure that there is never again a banking crisis like the one we are going through at the moment.

I did notice with great interest the Commission's approval of a mortgage support scheme for UK homeowners. This scheme will allow householders who are unable to meet their mortgage repayments to defer all their principal and up to 70% of their interest payments for a period of two years. We should carefully follow the

progress of this scheme and learn from and implement any effective measures that would ease the burden we carry.

I think this is something that all Member States can look at, but I also think that financial institutions in Member States themselves could make it easier for people to move to interest-only mortgages if they found themselves in difficulty. The financial institutions, considering the support that they have from Member State governments, could do a lot to help people who are under stress because of the recession.

**- Report: Gunnar Hökmark (A6-0236/2009)**

**Christopher Heaton-Harris (PPE-DE).** - Mr President, before I start on my explanation of vote, I would just like to congratulate my colleague, Mr Kamall, who has just made his 100th speech in plenary. Some will be surprised that it has taken this long! But it is good to have him in the centurion club.

I voted for the Hökmark report for all sorts of reasons. Mainly because, well, who could be against nuclear safety? And, I guess, if you are going to talk about nuclear safety and how we provide energy for the future, we would want it to be provided as safely as possible and disposed of as safely as possible. But, equally, I voted for this mainly because I want there to be more nuclear power provided in the future – more in the UK – because I am sick to death of seeing windmills and wind turbines pop up across beautiful parts of the European countryside, which add nothing to any of our national grids – in fact they cause extra harm to the national grids – and do not provide renewable energy: they just provide a slightly alternative energy for a short period of time. I am all for nuclear safety and all for nuclear energy.

**- Report: Raúl Romeva i Rueda (A6-0253/2009)**

**Jim Allister (NI).** - Mr President, the crass proposal by the Commission, in its original proposition, that they should control recreational fishing and require returns and licensing and everything else that goes with such bureaucracy, was one of the those proposals which, quite rightly, stirred huge opposition, not just in that sector, but amongst those who take an interest in matters pertaining to fishing and to EU bureaucracy.

I am therefore glad that, today, Amendment 48 has been approved. This at least goes some way to restoring the proper discretion of the Member State as to whether to take any steps in relation to the licensing and the recording of recreational fishing, leaving it to Member States to judge whether there is any impact – when in most Member States there is not – on the product of fish take from recreational fishing. So I am glad that the Commission has been rebuffed on this proposition and that what started out as bad has been somewhat ameliorated.

**Daniel Hannan (NI).** - Mr President, after 10 years in this Parliament I did not think anything could surprise me any more, but I was shocked by the fatuity of the proposal of extending the common fisheries policy to recreational sea anglers, requiring them to log every catch and count it against their national quota.

The proposal has not been deleted, although it has been substantially bettered largely thanks to a long and gruelling war of attrition fought in committee by four gritty and patriotic Scots representing the main parties of that country: Mesdames Attwooll and Stihler, and Messieurs Stevenson and Hudghton. I also want to pay tribute to Northern Ireland's best friend in the European Parliament, Jim Allister, who is a great champion of the interests of both communities and traditions in his province.

The problem here was enforcement. The problem was that people were not enforcing existing law. Our instinct in this Parliament is always to legislate, rather than use the legal arsenal already at our disposal. I wish that we would apply – more widely than just in the field of fisheries – the principle that the best thing is not always to pass a new law until you have completely exhausted the legal powers that you already have.

**Catherine Stihler (PSE).** - Mr President, the vote today on the Romeva report should, I hope, reassure European anglers that their concerns have been recognised. Amendments 7 and 11 passed without opposition; Amendment 48 passed by 608 votes to 37; Amendment 49 passed by 580 votes to 54; Amendment 50 was widely supported; Amendment 2 passed as it was part of a block vote with Amendments 7 and 11; Amendment 92 fell and Amendment 93 also fell, which was what the angling community were asking for.

The next step will really be how the Council will deal with the rewording of Article 47. Will they take on board Parliament's rewording or will they take a different approach? It is a shame no one from the Council is here to answer that question. But today's launch of the green paper on reform of the common fisheries policy gives us all an opportunity to change the common fisheries policy, and I hope Members will take the opportunity to circulate the green paper to as many constituents as possible to make their voice heard.

**- Report: Cornelis Visser (A6-0206/2009)**

**Syed Kamall (PPE-DE).** - Mr President, thank you very much. It feels quite a milestone – sorry, was that millstone or milestone? – to have reached.

This report has an interesting title: 'The conservation of fisheries resources through technical measures'. Because I really have to say, if we really want the best technical measure to conserve fishing stocks, it is not to be found in the common fisheries policy. The results are there: the common fisheries policy has been a failure when it comes to conserving fishing stocks. It is time – and long overdue – that we look at results around the world that have worked.

Let us look at the example of Iceland, where they have come up with property-based solutions and rights that can be handed down. Let us look at the example of New Zealand, where rights to fishing grounds have been handed on from generation to generation. In both cases it shows that, if you trust the market, you trust the rule of law and you trust property rights, more often than not that will find a better solution than some Soviet-style centrally planned scheme, such as the common fisheries policy, which has proved a disaster. It is time to have faith in the market.

**- Report: Simon Busuttil (A6-0251/2009)**

**Simon Busuttil (PPE-DE).** - (MT) A quick note to explain our group's vote, that of the European People's Party (Christian Democrats) and European Democrats, on my report on a common immigration policy. There were two votes, one on an alternative motion and the other on the report proper. We voted in favour of the former, so that we would be able to remove a paragraph that was entered by the socialist block in this Chamber that provides for the immigrants' right to vote. This is something we do not agree with, and we also voted against it at committee level.

However, it is unfortunate that this motion did not go through because, had this been the case, the paragraph would have been taken out. Instead, we voted in favour of the report as a whole because we believe that this is a good report that contains the European Parliament's comprehensive programme in the area of a common policy on immigration.

**Bruno Gollnisch (NI).** - (FR) Mr President, the principles, actions and tools of a European immigration policy: that is the vast subject-matter of Mr Busuttil's report.

The principles? The European Union will supposedly need an extra 60 million non-European immigrants by 2050, despite its millions of existing unemployed and poor citizens, its mass redundancies, and its business closures.

The actions? Giving more rights to immigrant populations, including in particular the right to vote, and providing unlimited access to Europe's territory and labour market.

The tools? So-called 'positive' discrimination or the recognition of informal qualifications, whatever they may be, whereas Europeans are required to have duly certified qualifications; the recognition of a new category of migrant, environmental migrants; and the obligation for European citizens to adapt to their inevitable submersion, as orchestrated and planned by the Eurocrats, with the complicity of this Parliament.

Instead of all this, we must, as a matter of urgency, reverse these migratory flows, reinstate the internal borders, implement a real family-focused policy to increase the European population, and impose national and European preference in all areas.

**Mario Borghezio (UEN).** - (IT) Mr President, ladies and gentlemen, I have many reservations about this report, the first of which, as was said a short time ago, concerns a provision that seems baffling at a time when Europe is facing the problem of the wages guarantee fund or indeed the redundancies of millions of workers. Providing for 60 million new immigrants to come and work in Europe is in my view an outrageous measure.

I would also like to point out, however, that while we are discussing how to regulate and organise the future of immigration, tragedies are taking place – avoided, thank God, by Italy's sense of humanity and Mr Maroni's good governance – such as what might have happened in the case of the Turkish ship *Pinar*.

What is Europe to do? In 600 cases – as Mr Maroni rightly stated – Malta, despite being funded by the European Union, has failed in its duty to take in those who travelled from the coast of North Africa and landed on their

shores. In all these cases Italy has had to intervene, although our reception centre at Lampedusa is by now well beyond its capacity, as we all know.

So, Europe, intervene, lay down some definite rules! We are asking for a substantial increase in funding for our country to enable us to address this challenge properly. Europe must wake up and regulate immigration flows seriously: we cannot go on like this!

**- Report: Cornelis Visser (A6-0206/2009)**

**Inese Vaidere (UEN).** - (LV) Thank you very much, Mr President. I wanted to express my opinion on the report by the Committee on Fisheries – the report by Mr Visser – on fisheries conservation issues. Mr President, for my country – Latvia – fisheries are extremely important, because we have 550 km of coastline. Since Latvia is represented in Europe by eight MEPs, we cannot be on all the committees, but these issues are very important both for our economy and for traditional ways of life. The current regulation, which this report also regulates, is not sufficient to protect coastal fishing. I understand that overfishing is a serious problem, but because of excessive regulation our coastal fishing is under threat, and in fact our fishermen are being driven away from our Baltic coast. I think that the European Parliament's next task should be to see that those states that directly border the sea can both preserve their traditional way of life and also, in practical terms, be engaged in fishing, since nowadays it often happens that our fishing villages are forced to buy products from large companies, fishing in distant oceans. Hundreds, even thousands, of coastal residents are losing their jobs, although for centuries this has been their main livelihood. Thank you very much.

**Written explanations of vote**

**- Report: Helmuth Markov (A6-0243/2009)**

**Rovana Plumb (PSE), in writing.** – (RO) I voted for this recommendation as accession to the United Nations Economic Commission for Europe Regulation No 61 on uniform provisions for the approval of commercial vehicles with regard to their external projections forward of the cab's rear panel (Revised Agreement) is an aim of common trade policy in accordance with Article 113 of the Treaty to remove technical barriers to trade in motor vehicles between the contracting parties.

Involvement by the Community will add weight to the harmonisation activities conducted according to this Agreement and will therefore permit easier access to third-country markets. This involvement must result in the establishment of consistency between the instruments referred to as 'regulations' adopted under the Revised Agreement and Community legislation in this area. The adoption of a regulation of this type actually means adaptation to technical progress.

**- Recommendation for second reading: Jan Cremers (A6-0207/2009)**

**Alessandro Battilocchio (PSE), in writing.** – (IT) I am voting in favour.

The European Commission has always paid great attention to ensuring the individual rights of mobile citizens, above all as regards those advantages relating to the sphere of social security. The free movement of citizens within the Community is one of their fundamental freedoms and encourages the development of the internal economy of the Member States.

That is why the Commission seeks to intensify its efforts so that EU citizens and their families can truly enjoy the rights guaranteed under current European law. While in certain sectors national legislation reserves better treatment for the Community population and their families than is required by current European legislation, no Member State has in fact correctly ratified all the directives issued on the subject.

The often ongoing breach of the fundamental rights of EU citizens to free movement on European territory is evident, above all in relation to the following situations: the right of entry and of residence for family members that are citizens of third countries, and the lack of assistance following accidents at work.

We hope that the Commission will continue its technical cooperation with the Member States, which has led to various points being identified for debate and further clarification, especially as regards abuses.

**- Report: Caroline Lucas (A6-0115/2009)**

**Avril Doyle (PPE-DE), in writing.** – I voted in favour of this report because it sends a strong signal to the next Parliament that the issue of illegal logging and deforestation must be dealt with more effectively.

This proposal is long overdue. It is estimated that approximately 20%-40% of global industrial wood production comes from illegal sources, and up to 20% of this finds its way into the EU every year. This suppresses timber prices, strips natural resources and tax revenues, and increases the poverty of indigenous people all over the world. The long-term effects are even more serious, since deforestation, of which illegal logging is a major cause, accounts for nearly a fifth of global greenhouse gas emissions.

The actual amendments in the Lucas report say that it is an offence to have or sell illegal timber only if you have been negligent, reckless or deliberate – it does not penalise companies which have fulfilled their 'due diligence' obligations. So there is no absolute need to guarantee legality placed on the companies.

**Edite Estrela (PSE), in writing.** – (PT) I voted for the resolution on the obligations of operators who place timber and timber products on the market, because illegal logging is an increasingly serious problem with very worrying environmental implications, such as loss of biodiversity, deforestation and forest degradation. In addition, it is responsible for nearly 20% of carbon emissions worldwide.

As a major consumer of timber and timber products, the European Union has an obligation to take effective action against deforestation and illegal logging, which must clearly include ceasing to provide a market for illegal timber products.

We need to adopt legislation against illegal logging so that consumers know that products have been legally sourced, so that companies complying with these rules will not be put at a disadvantage, and so that companies opting for illegal timber products will no longer find a market.

**Glyn Ford (PSE), in writing.** – I welcome Caroline Lucas's report laying down certain obligations on operators who place timber and timber products on the market. I was the draftsman for the opinion of the International Trade Committee which was adopted unanimously in committee.

For us, the best way to stop the trade in illegal timber was to strengthen requirements and obligations and enhance the legal means to prosecute possession and sales by operators placing illegal timber and timber products on the EU market as a deterrent.

We need to work together with major consuming countries such as the US, China, Russia and Japan to tackle this problem and to set up a global alert system and register of illegal logging and countries of concern using Interpol, an appropriate UN body utilising the latest satellite technology systems.

**Françoise Grossetête (PPE-DE), in writing.** – (FR) I chose to abstain from voting on the proposal for a regulation laying down the obligations of operators who place timber and timber products on the market.

While I do think it is vitally important to step up the control of timber imports at the borders of the single market, I feel that the report proposes too onerous and bureaucratic a system, which will penalise our own European forestry sectors.

Rather than imposing a complicated and costly product labelling system that would be very detrimental to the sector and to timber as a material, we should increase the checks and target the supply chain that is placing the goods on the European market, in order to combat illegal logging.

The main objective of the regulation must be to implement a new common culture of control and responsibility rather than to impose a bureaucratic and costly process for checking each product. Given the problems faced by the sector, we should not penalise timber more than other materials and energy sources with overly binding rules for placing it on the market.

**Eija-Riitta Korhola (PPE-DE), in writing.** – I stress that this regulation is a much awaited and needed regulation. Illegal logging is a problem that needs to be tackled effectively, not only for climate reasons but for environmental and social aspects as well. Still, I had to vote against this today. The report from the Committee on the Environment, Public Health and Food Safety (ENVI) has lost its focus and has expanded the scope and duties beyond the original purpose. We need to ensure that, once the timber products are imported and cleared at the single market borders, they are presumably legal and thus there is no need to introduce additional disproportionate bureaucratic and financial burden on all operators within the EU.

But the ENVI report provides for costly labelling, additional sustainability requirements, extends the definition of legality out of reach and places the burden of due diligence on all operators within the internal market. This regulation should combat illegal logging at the borders as was the original aim. But to affect all the operators in the internal market, the ones who are not using or distributing any illegally harvested timber,



hence potentially impacting their competitiveness on the global markets, is certainly not the aim of this regulation and therefore cannot be supported.

**David Martin (PSE), in writing.** – I voted for this report, which sets rules for operators placing timber on the EU market for the first time. Operators will be required to follow a 'due diligence' system so that all timber is harvested in accordance with relevant regional, national and international law. I am pleased that operators will also have to comply with sustainability criteria and laws on indigenous peoples. It is essential that there is independent third party verification of compliance, and I am glad that this report highlights this.

**Robert Sturdy (PPE-DE), in writing.** – Efforts must be taken to halt the trade in illegally harvested timber and timber products being placed on the EU market, in the interests of effective competition, sustainable development and protecting global biodiversity and the environment.

The due diligence system proposed by the Commission (which is already practised to high standards in the UK), includes measures and procedures which will enable operators to track the timber and timber products, to have access to information concerning compliance with the applicable legislation and to manage the risk of placing illegal timber and products on the EU market. This action will also provide consumers with the certainty that by buying timber and timber products they do not contribute to the problem of illegal logging and associated trade.

While we support this proposal in principle, we do not support the reinforcement of requirements to all operators as proposed by the rapporteur, which we believe introduce disproportionate bureaucratic and financial burdens on all operators within the EU. The Commission's proposal provides for flexible due diligence based on risk assessment and the analysis of evidence and is a far more effective and practical approach.

#### **- Report: Miloslav Randsdorf (A6-0214/2009)**

**Šarūnas Birutis (ALDE), in writing.** – (LT) Oil is the most important source of energy in the European Union and the economy is very dependent on its constant, reliable and accessible supply. Given our great and ever increasing dependency on the importation of oil, security of oil supply is especially important.

Oil demand within the EU will continue to increase until 2030, although only at a rate of 0.25% per year. In 2030 oil will still be the main primary source of energy in the EU and will constitute approximately 35% of all energy consumed. Given that oil supply and processing capacities cannot currently satisfy the growing demand, the situation in the market will remain tense.

These factors must be taken into consideration when developing a united and real European energy policy. Part of this policy must be the EU's ability to react to any possible sudden supply crisis. Reserves are an important factor, softening the blows of unexpected supply problems, as without oil some, or even all, sectors of the economy would grind to a halt. In this respect the possession of reserves is a matter of basic national security.

**Ilda Figueiredo (GUE/NGL), in writing.** – (PT) We voted for this report because we believe it is important to maintain minimum stocks of crude oil and/or petroleum products. The maintenance of minimum stocks is an issue of extreme economic and social importance for each country, including for its security. As a result, any kind of speculation involving these stocks must be prohibited, contrary to what has been happening. Their ownership and administration must be in public hands, in order to protect the interests of EU Member States.

However, we do not agree with the powers that this proposal for a directive gives to the European Commission, particularly the possibility for Commission departments to carry out 'checks on emergency stocks and dedicated stocks' in Member States. Countries must create stocks of these products, but the administration of these stocks and the definition of their minimum or maximum levels is a sovereign matter. We also disagree with any attempt to use the creation of these stocks as yet another justification, albeit mitigated, for a policy of interference, as might be inferred from the creation of 'a favourable climate of investment for the purpose of prospecting for, and tapping into, oil reserves inside and outside the European Union'.

#### **- Report: Luca Romagnoli (A6-0228/009)**

**Philip Bradbourn (PPE-DE), in writing.** – Whilst we favour cooperation between Member States on these issues, we believe this matter should remain one of subsidiarity and not subject to EU action.

**Carlos Coelho (PPE-DE), in writing. – (PT)** This initiative forms part of the global strategy to protect critical infrastructures. The EU's economy and the security and well-being of its citizens depend on the existence and smooth running of a series of infrastructures which provide essential services, such as health services, telecommunications, energy and transport networks, financial services, supply of food and water, and so on.

While some Member States already have robust protection measures and structures in place, in other Member States the situation is still very precarious. It is therefore vital to have a better and more efficient exchange of information and good practices, which will only be possible by setting up this information and communication system.

This system will strengthen dialogue and increase the information available on shared threats and vulnerabilities, as well as facilitate cooperation and coordination between Member States. At the same time, it will encourage the development of appropriate measures and strategies to mitigate risks and promote adequate protection, and it will also increase the security of citizens.

I also support the inclusion of a three-year review clause, which will allow the necessary improvements to be made, particularly the possibility of including a rapid alert system functionality.

**Edite Estrela (PSE), in writing. – (PT)** I voted for the proposal for a Critical Infrastructure Warning Information Network (CIWIN). Some of the Member States' infrastructures consist of physical and information technology facilities, services and assets which, if disrupted, could have a very serious impact on health, security and economic or social well-being.

Transport systems, telecommunications and energy are sectors crucial to the development of Member States and they are also increasingly interconnected, with some Member States relying on others. For this reason, it is extremely important for the development of the European Union that there is a unique system for accessing and sharing information among the different authorities on the protection of critical infrastructures, exchange of good practices and also a rapid alert system.

**Athanasios Pafilis (GUE/NGL), in writing. – (EL)** The Commission proposal on which the report has been drafted creates an information and warning network between the Member States for their public and private infrastructures which are characterised as being 'critical'.

This network is a first step towards allowing private persons, in other words monopoly companies whose installations will be characterised as critical infrastructures, to acquire competence in security matters, which today is the responsibility of the state alone.

It paves the way for working-class demonstrations which affect any 'critical' infrastructures, including private installations (for example strikes in critical sectors, such as energy, telecommunications and so forth, walkouts from factories, companies and so forth, picket lines, demonstrations and so forth) to be characterised as 'terrorist action'.

It undermines the defence and sovereignty of the Member States, it abolishes the division between their internal and external security and gives the EU a direct role and involvement in it.

Combating the 'terror threat' has been used yet again as the pretext needed by the EU to complete its reactionary institutional framework, which essentially works against the working-class and grassroots movement and safeguards the power of capital by undermining the sovereign rights of the Member States still further.

**Vladimir Urutchev (PPE-DE), in writing. – (BG)** Today the EU adopted Mr Romagnoli's report on creating a Critical Infrastructure Warning Information Network in the EU, which was not discussed during the plenary session. I think that the protection of the EU's citizens is of the highest priority in this institution and citizens must know about it.

The creation of this information network will make it possible, based on the exchange of experience and good practice between EU countries, to achieve a better understanding of and higher standards for protecting critical sites and activities which are crucially important to countries and their population.

I would like to mention that, as shadow rapporteur for the Group of the European People's Party (Christian Democrats) and European Democrats, I am pleased with the unanimous adoption by all the political groups

in Parliament of the requirement stipulated for Member States' compulsory participation in the new system, which guarantees the importance of this initiative from a European perspective.

I also express my confidence that even after the first few years of the system's successful operation, the European Commission will take the necessary measures to build on this system with additional functions, enabling the rapid distribution of urgent information about threats which have arisen affecting critical infrastructure sites in any region of the EU.

We will then end up with a complete information system which will provide greater security and protection for Europe's citizens.

**- Report: Gérard Deprez (A6-0193/2009)**

**Alessandro Battilocchio (PSE)**, *in writing*. – (IT) I am voting in favour.

One of the most debated points of the policies discussed by the European Union is that concerning the implementation of a common policy for the protection of public figures. The concept of the 'public figure' is clearly very wide, but today we have come to a common definition in which it is understood to mean a person in an official or non-official position who could be threatened due to his or her contribution to the public debate.

Notable cases include the former member of the Dutch Parliament, Hirshi Ali, who was threatened in February 2008 following her valuable speech on the extremely topical subject of Islamic radicalisation in Europe, and the well-known British-Indian novelist, Salman Rushdie, persecuted because of his controversial views on Islam.

It is thus desirable that anyone dedicated to broadening the public debate in a positive way should have the right to be protected when visiting a state in which he or she may be subject to threats or attack; above all in cases such as Salman Rushdie's, where a death sentence has already been pronounced by a third country.

**Carlos Coelho (PPE-DE)**, *in writing*. – (PT) Protection of public figures remains the responsibility of the hosting state, in accordance with the legal provisions in force in that country.

In 2002, the European Network for the Protection of Public Figures was set up to improve the communication and consultation between Member States in this area.

The present initiative aims to extend the definition of 'public figure', as laid down in Article 2 of Council Decision 2002/956/JHA, in order to cover any person, regardless of whether or not they hold an official position, who is deemed to be under threat due to their contribution to or impact on the public debate.

This Dutch proposal arose following an incident in 2008, when a former member of the Dutch Parliament was subject to threats to her physical integrity following her speech on Islamic radicalisation during a seminar in the European Parliament.

As shadow rapporteur for the Group of the European People's Party (Christian Democrats) and European Democrats, I support this initiative, which aims to extend the protection of human rights and, in particular, to promote the right to freedom of expression.

**Andrzej Jan Szejna (PSE)**, *in writing*. – (PL) The Member States cooperate in the area of the protection of public figures within the legal provisions in force in the country concerned as well as in accordance with international agreements. The Council Decision under discussion (2002/956/JHA) establishes protection of public figures as defined in the national legislation of a Member State or pursuant to the regulations of an international or supranational organisation or institution. Protection of public figures is the responsibility of the hosting state.

In view of threats which have been made against public figures in recent years, I fully support the decision which has been taken to amend the already existing Council Decision on a European Network for the Protection of Public Figures. The main purpose of this is to broaden Article 2 by defining a 'public figure' as a person holding an official or non-official position who is deemed to be under threat due to his/her contribution to or impact on public debate.

I think that this decision will increase the safety of public figures and will have a beneficial effect on the development of democracy.

**- Report: María Isabel Salinas García (A6-0200/2009)**

**Nils Lundgren (IND/DEM), in writing.** – (SV) Having cotton production in the European Union is not an end in itself. The Union must view the world cotton market as a whole and give EU consumers the opportunity to buy cotton as cheaply as possible without the consideration of where it has been produced, provided it has been produced under certain ethical and environmentally sound conditions.

I am strongly opposed to this report. I would observe, once again, that it is fortunate that the European Parliament does not have powers of co-decision on EU agricultural policy. Otherwise, the EU would fall into the trap of protectionism and of heavy subsidies to all of the various groups within the agricultural industry.

**- Report: Reinhard Rack (A6-0219/2009)**

**Alessandro Battilocchio (PSE), in writing.** – (IT) I voted in favour.

The Alpine region is one of the most important and affluent territories within the European Community. It extends across eight states, which have already, on 4 April 1998, signed common agreements concerning the protection and conservation of this region and a common transport management policy. Indeed, as regards transport, the 'Protocol on the Implementation of the Alpine Convention in the field of Transport' was enacted on 24-26 May 2000, with the principal aim of providing a legal framework for sustainable mobility in the Alps.

Although this protocol has yet to be accepted by all eight Alpine Convention states, we will do our utmost to ensure that it is ratified shortly by the other states of the region so that this ratification of the 'Transport Protocol' becomes one of the European Commission's main priorities.

**- Report: Mairead McGuinness (A6-0232/2009)**

**Nils Lundgren (IND/DEM), in writing.** – (SV) This report is actually a report of the activities of the European Parliament's Committee on Petitions. However, because, in a couple of places, it refers to and extols the Treaty of Lisbon and expresses hopes that it will soon be ratified, I have chosen to vote against the report as a whole.

I believe that the Treaty of Lisbon has, in principle, been rejected, as the citizens of a Member State have voted against it in a referendum. Moreover, there are a number of other Member States in which the majority of voters would certainly have voted against the Treaty of Lisbon had they been given the chance.

I cannot support the ignorance shown by the European Parliament's Committee on Petitions in the wordings in this report.

**Francis Wurtz (GUE/NGL), in writing.** – (FR) I wish to express my opposition to paragraph 17 of this report, which is yet another incarnation of the campaign against Strasbourg's being the seat of the European Parliament. I should like to point out the following in this connection:

Firstly, the choice of Strasbourg was, from the start, a highly symbolic decision linked to the history of Europe. The intention was to highlight the aim of a European process, as a force for peace and for the bringing together of the nations. It is because I believe that this aim is still relevant that I am arguing for the symbol of Strasbourg to be safeguarded.

Secondly, I would repeat my desire to see a Europe emerge that supports the diversity of the cultures that characterise the nations it comprises. Why not have a significant European institution in Warsaw, another one in Barcelona, and another one still in Stockholm, in addition to the Commission in Brussels and Parliament in Strasbourg?

Unless the sole aim is to have a business-driven Europe, nothing justifies centralising everything in one place, which is inevitably far from the peoples of Europe.

Those are the reasons why I oppose paragraph 17 of the McGuinness report, which is otherwise problem-free.

**- Report: Anna Záborská (A6-0198/2009)**

**Edite Estrela (PSE), in writing.** – (PT) I voted for the motion for a resolution on gender mainstreaming in the work of committees and delegations. This own-initiative report indicates the progress made in committees and delegations and reiterates the need to adopt and apply a gender mainstreaming strategy.

The call for gender equality is not an attack against men. It is for society as a whole, thereby benefiting both women and men, and also families. Gender mainstreaming involves the reorganisation, improvement, development and assessment of policies to ensure that an equal-opportunity approach is incorporated into all policies at all levels and at all stages by those normally involved in policy-making.

It is therefore necessary to adopt and apply a gender mainstreaming strategy incorporating specific targets in all Community policies which fall within the purview of parliamentary committees and delegations.

**- Recommendation for second reading: Eluned Morgan (A6-0216/2009)**

**Richard Corbett (PSE), in writing.** – Hundreds of thousands of my constituents across Yorkshire and Humberside stand to save money on their gas and electricity bills as a result of this legislation. The measures will combine increased energy efficiency with lower costs.

Although full unbundling has not yet been achieved, this legislation will move towards a network where companies are not allowed to own both the generation of electricity and its distribution, thereby enabling them to overcharge consumers. In particular, I welcome the fact that it will also give customers the right to change their gas and electricity supplies within three weeks free of charge, and gives a right to compensation in cases where people are given inaccurate or delayed bills. Energy-efficient SmartMeters will also be introduced.

These new rules amount to a bill of rights for gas and electricity users. For too long companies have been able to force consumers to pay over the odds for their gas and electricity. My constituents will see the benefit of this legislation in cuts to their bills.

**Teresa Riera Madurell (PSE), in writing.** – (ES) We in the Spanish socialist delegation have argued for the model of ownership unbundling of vertically integrated companies both in gas and in electricity, because we believe that separating supply/generation companies from transport companies gives a real choice to European consumers and stimulates the investment that is needed in this sector, meaning that energy will be able to reach all of the EU territory without interruptions. However, I voted for the internal market gas and electricity package because:

- (1) consumers' interests have been placed at the heart of the revision of the legislative package;
- (2) we have included the concept of energy poverty and have called on the Member States to include steps to tackle energy poverty in the national energy action plans and not only to make sure that the most vulnerable customers receive the energy they need, but also to ban the disconnection of these customers at critical times; and
- (3) since ownership unbundling will be a reality within a few years through the anti-trust proceedings taken by the Directorate General for Competition, we have placed the emphasis on institutional architecture, strengthening the responsibilities of the new European agency and the independence of the national regulatory bodies.

**Gary Titley (PSE), in writing.** – The greatest failing of the single market is the failure to establish a single market in energy. National energy policies have led Europe to a dead end with an extreme dependence on expensive imported fossil fuels. There is neither a European energy grid nor a strategic energy storage policy. As a matter of urgency we must diversify our energy supply, reduce consumption, encourage low-carbon energy and establish a stable competitive internal market.

For these reasons I support these reports while being concerned that the struggle to find a compromise acceptable to all may blunt the effectiveness of this legislation, so effective monitoring of implementation is vital.

I support the increased provisions for consumer rights and welcome the recognition of energy poverty as a serious social problem.

I remain uneasy about the non-binding nature of the EU Agency for the Cooperation of Energy Regulators. Ultimately we can only secure a single energy market if we have a European regulator with real powers.

I congratulate Parliament on pushing the Member States to go further than they wanted to go. This is another example of Parliament guaranteeing the victory of the broader European cause over national self-interest and protectionism.

**- Recommendation for second reading: Giles Chichester (A6-0235/2009)**

**Luís Queiró (PPE-DE), in writing. – (PT)** The third energy package must gradually develop the energy market, which until very recently was based on a monopoly system. The movement towards liberalisation requires genuine and sustained competition and highlights the importance of a stronger Agency for the Cooperation of Energy Regulators, with clearly independent powers.

The Agency's main objective will be to help the regulatory authorities carry out, at Community level, the tasks performed by the Member States and, if necessary, coordinate their action. The Agency will also supervise the internal markets in electricity and natural gas, thus contributing to all the efforts made to enhance energy security.

I would highlight the vital role of this Agency in the future of energy policy in Europe, which we want to be characterised by more competitive and diverse conditions, far removed from the monopolies of the past, together with conditions of increased security and better efficiency, to the benefit of consumers.

These are the reasons which led me to vote for this report.

**- Recommendation for second reading: Alejo Vidal-Quadras (A6-0213/2009)**

**Carlos Coelho (PPE-DE), in writing. – (PT)** I welcome the adoption of this report, which forms an integral part of the energy package adopted today, because, in my view, it represents another important step towards improving the quality of life of European citizens.

The possibility of better interconnections between electricity networks and the existence of strong and capable regulators guaranteeing market transparency and transnational cooperation are vitally important factors in ensuring that end users can enjoy a truly fair and competitive service.

Responsibility sharing and cooperation between Member States in both the electricity and natural gas markets form the cornerstone for the existence of a genuine European energy market, which aims to be fair, dynamic and sustainable.

**- Recommendation for second reading: Antonio Mussa (A6-0238/2009)**

**Nils Lundgren (IND/DEM), in writing. – (SV)** I wholeheartedly support the idea of opening up the internal market for gas to competition. However, it is wrong to stipulate that Member States should take concrete measures to assist the wider use of biogas and gas from biomass. This is a matter for each Member State to decide on. I have therefore voted against the proposal tabled by the committee.

**Luís Queiró (PPE-DE), in writing. – (PT)** The third energy package fills many of the structural gaps from the past. We cannot forget the discrimination perpetrated against new energy suppliers or the lack of transparency in prices and choice of supplier. With this package, we can finally hope to complete the liberalisation of the internal energy market within the EU.

The adoption of this third package, and this proposal in particular, will lead to more competitive, more sustained and securer European energy markets.

It is expected that consumer rights will be at the centre of the process of opening up the markets due to the agreement reached, which covers the issues of separation of ownership and independence of the national regulatory authorities, and also the conditions for clarifying responsibilities between national authorities, the Agency for the Cooperation of Energy Regulators and the European Network of Transmission System Operators.

I voted for this report in the expectation that the market will become more transparent for consumers, who will have access to detailed information and the possibility of changing energy supplier free of charge.

**- Report: Dragoș Florin David (A6-0136/2009)**

**Alessandro Battilocchio (PSE), in writing. – (IT)** I am voting in favour of Mr David's report on interoperability solutions for European public administrations (ISA), the aim of which is to support cooperation among European public administrations.

This programme facilitates effective and efficient cross-border and cross-sector electronic interaction among European administrations, thus enabling them to provide electronic public services that can help them to

carry out their activities and to implement Community policies for citizens and businesses. This will facilitate the free and unimpeded movement, establishment and employment of citizens in Member States in order to provide better, more efficient and more easily accessible services to citizens and public administrations.

I believe it is appropriate to encourage international cooperation, and so the ISA programme should also be open to participation by countries in the European Economic Area and the candidate countries. I also agree that cooperation with other third countries and with international organisations or bodies should be encouraged.

The participation of candidate countries in the ISA programme is a very important step in preparing their public administration for all the tasks and working methods stemming from EU membership. I believe that the possibility of using the pre-accession funds for that purpose should be studied in depth.

**- Recommendations for second reading: Eluned Morgan (A6-0216/2009), Giles Chichester (A6-0235/2009), Alejo Vidal-Quadras (A6-0213/2009), Antonio Mussa (A6-0238/2009), Atanas Paparizov (A6-0238/2009)**

**Mary Lou McDonald (GUE/NGL), in writing.** – I could not support today's reports, which basically back the European Commission's drive to liberalise the electricity and gas markets.

Our own experience in Ireland has shown how liberalisation and resulting privatisation have not provided solutions to any problems in the energy sector.

Energy prices in Ireland have risen, affecting ordinary families and workers the most over the last few years. During this time of recession, the EU's drive to impose liberalisation in essential sectors of the economy makes less sense than ever. The Commission and the EU must learn to stop trying the same old, failed, neo-liberal policies.

I regret that the 'energy package' has won so much support among MEPs today.

**- Report: Leopold Józef Rutowicz (A6-0137/2009)**

**Alessandro Battilocchio (PSE), in writing.** – (IT) I voted in favour.

The environmental and health implications of the use of pesticides have been the subject of debate at European level, and the European Parliament has adopted directives on the authorisation and sale of pesticides.

This measure sets out essential requirements for safety and the protection of health to which machinery for pesticide application placed on the internal market must conform in order to enjoy free circulation within the Community. In addition to protecting consumers, the legislation is also aimed at safeguarding the health and safety of workers.

The costs incurred by manufacturers are likely to be passed on to users through price rises. However, the consequent average annual reduction in the consumption of pesticides will enable users to make savings that will compensate for any increase in prices.

The proposed directive achieves the objective of guaranteeing a common level of environmental protection, while at the same time avoiding a fragmented legislative framework at Community level, which could generate inflated costs for businesses intending to operate outside their national borders.

**Janelly Fourtou and Andreas Schwab (PPE-DE), in writing.** – In the context of amending Directive 2006/42/EC of 17 May 2006 on machinery with regard to machinery for pesticide application, we would like to stress that since the European Parliament adopted the machinery directive in 2006, we are stressing that the European Commission should revise the tractor Directive in order to secure a coherent approach. In our opinion, tractors do not fall under the scope of the definition of machinery as laid down in the machinery directive. The existing tractors directive could and should therefore be replaced by a less complex regulation.

**Rovana Plumb (PSE), in writing.** – (RO) It is an acknowledged fact that using pesticides poses a threat to both human health and the environment. The purpose of the 'Thematic Strategy on the Sustainable Use of Pesticides' is to reduce the risks to human health and the environment posed by the use of pesticides.

Harmonisation of the environmental protection requirements and conformity assessment procedures for machinery for pesticide application is a prerequisite to achieving the same level of environmental protection

throughout the EU, but also to ensuring fair competition between manufacturers and facilitating the free movement of these products within the Community.

The correct design and construction of this machinery play a significant role in reducing the adverse impact of pesticides on human health and the environment. Assuming that a pesticide sprayer has an average service life of 12 to 15 years, it is estimated that approximately 125 000 to 250 000 new sprayers are purchased in the Community every year. Thanks to their greater efficiency, sprayers which comply with the new environmental requirements use less pesticide, thereby reducing the time spent on mixing, loading, spraying and cleaning activities, not to mention the savings this generates for users, which will compensate for any increase in the price of certain types of spraying equipment.

This is why I voted in favour of this report.

**Andrzej Jan Szejna (PSE)**, *in writing*. – (PL) The Directive of the European Parliament on machinery for pesticide application, amending Directive 2006/42/EC of 17 May 2006 on machinery, introduces a very important amendment to legislation.

It is intended to harmonise standards on environmental protection and human health in the European Union. At the same time, harmonisation of legislation will enable cross-border movements of machines within the EU on an equal basis, and this will in turn increase competitiveness in the European market.

The directive will impose on Member States a requirement to conduct regular inspections of equipment used professionally for pesticide application, and also a requirement to establish a system for regular maintenance and periodical inspection of equipment. As a result the directive will reduce the use of pesticides (thanks to which their adverse effects on the environment will be reduced) and will have a beneficial effect on the health of consumers and of citizens who have direct contact with pesticides during their work.

#### **- Report: Ivo Belet (A6-0218/2009)**

**Šarūnas Birutis (ALDE)**, *in writing*. (LT) As road transport emits almost 25% of all CO<sub>2</sub>, the EU's greatest task is to reduce the intensity of energy use by the means of transport and the amount of carbon compounds which these emit into the atmosphere. Tyres account for 20-30% of all fuel consumption by the means of transport, so greater tyre stability should be considered part of an integrated method, aimed at reducing the fuel used by road transport and the amount of pollutants they emit. In the list of purposive actions, presented in the Action Plan for Energy Efficiency, which plans to reduce use by 20% by 2020, it is also underlined that one of the possible means to achieve this goal is labelling of tyres.

**Carlos Coelho (PPE-DE)**, *in writing*. – (PT) I welcome this report, in the belief that it will prove to be yet another instrument improving the information provided to consumers, thus contributing to a more transparent market in which an informed and conscious choice can be made between products, based on simple standards that are, however, scientifically and technologically justified.

In my view, this report represents another step towards a sustainable Europe in energy terms, allowing consumers to choose tyres which reduce the fuel consumption of their vehicles.

Moreover, the possibility of choosing a tyre according to its specific performance is another tool enabling consumers to protect themselves and equip their vehicles in a manner appropriate to their style of driving and the environmental conditions where they drive.

I would also highlight the salutary and technologically oriented competition that this system will bring to the tyre market, meaning that technological developments in the various brands can be compared – and understood – by consumers in a clear and objective manner.

**Edite Estrela (PSE)**, *in writing*. – (PT) I voted for the resolution on labelling of tyres with respect to fuel efficiency. With almost 25% of total CO<sub>2</sub> emissions coming from road transport, reducing vehicles' energy intensity is a major challenge for the EU.

Creating a labelling system that will ensure that appropriate information is supplied on fuel efficiency and grip, among other characteristics, will allow consumers to make informed choices when purchasing tyres.

As tyres account for 20% to 30% of vehicles' total fuel consumption, enhanced sustainability of tyres should be seen as part of the integrated approach to reduce fuel consumption and, as a result, emissions of carbon dioxide into the atmosphere.



**Astrid Lulling (PPE-DE), in writing.** – (FR) This report is a reasonable compromise that should enable end users to make an informed decision when buying their tyres, especially where fuel efficiency, wet grip and external rolling noise are concerned.

I welcome the increased flexibility concerning the date of entry into force of this regulation, as it should give producers more room for manoeuvre, in order to prevent the destruction of tyre stocks. The latter would have been contrary to the environmental objectives laid down.

The most sensitive points in relation to tyres were without doubt mandatory moulding into or onto each sidewall, energy performance, wet grip index and noise emissions. This demand would have forced our tyre producers to replace all their ranges of moulds at an exorbitant cost. I am of the view that such a demand would further jeopardise our tyre industry, which is already suffering greatly from the consequences of the economic crisis.

**Nils Lundgren (IND/DEM), in writing.** – (SV) There are very good reasons to strive for improved energy efficiency and lower emissions from our vehicles. A harmonised labelling system for vehicle tyres in the EU is problematic, however. Previous experience of labelling, in particular, gives cause for careful consideration.

Take the labelling system for household products, for example. The unwillingness of the industry to continually raise the requirements for a certain class of energy labelling, for refrigerators for example, has resulted in a labelling system that is currently hopelessly complicated and difficult to understand. Something that politicians hoped would encourage continued development and give consumers much needed guidance has instead helped to stem the development of better products and made it more difficult for consumers to make the right choices.

I believe that the EU can play an important role in the work of reducing the impact of vehicles on the environment. However, unlike the Commission and the committee, I would advocate an increase in the minimum requirements for those tyre manufacturers who wish to sell their products on the internal market, rather than detailed regulation. Politicians in the EU should create sustainable and beneficial frameworks for society and companies rather than involving themselves in controlling every detail. Since the Commission and the committee responsible do not seem to share my view, I have chosen to vote against the report.

**Gary Titley (PSE), in writing.** – I welcome this report as a necessary adjunct to the type approval for the general safety of motor vehicles legislation approved earlier this year, which is mainly concerned with environmental and safety standards for tyres.

We need tyres to be safer, more fuel efficient and quieter. Traffic noise, of which tyre noise is an important component, is a major cause of ill health. Reducing fuel consumption will be of great benefit to the consumer at a time of increasing austerity but it will also reduce CO<sub>2</sub> emissions and contribute to the EU's ambitious goals in climate change reduction.

With the labelling process consumers will be able to make an informed choice when buying tyres but also when deciding on which car to buy.

We must monitor, though, how effective the labels are. We must ensure that consumers really do understand them, otherwise the whole exercise will be meaningless.

#### **- Report: Adina-Ioana Vălean (A6-0138/2009)**

**Šarūnas Birutis (ALDE), in writing.** (LT) I agree that the regulation of voice call prices should be continued. When Regulation (EC) No 717/2007 was adopted, the price of calls between networks did not fall markedly, but remained near the upper limit set by the regulation.

I think the regulation's area of application must be extended to include SMS. As a result of the unduly high prices which consumers have to pay, it seems that, unfortunately, at the moment the regulation of wholesale and retail SMS prices is necessary, and I am therefore voting for this regulation.

**Carlos Coelho (PPE-DE), in writing.** – (PT) In principle I disagree with the legislator intervening in the market and setting prices. I believe that the market should define its own prices in accordance with the basic principles of healthy competition.

That is precisely what is lacking in terms of roaming and what justifies the European Parliament's intervention in setting maximum prices below which telecommunications operators are now obliged to compete. I voted for this regulation not being limited solely to calls made or received, but also covering SMS and data roaming.

An EU that promotes freedom of movement of its citizens is not consistent with market rules that end or are limited when a border is crossed.

At the moment, the overwhelming majority of people are still somewhat reluctant to use mobile telephones when they are abroad due to the fear of the roaming bill. I voted for this regulation precisely to ensure lower charges for roaming customers, while at the same strengthening the rules on transparency of pricing.

This is a concrete example of how the EU affects our day-to-day lives. From now on, when returning from holiday or a business trip abroad, European citizens will remember that their lower mobile telephone bill is due to the EU.

**Konstantinos Droutsas (GUE/NGL), in writing. – (EL)** The EU is promoting faster capitalist restructurings in the field of mobile telecommunications services by extending the application of the regulation in question to all services provided by mobile telephone companies.

The directive strengthens the position of the European monopolies in relation to their international competitors. It extends the period of validity of the regulation in order to facilitate company takeovers and mergers, which will safeguard bigger profits for capital.

The application of the directive strengthened monopoly companies. The supposed upper limit on roaming prices is circumvented by using minimum charging period methods, thereby increasing the price charged for the services provided and the companies' profits, as the competent auditing authorities admit. The planned price division between wholesale and other mobile telephone services, such as SMS and voicemail, will be of no benefit to consumers, but will increase the profits of capital even more.

We are radically opposed to the liberalisation and privatisation of the telecommunications markets, which result in falling standards of services and grassroots assets being sold off. We call on the workers to express their universal opposition to the EU and its anti-grassroots policy and to change the balance of power at political level through the forthcoming elections.

**Nils Lundgren (IND/DEM), in writing. – (SV)** The Commission wants the current price regulation for roaming to be extended to cover not only voice calls but also SMS traffic and data roaming. The European Parliament recommends a more restricted form of regulation and points out that the price regulation should be temporary and in the long term the market should eliminate the high roaming charges. I have voted in favour of the European Parliament's position, as it is slightly more market-liberal than the Commission's proposal. I have voted against the legislative resolution, as the price regulation will, *de facto*, lead in the wrong direction in the long term.

**Andreas Mölzer (NI), in writing. – (DE)** Mobile phones are now part of everyday life, and large sections of the population never go anywhere without them. Whether they are used for business or private purposes is of secondary importance. At all events, all kinds of communication, be they telephone calls, text or multimedia messages, Internet communication or surfing, incur costs that operators charge to customers.

It is understandable that these costs are higher in a foreign network – not the operator's home network, that is – but, since the advent of international mobile telephony, we have seen excessive abuse of these roaming costs time and again.

In some cases, consumers have had to accept outrageous bills that have not been backed up by any universally applicable calculation. In the form of this initiative, which not only makes it easier for individual citizens to navigate the tariff jungle but also standardises the costs, the Union is finally doing something for the benefit of the people of Europe for once. It is for that reason that I have voted in favour of this report.

**Rovana Plumb (PSE), in writing. – (RO)** I have voted for this report because the new regulation introduces preventive mechanisms and mechanisms for guaranteeing the transparency of prices for roaming data services so that citizens/customers have a better understanding of the charging method used, allowing them to control their costs and avoid any 'bill shock'.

The setting of limits for roaming voice and SMS services, the adoption of measures guaranteeing transparency and the preventive mechanism introduced for wholesale tariffs for data services still give operators a free

rein to compete on the market and differentiate their offerings within the limits imposed. As a result, new small businesses are offered the chance to compete with the excessive wholesale tariffs of the major operators.

Current billing practices applied to roaming voice calls charged on the basis of 60-second units generate a hidden cost for consumers, adding, compared to a typical Eurotariff bill for roaming services, roughly 24% to the bill for outgoing calls and 19% for incoming calls.

The regulation must offer a sufficient level of protection to consumers, allowing them to use roaming data services in a convenient manner and without placing unreasonable burdens on telecommunication operators.

**Luís Queiró (PPE-DE), in writing. – (PT)** Completing the internal market is one of the EU's fundamental objectives and that is why our joint efforts to achieve the best possible competition conditions in various economic sectors are so important. The globalisation of trade, business and communications is all part of this. As a result, this report on the mobile communications market is vital.

The outcome of an agreement at first reading, so that the regulation can enter into force in July 2009, is a victory for Parliament. This report not only lays down the conditions for improved transparency and consumer protection, but also for competition that is fairer and clearer for all, from industry to consumers.

I therefore voted for this report.

**Olle Schmidt (ALDE), in writing. – (SV)** I have today chosen to abstain from the vote on the Roaming II Regulation, which proposes regulation of the prices for mobile telephone services abroad. The proposal, which was a compromise arrived at by the large groups, contained many good ideas, including more information for customers to enable them to avoid huge telephone bills after a stay abroad.

The reason for my abstention is not complicated. I do not believe that politicians in the EU should set prices on the free market. The whole point of a market economy is that prices are determined by supply and demand, not by whatever politicians in Brussels consider to be 'fair'. We already have price regulation in place as a result of the Roaming I Regulation. The result has been that operators cluster around this price ceiling, which does not benefit consumers.

Our task as politicians is to ensure that there is good competition on the internal market. I agree that this is not the case with regard to roaming services, but instead of Soviet-style price regulation, it would have been better to have measures promoting competition, for example a prohibition on the large operators using price discrimination against smaller operators who want access to foreign networks.

**Andrzej Jan Szejna (PSE), in writing. – (PL)** The high prices of roaming services in the European Community are a problem which both hinders the process of European integration and restricts the freedom of movement of the European Union's citizens.

During today's vote I endorsed the draft legislative resolution of the European Parliament amending Regulation (EC) No 717/2007 and Directive 2002/21/EC, which from 1 July 2009 to 2011 will gradually reduce the maximum cost of using roaming within the EU.

The maximum price for outgoing and incoming connections will be reduced each year by 4 cents, and in 2011 will amount to EUR 0.35 and EUR 0.11 per minute respectively. In addition, from 1 July 2009 operators will have to charge on a per second basis, and sending a text message will not cost more than EUR 0.11. The cost of data transmission will also be reduced, to EUR 0.50 per megabyte in 2011.

I definitely endorse the report. It is another step towards a social Europe, where first place is given to people, their freedom, their liberty and the betterment of their standard of living.

#### **- Report: Renate Weber (A6-0247/2009)**

**Lidia Joanna Geringer de Oedenberg (PSE), in writing. – (PL)** The Third and Sixth Directives (78/855/EEC and 82/891/EEC) concerning mergers and divisions of public limited liability companies currently contain a list of detailed requirements concerning reporting which must be met by companies which are merging or dividing. This involves significant costs. The means provided for in the directives for sending information to shareholders were laid down 30 years ago, and do not take into account the technological possibilities of today. This generates unnecessary costs which have to be borne by the companies.

In this context we should welcome the motion of the Commission on reducing the administrative burden as regards reporting and documentation requirements in the case of mergers and divisions.

Special support should be given to efforts aimed at adapting the provisions of both directives to the widest possible extent in the areas of eliminating duplication of requirements for experts' reports, disclosure of draft terms of mergers, and adaptation of the provisions of the Third and Sixth Directives to those of the Second Directive with respect to creditors' protection.

It would also seem justified to introduce an obligation for companies to publish full information about themselves on their Internet sites and to include a link to these sites on a central electronic platform, which is shortly to be given final confirmation by the Commission. This requirement will undoubtedly contribute to increased transparency, especially with the introduction of an additional obligation to keep the published data up to date. The solutions proposed above are intended to make the everyday functioning of European companies easier. However, a real reduction of administrative burdens will depend on the way in which these solutions are implemented by Member States, companies, and the shareholders themselves.

#### **- Interim Trade Agreement with Turkmenistan (B6-0150/2009)**

**Richard James Ashworth (PPE-DE), in writing.** – British Conservatives have been unable to approve discharge of the 2007 European budget, European Council section. For the 14th consecutive year the European Court of Auditors has only been able to give a qualified statement of assurance for the accounts of the European Union. We note the auditors' remarks that around 80 per cent of the transactions of the EU are carried out by agencies working within the Member States under joint management agreements. The auditors consistently report that levels of control and scrutiny of the use of EU funds within the Member States is inadequate. In order to address this ongoing problem, the Council entered into an interinstitutional agreement in 2006, which obliged them to produce certification for those transactions for which they are responsible. We are dismayed to note that, to date, the majority of the Member States have not satisfactorily delivered on their obligation and therefore, despite the traditional 'gentleman's agreement' between Parliament and Council, we will not grant discharge until such time as the Member States fulfil their obligations under the interinstitutional agreement.

**David Martin (PSE), in writing.** – I voted for this resolution, which examines the trading relationship between the EU and Turkmenistan. According to very detailed reports from Human Rights Watch, Amnesty International and the Open Society Institute, Turkmenistan is one of the lowest ranking countries in the world for many basic freedoms, including freedom of the press, freedom of expression and freedom of association. I am pleased that this resolution highlights that, although the minor changes brought in by President Berdymukhamedov are welcome, the EU expects substantial improvements in human rights in Turkmenistan.

#### **- Report: Daniel Caspary (A6-0085/2009)**

**Glyn Ford (PSE), in writing.** – I voted against this Interim Agreement with Turkmenistan despite my admiration of the work of the rapporteur, Mr Caspary. I had the opportunity to visit the country with a delegation from the Committee on Foreign Affairs a couple of years ago when it was led by Turkmenbashi and his book the Ruhnama. Since then the situation has improved marginally, but Amnesty International, amongst other NGOs, still exposes the serious problems and abuses of human rights in that country. The improvements have not gone far enough for me to be happy at this stage to vote in favour of the agreement.

**David Martin (PSE), in writing.** – I voted against this Report which wanted to give Parliament's approval (assent) to an Interim Trade Agreement between the EU and Turkmenistan. The European Parliament last year demanded that Turkmenistan must reach five human rights benchmarks before it would give its assent to this Agreement. These benchmarks are: allowing the Red Cross to work freely in the country; realigning the education system with international standards; releasing all political prisoners and prisoners of conscience; abolishing government impediments to travelling abroad; and, lastly, allowing free access to independent NGOs and allowing the UN human rights bodies to examine progress across the country. I am convinced that Turkmenistan has not reached any of these benchmarks, and I am therefore very disappointed that assent was given for this Interim Trade Agreement to be concluded.

**Alexandru Nazare (PPE-DE), in writing.** – I would like to thank Mr Caspary for all the work he has done in the Committee on International Trade on this particular legislation aimed at improving EU's relationship with Turkmenistan.

The EU's trade and commercial agreements with this country, unchanged for 20 years already, needed to be updated especially at such times of worldwide great financial exposure.

Not only will there be commercial and economic benefits out of this new interim agreement with Turkmenistan, but we expect to see an improvement of the regional security on all aspects: from a better promotion of human rights and democracy to better results in the fight against drug and human trafficking and to a sustained participation of Turkmenistan in the reconstruction of Afghanistan by offering support to the activities of EU Member States in this country. Not least important, better relations with Turkmenistan will be a step further into strengthening energy security for Europe.

I joined my colleagues in supporting the legislation proposed by Mr Caspary. We will further on have to take all measures to ensure that this country will play their part in this joint effort in order to facilitate its success.

**Andrzej Jan Szejna (PSE)**, *in writing*. – (PL) Relations between the European Communities and Turkmenistan are currently governed by the Agreement on Trade and Commercial and Economic Cooperation concluded between the European Communities and the USSR in 1989.

There can be no doubt that the level of economic development and especially the protection of human rights in Turkmenistan are not satisfactory. Turkmenistan has not met a series of humanitarian requirements (including the fact that the Red Cross is still not allowed to work in Turkmenistan).

I think that initialling the Interim Trade Agreement between the European Community and Turkmenistan, and at the same time clearly stating the condition of a time limit of five years for the introduction of democratic principles and of human rights standards similar to those of the EU, will provide motivation and will be a sign of good will on the part of the Community. Initialling the agreement may help to improve the lives of the citizens of Turkmenistan and also to bring about economic reforms.

Signing the Partnership and Cooperation Agreement can be considered only if there is a visible improvement in the area of respect for democratic principles and human rights.

**Charles Tannock (PPE-DE)**, *in writing*. – I would like to use this opportunity to explain one of the many reasons why I voted today to support closer trading links between the EU and Turkmenistan. The EU's common external energy security policy, which British Conservatives fully support, acknowledges the importance of new trans-Caspian pipeline routes for supplying Europe with oil and gas. These trans-Caspian routes should be fully integrated with the 'southern corridor' pipelines including Nabucco, Southstream and Whitestream. Reducing our dependence on Russia's energy supplies is crucial to our collective energy security and foreign policy.

For that reason we should be proactive and committed to building a partnership with Turkmenistan by supporting the interim trade agreement that helps to stimulate domestic reform and human rights improvements in that country

#### **- Report: Gunnar Hökmark (A6-0236/2009)**

**Liam Aylward (UEN)**, *in writing*. – Nuclear energy is a reality in Europe. It is a reality that we in Ireland are not comfortable with, but we accept the right of all countries to choose their own energy mix, and the fact that our neighbours utilise nuclear power means that we cannot afford to ignore the issue.

Just last week there was a serious safety breach in Sellafield nuclear plant, and the storage facility for nuclear materials at Sellafield – the B30 pond – is arguably one of the most serious problems facing the nuclear industry in Europe. The B30 pond is home to serious amounts of nuclear materials that have not been adequately treated for decades.

Therefore, I support the proposal for an EU nuclear safety framework that will reinforce the independence of national regulators and ensure a high level of transparency on the safety of nuclear installations.

I supported the amendments proposed to this report, which will further strengthen safety provisions and requirements. Even if we do not have nuclear plants in Ireland, our citizens could be affected by safety breaches elsewhere, and the EU must ensure that our citizens are protected to the highest level.

**Brian Crowley (UEN)**, *in writing* – (GA) We must accept the fact that nuclear power is being generated and will be generated in Europe. We are not comfortable with this in Ireland, but we respect the right of each Member State to choose its own energy sources. As long as there are nuclear power stations in our neighbouring countries, we cannot ignore the issue.

There was a security breach in Sellafield last week and Sellafield's storage facility for nuclear waste – which is called 'pond B30' – is one of the biggest problems for the nuclear sector in Europe. There are massive amounts of untreated nuclear waste being stored in pond B30.

As such, I fully support the proposal relating to the Community Framework for Nuclear Safety which will ensure that there will be a high level and transparent standard of safety in place for nuclear power stations.

I voted for the amendments which were aimed at strengthening this proposal. Although we do not have any nuclear power stations in Ireland, problems with safety in power stations in other European countries could affect the people of Ireland. It is up to the European Union to ensure that the citizens of our countries are fully protected in relation to this issue.

**Glyn Ford (PSE), in writing.** – As someone who has reservations regarding the long-term safety of nuclear power stations I am not entirely happy with this report. I accept that those who work in the industry are dedicated professionals. I accept accidents are few and far between. Yet the problem is the consequences when there is an accident are potentially so extreme. We cannot forget the nuclear accident in the Urals revealed by Roy Medvedev, the Three Mile Island accident that involved the events of the film *The China Syndrome* that went on release only days before the accident, nor the Tokaimura accident in Japan, nor finally Chernobyl, whose consequences live with us all today but most tragically have been visited on the people and children living in the immediate vicinity or born to parents who were there.

**Luís Queiró (PPE-DE), in writing.** – (PT) Nuclear energy will have a vital role to play in the future of energy in our societies. As a result, and given the plans for future facilities in Europe, it is essential to lay down a Community framework for nuclear safety.

Mr Hökmark's report will ensure that the best and safest conditions are established at future nuclear facilities in Europe. A clear framework with independent and strong national regulators will be created, together with a system for issuing licences for nuclear facilities and a system for inspecting and checking these facilities.

The future importance of nuclear energy demands excellence in the conditions for its implementation and in the conditions for the exchange of essential information, so that uniform safety conditions of the highest quality can be established.

I therefore voted for this report.

**Paul Rübiger (PPE-DE), in writing.** – (DE) The Austrian People's Party (ÖVP) delegation supports the creation of an independent supervisory authority for nuclear power plants with the legally binding capacity to disconnect dangerous nuclear power plants from the network.

#### **- Report: Raül Romeva i Rueda (A6-0253/2009)**

**Jan Andersson, Göran Färm, Anna Hedh, Inger Segelström and Åsa Westlund (PSE), in writing.** – (SV) We chose to vote against this report on a control system within the common fisheries policy. Of course, we welcome proposals for increased measures to ensure that the rules are followed, but we are critical of the emphasis given to controlling recreational fishing. It is unreasonable to regulate recreational fishing when, in actual fact, it is industrial fishing that is responsible for problems such as overfishing in our seas.

**Pedro Guerreiro (GUE/NGL), in writing.** – (PT) We regret the broad rejection by a majority in Parliament of our proposed amendment, which, in accordance with the provisions enshrined in the Constitution of the Portuguese Republic – in other words, those on national sovereignty – and as part of the struggle to ensure that these provisions are respected, stated that this proposal for a regulation should respect and not threaten the competence and responsibility of Member States with regard to monitoring compliance with the rules of the common fisheries policy.

We regret the broad rejection by a majority in Parliament of our proposed amendments, which would have prevented the European Commission from being able to independently carry out inspections without prior warning in the exclusive economic zones (EEZ) and territories of the Member States, and from being able, at its discretion, to prohibit fishing activities and suspend or cancel payments of the Community financial assistance for a Member State, and which also prevented a Member State from being able to inspect its fishing vessels in the EEZ of any other Member State, without the latter's authorisation.

This proposal for a regulation – which will continue to be negotiated by the European institutions – if adopted as it currently stands, will represent yet another attack on national sovereignty, by incorporating requirements

with regard to equipment and procedures that have been highlighted as completely inappropriate to Portuguese fisheries.

That is why we voted against.

**Carl Lang and Fernand Le Rachinel (NI)**, *in writing*. – (FR) In 2008, 165 trawlers were scrapped. In 2009, it has already been announced that 225 will go.

The fisheries sector in France is suffering greatly because the French Government and Brussels have decided to sacrifice French fishermen for the sake of European economic and trade policy.

Thus, Norway, a country outside the European Union, but which has negotiated gas-related economic agreements with the latter, awards itself alone 80% of the cod quota, a figure amounting to 500 000 tonnes per year. France, for its part, has access to only 9 000 tonnes per year, of which only 700 tonnes come from the English Channel and the North Sea.

How, under these circumstances, can one fail to feel disgust at witnessing the eradication of French fishermen? Why are Brussels and the French Government thus striving to plot the destruction of an entire sector of our economy? Euro-globalist interests and the dogma of free trade are why.

It is not the EUR 4 million envelope promised by the minister for agriculture and fisheries, intended as financial compensation linked to the stopping of boats that have reached their quota of fish, that will solve this problem. There is an urgent, crucial need to free French fishermen from these discriminating and destructive European quotas.

**Nils Lundgren (IND/DEM)**, *in writing*. – (SV) The European Parliament has today voted in favour of including sports and recreational fisheries in the common fisheries policy. In so doing, the EU has begun to regulate one of our most popular leisure activities.

The proposal is preposterous. Firstly, the fishing waters belong to the individual countries, not to Brussels. Secondly, the activities of recreational fishermen do not affect stocks to any great extent. Thirdly, this legislation will be impossible to comply with. You only need to look at Sweden, which has 11 500 km of coastline. Do the EU's bureaucrats and the Members of this House believe that it will actually be possible to monitor what is happening at all times and in all places? A law that is impossible to implement is a particularly bad law.

On the other hand, I am not particularly surprised by the proposal. The EU is like a steam engine that has started to roll along the way towards its goal of becoming a fully-fledged federal state. It is large, heavy and very difficult to stop once it starts rolling. Anyone who gets in its way will be mown down.

Today is a dark day for those of us who want pithy and effective European cooperation, but above all it is a very dark day for recreational fishermen in all Member States.

**Sebastiano (Nello) Musumeci (UEN)**, *in writing*. – (IT) The aim of this proposal for a regulation, namely to guarantee a Community control system for ensuring compliance with the rules of the Common Fisheries Policy through a European Agency, is certainly commendable and addresses the numerous demands made over the years by Parliament and the European Commission. The regulation also suggests – albeit timidly – implementing and applying the aforesaid rules in a uniform manner in the 27 Member States.

Although I endorse the overall spirit of the text (maintaining a culture of respect for the rules in order to ensure that the Common Fisheries Policy is properly applied), I feel that on this occasion the specific characteristics of Mediterranean fishing have unfortunately not been taken into account.

Just one example of this is the requirement to install a satellite-based vessel monitoring system (VMS) on vessels more than 10 meters long. This may be all very well for the robust North Sea fishing boats, but not for those of the Mediterranean, which are small, often without a cabin, and are used for 'small-scale fishing'. This also poses the problem of the substantial costs to be borne, which could, however, be overcome if the Community were to provide 80% co-financing, as appropriately suggested in Amendment 20.

**Brian Simpson (PSE)**, *in writing*. – I will be supporting this report because we have accepted Amendments 48 and 49 and rejected Amendment 93 in regard to recreational fishing.

To include recreational fishing in a Member State fishing quota is for me unacceptable.

If we are seriously saying that recreational fishing is destroying our fish stocks, then in my mind they are missing a fundamental issue as far as dwindling fish stocks are concerned. That issue is overfishing by industrial fishing concerns in their factory fishing vessels.

They are the ones who we require to be compliant with the CFP and not recreational fishermen pursuing their hobby.

**- Report: Cornelis Visser (A6-0206/2009)**

**Roger Knapman and Thomas Wise (NI), in writing.** – The Common Fisheries Policy is deeply flawed, and has been extremely detrimental to the British economy, and to the environment. Whilst we acknowledge the need for new innovation to improve the situation, most such innovation and best practice has clearly originated with Member States, and the fishermen themselves. We have therefore voted against this report, which gives increased competence to the Commission.

**Thomas Wise (NI), in writing.** – The common fisheries policy is deeply flawed, and has been extremely detrimental to the British economy and to the environment. Whilst I acknowledge the need for new innovation to improve the situation, most such innovation and best practice has clearly originated with Member States, and with the fishermen themselves. I have therefore voted against this report, which gives increased competence to the Commission.

**- Report: Simon Busuttil (A6-0251/2009)**

**John Attard-Montalto and Louis Grech (PSE), in writing.** – On behalf of myself and my colleague, Louis Grech, I would like to say that although we voted in favour of the report we would like to stress the following points:

we support a common immigration policy;

we believe that in the national interest the Immigration Pact was not satisfactory;

we note disappointment because the report does not make a direct and clear reference to mandatory/compulsory burden sharing;

we note that any cooperation is appreciated; but the EU cannot interfere in what type of bilateral agreements are reached between a country of origin and a transit country;

we do not agree with voting rights for illegal immigrants because of Malta's demographic situation;

we do not agree with a uniform Schengen Visa system instead of national systems if this increases bureaucracy and the system becomes less flexible.

**Catherine Boursier (PSE), in writing.** – (FR) I welcome the adoption of the Busuttil report, even though I admit that I do not support all of the points raised in it, especially the favourable reception given to the conclusion of the European Pact on Immigration and Asylum: my group voted in favour of the removal of this reference in the Committee on Civil Liberties, Justice and Home Affairs, but we were in the minority on this issue; the same was true with regard to the increased role of FRONTEX in return operations.

However, in light of the end result, I voted in favour of this report in order to speak out strongly in favour of the opening up of legal paths to immigration. I therefore support: the recognition of the need for the work of migrants within the EU; the need for increased consultation with representatives of civil society; freedom of movement within the EU following a period of five years' residence; respect for human dignity and the application of the most favourable measures in the context of the application of the Return Directive; and, finally, and most importantly, the right to vote in local elections, a point to which the European right was fiercely opposed.

**Philip Bradbourn (PPE-DE), in writing.** – British Conservatives voted against this report on the basis that we do not accept the need for a common EU immigration policy and that the UK must retain absolute control over its national borders.

**Philip Claeys (NI), in writing.** – (NL) I have voted against this report, as it contains a number of elements that are unacceptable. For starters, it is assumed that the EU will need 60 million new immigrants by 2050. Given the current problems with mass immigration, this is a crazy proposal. It is also suggested that the blue card should not be restricted to highly-qualified employees. We might as well open the floodgates fully, then.



**Carlos Coelho (PPE-DE), in writing.** – (PT) A common approach on immigration in the EU is imperative. A fragmented and incoherent approach cannot be allowed in a common area without internal borders, because any immigration action or policy implemented by one Member State necessarily has consequences for all the other Member States.

I therefore support the establishment of a common European immigration policy founded on a high level of political and operational solidarity, mutual trust and shared responsibility.

The adoption of the European Pact on Immigration and Asylum was a huge step in this direction, resulting in an immigration policy that is more coherent, controlled and linked to the needs of the labour market in European countries, and also to the resources available in terms of housing, health and education. Its aim is also to firmly combat illegal immigration.

The excellent report presented by Mr Busuttil respects this approach. Its only problem lies in an amendment tabled by the Socialist Group in the European Parliament, which threatens the firmness of our fight against illegal immigration, as there can be no doubt that any immigrant legally residing in the territory of a Member State will have the right to vote, in accordance with the conditions laid down. For this reason, I support the alternative resolution tabled by the rapporteur who, once again, has tried to achieve a compromise that is acceptable to everyone.

**Edite Estrela (PSE), in writing.** – (PT) I voted for the resolution on a common immigration policy for Europe, as immigration is one of the foremost challenges that Europe is currently facing. In tackling this problem of immigration, we can adopt policies that transform it into an opportunity.

Immigration is a common concern in the EU countries, which is why the latter must act in concert to find an appropriate response to this problem. This report seeks to cover all the dimensions of immigration, supporting the establishment of a common European immigration policy founded on a high level of political and operational solidarity.

Furthermore, it also includes measures allowing migrants to participate in the civic and political life of the society in which they live, particularly in political parties and trade unions, and giving them the opportunity to vote in local elections.

**Pedro Guerreiro (GUE/NGL), in writing.** – (PT) A report with 91 articles must clearly include some aspects with which we agree. However, this report, despite trying to 'sweeten the pill', is profoundly negative, which is obviously why we reject it.

It 'strongly supports the establishment of a common European immigration policy', welcoming the 'institutional implications of the Lisbon Treaty, in particular the extension of co-decision and qualified majority voting to all immigration policies', and 'the adoption of the European Pact on Immigration'; in other words, an inhumane security-based immigration policy which criminalises, exploits and selects immigrants.

If there were any doubts about the EU's aims, then this report dispels them: migration 'continues to be necessary in order to address Europe's ... labour market ... needs' (nearly '60 million migrant workers by 2050'). That is why 'Immigration Profiles' must be developed – 'with labour market needs being a central aspect of these profiles' – and why there is a need 'to increase the attractiveness of the EU for highly qualified workers', particularly through the 'Blue Card'; in other words, an inhumane vision of immigrants, which sees them purely as labour to be exploited.

More than a common policy, what we need is a different policy which defends the rights of immigrants and combats the fundamental causes of immigration.

**Filip Kaczmarek (PPE-DE), in writing.** – (PL) I voted for adoption of the Busuttil report. It is an important report, because migration is one of the most significant challenges facing the European Union. We should be ready to admit that we are not fully able to take advantage of the good aspects of migration or to prevent those situations which cannot in any sense be called beneficial.

An additional difficulty is that migration manifests itself differently in different Member States, and the differences in this respect are great. For some countries migration is a huge social, financial and political problem. For others it is a minor phenomenon which does not generate much interest. This is why, among other things, it is so difficult to establish and introduce a uniform migration policy. We should also be aware that for many people remaining in Europe is a matter of life or death — literally. By sending them back to their country of origin we may in fact be sentencing them to death. Therefore the tools of immigration policy

should be flexible, so that they can be adapted to the individual cases of specific people. Thank you very much.

**Carl Lang and Fernand Le Rachinel (NI)**, *in writing*. – (FR) A common immigration policy based on facilitating the opening up of legal immigration channels cannot receive our support. The policy should be the polar opposite of this.

This report is based, once again, on the dangerous recommendations of the Commission that appear in the latter's Green Paper of 11 January 2005 devoted to economic migration. It is a report that puts the number of migrant workers that the EU will supposedly need by 2050 at 60 million and that accordingly stresses the need to open up channels for legal migration.

How can one fail to find it obscene that, in the midst of an economic, financial and social crisis, we are being recommended to open up our markets further to foreign workers, at a time when our national jobs are under threat and unemployment is raging?

In the midst of a crisis, what is needed, instead, is to apply economic and social protectionist measures and to reserve jobs, but social aid too, for nationals.

To conclude, this report is based on the false assumption that, by opening the floodgates for legal immigration, illegal immigration will fall considerably or disappear altogether. We know that no such thing will happen and that, on the contrary, legal immigration is the forerunner of full-scale immigration.

**Andreas Mölzer (NI)**, *in writing*. – (DE) The right of asylum is to become a vehicle for mass immigration on an unprecedented scale. Europe's doors would be opened wide to the developing world. If the multicultural visionaries have their way, the concept of the family will be extended to mean that whole tribes can immigrate without any difficulty.

In addition, the possibility of pre-expulsion detention is to be limited, asylum seekers are to be given access to the labour market and basic provision for them is to be extended. This would put even more pressure on the domestic labour market – particularly during the economic crisis – and taxpayers would be required to dig deep into their pockets. For these reasons, there is no option but to reject this report.

**Athanasios Pafilis (GUE/NGL)**, *in writing*. – (EL) The report on the common immigration policy takes a positive view of the monopoly-friendly immigration policy of the EU and the European Parliament's contribution to it. At the same time, it proposes that measures be taken for the next stage, at the expense of immigrants and in an even more reactionary direction.

The report adopts the basic principle of EU immigration policy as a tool to serve the needs of the labour market, which means the profitability of the European monopolies. For that purpose, it prejudices the application of a 'carrot and stick' policy towards immigrants. Thus, on the one hand, it welcomes the unacceptable Pact on Immigration and Asylum and calls for the reinforcement of FRONTEX and stronger intelligence gathering and repressive measures against immigrants who are of no use to European capital. On the other hand, it welcomes the attraction and legalisation of 'highly skilled' immigrants and the cyclical and temporary immigration needed by capital and proposes measures to integrate legal immigrants, so that they are directly available to their employers.

The only response to this reactionary policy is to integrate immigrants into the working-class movement and for immigrants and local workers to fight side by side against the anti-grassroots and anti-immigration policy of the EU and capital and claim their rights and the wealth which they produce.

#### **- Report: Eva Lichtenberger (A6-0224/2009)**

**Šarūnas Birutis (ALDE)**, *in writing*. (LT) Now is the right time for the TEN-T policy, based on fifteen years of experience, to properly reflect its goals and measures. We must reconsider projects and measures, put more emphasis on EU coordination and aim for more binding commitments from Member States, when implementing priority projects to which they have agreed.

TEN-T priority projects and maps are largely made up of large and expensive national transport infrastructure projects, and some of the earlier 30 TEN-T projects were physically impossible to implement, whereas other projects, especially following EU enlargement, became particularly important, but did not make it on to the list.

The current economic crisis may once again encourage us to follow this logic when investing in transport infrastructure. However, we need considered projects and investments in the EU's transport infrastructure, in order to develop it further over the next 10-20 years. Decisions on transport infrastructure projects should be based on correct assessments of expenditure and benefit, stability and European cross-border added value.

**Pedro Guerreiro (GUE/NGL), in writing. – (PT)** The report sets out the guidelines 'for the development of the trans-European transport network' (TEN-T). This currently involves 30 priority projects 'inspired mainly by national interests' – what other interests should be taken into account, those of multinationals? – which will receive almost EUR 5.3 billion in Community cofinancing.

This report fits within the vision of 'trans-European transport networks' based on the expansion of the internal market and an increase in capitalist competition and concentration. It therefore 'emphasises the need to incorporate ... the objectives of the Lisbon Strategy' and defends the adaptation of the TEN-T to 'changing market conditions', in line 'with the following criteria: economic viability, enhanced competitiveness, promotion of the single market', and developed through 'public/private partnerships' (for example by allocating 'a percentage of toll revenue from road infrastructure to funding TEN-T projects').

Just one month from the end of the current legislative term, the majority of this House cannot resist asking the European Commission 'to propose – by the end of its mandate – a legislative initiative concerning the opening of the rail domestic passenger markets as from 1 January 2012'.

Finally, to satisfy the interests of the large economic and financial groups in terms of expanding their control towards Eastern Europe, it underlines that links between Western and Eastern Europe are a priority.

**Marian-Jean Marinescu (PPE-DE), in writing. – (RO)** The development and expansion of the Trans-European Transport Network are an absolute must for consolidating the internal market and promoting the European Union's cohesion. This is the reason why I voted for option 'C' proposed by the rapporteur, Eva Lichtenberger. This approach will allow all the types of financial resources available in the future to be used for transport and infrastructure, even though it does not offer entirely the means to guarantee effective implementation, bearing in mind the numerous divergent national interests.

Any other alternative, including the option proposed by the alternative motion from the PPE-DE Group, might have made it impossible for Member States to use the Cohesion Funds, as part of the Cohesion Policy, for transport infrastructure projects other than the priority TEN-T projects and, by implication, this could have deprived Romania of the opportunity to use the Cohesion Funds for the transport sector, funds which Romania is greatly in need of.

**Luís Queiró (PPE-DE), in writing. – (PT)** This report assesses the implementation of the 30 TEN-T priority projects in which delays are having a major impact on the future of the European sustainable transport policy. Despite the difficulties, it is vital to remain committed to the changes needed to establish intermodal connections, particularly for citizens and freight. The various current challenges must be taken into account, ranging from security to regional issues, social, economic and financial habits, and the environment. The need for an integrated and more coherent approach to the transport network should therefore be underlined.

The importance of cross-border links to progress in the European transport network is clear, which is why we support improved interconnections between all modes of transport, in particular those which have found it more difficult to transform and develop, such as rail or maritime transport. Better links must be established with sea ports and airports, and proper implementation of trans-European network projects will certainly contribute to this objective.

The report reflects some of these concerns, but the order of priorities that I consider appropriate is not maintained throughout the whole text. I therefore voted against.

## 8. Corrections to votes and voting intentions: see Minutes

*(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)*

IN THE CHAIR: MR COCILOVO

*Vice-President*

## 9. Approval of the minutes of the previous sitting: see Minutes

## 10. Earthquake in the Abruzzo Region of Italy (debate)

**President.** – The next item is the Commission statement on the earthquake in the Abruzzo region of Italy.

**Siim Kallas, Vice-President of the Commission.** – Mr President, the Commission sends its condolences to all families who have lost their loved ones in the recent earthquake in Italy.

The Commission has been in close contact with the Italian civil protection authorities since the first hours after the earthquake. Member States started offering their help through the Community Civil Protection Mechanism at a very early stage of the disaster.

While this earthquake was very powerful and brought a lot of destruction, national resources were able to cope with the immediate disaster response.

However, on 10 April Italy made a request for technical experts who could support the country in analysing the stability of buildings damaged by the earthquake. A team of eight national and Commission experts was selected. The team was despatched to the site of the earthquake on 18 April. In addition to the assessment of the stability of the buildings, the team will propose solutions with regard to damaged buildings.

The Commission is currently cooperating with the Italian authorities in order to identify options for other EU support. Possibilities may include the EU Solidarity Fund and the reprogramming of the Structural and Rural Development Funds.

This earthquake is a tragic reminder that natural disasters are a continual threat for all Member States. Over the last decade earthquakes, heat waves, forest fires, floods and storms have killed many people in Europe and destroyed costly infrastructure and precious natural spaces.

The Member States and the Community need to combine their strength to prevent disasters and their impacts and to ensure a rapid and effective European response to major disasters. Experience has shown that an integrated and multi-hazard approach should be taken to develop effective measures in both in prevention and in direct response to disasters, as outlined in the Commission communication of March 2008 on reinforcing the Union's disaster-response capacity.

Furthermore, in February 2009 the Commission adopted a Community approach on the prevention of natural and man-made disasters that represents the state of the art and paves a way for future Commission initiatives. It suggests improving the consistency of existing prevention instruments and complementing them, thus reinforcing the added value of EU action.

The Commission would welcome feedback from the European Parliament on the approach proposed in this important communication. Furthermore, thanks to the preparatory action on an EU rapid response capability introduced by the European Parliament in the 2008 and 2009 budgets, the Commission is currently testing, with the Member States, ways to improve the overall immediate response capacity of the EU. Together, these initiatives are contributing to shaping a genuine European disaster management policy for all types of disaster.

**President.** – Thank you, Mr Kallas. May I take this opportunity to welcome Vice-President of the Commission, Mr Tajani, and so that I am not reproached for being careless or insensitive, I would remind you that we have already observed a minute's silence, yesterday, in commemoration of the victims of this disaster.

**Gabriele Albertini, on behalf of the PPE-DE Group.** – (IT) Mr President, ladies and gentlemen, between 2002 and 2007 earthquakes were the fourth most frequent natural disaster in the European Union. After this latest and sadly most serious tragedy in the Abruzzo region, we must join together to face these terrible events, common to many states of the Union.

To date, we have the European Solidarity Fund and the Community Mechanism for Civil Protection: two instruments that are very important yet still insufficient for an area, like Europe, that is at risk from earthquakes. In the case of the Abruzzo earthquakes, an application is being processed for access to the Solidarity Fund for the reconstruction of the areas destroyed. The figure could amount to EUR 500 million, as Commission Vice-President Antonio Tajani told the press. It has not yet been possible to quantify the extent of this earthquake and the damage caused: the Abruzzo region is in need of urgent and substantial intervention, which the Italian Government has been managing in a prompt and thorough manner from just a few minutes after the earthquake.

This action does however require European coordination, while respecting national and local competences. On 14 November 2007, Parliament itself unanimously adopted a resolution on the regional impact of earthquakes, concerning prevention and the management of the damage caused by tragic events of this kind. This document should serve as the starting point for a coordinated European policy in this matter, as stated in the written question by Mr Vakalis, co-signed by 50 or so Members of this House. We therefore hope that the European Commission will take on the ideas expressed in this resolution and apply them to create a European agenda for the prevention and management of earthquakes.

**Gianni Pittella, on behalf of the PSE Group.** – (IT) Mr President, ladies and gentlemen, I would like to express my condolences once again, on behalf of the members of the Italian parliament and all the members of the Socialist Group in the European Parliament, to the families of the victims, to the Abruzzo region and its citizens and to Italy. I would also like to say that our Group, which from the outset has been close to the people so tragically hit, will be sending a delegation to the Abruzzo region, led by our chairman, Mr Schulz. The numbers are frightening: it is true, as Mr Albertini said, there is no final count as yet, but we can nonetheless say that there have been around 300 deaths. It is a tragedy: 50 000 evacuees, thousands of houses destroyed, hundreds of public buildings devastated, including schools, and a prestigious cultural, architectural and artistic heritage in ruins.

As the President of the Italian Republic, Giorgio Napolitano, said, the response to the events was immediate and effective. This response came from the state, but also from non-state actors; from the world, from volunteers, from communities in Italy and elsewhere, from the provinces, from the regions, from the Red Cross and from the fire service: a truly extraordinary display of solidarity. Perhaps the Italian Government – in fact never mind the ‘perhaps’ – the Italian Government would have done well to take up the suggestion to amalgamate the referendum with the European elections and administrative elections, in order to save some hundreds of millions that could have been spent helping those affected by the earthquake.

There are certain responses Europe must make: firstly, it must activate the Solidarity Fund; we spoke to Vice-President Tajani about this just hours after the tragic events. Secondly, it must re-programme the Structural Funds, and thirdly, Commissioners, it must utilise the unused funds from the previous and new programming periods. Fourthly, it must amend the rules on the Cohesion Policy and the Structural Funds as regards the possibility of reinstating under Objective I, that is to say in the disadvantaged, underdeveloped regions, those regions which, due to exceptionally serious natural events, have seen their GDP, or wealth, drop below 75% of the Community average. So then, we do not want an ad hoc law for the Abruzzo region, but a law applicable to any region that may find itself in this position. Fifthly, we must investigate with the Commission the possibility of tax breaks for the economic activities and construction work which should, we all hope, pick up again in the Abruzzo region. Finally, I call for the implementation of the directive on building materials, which was recently updated and improved by Parliament.

To conclude, a tragedy such as this does not require rhetoric, rather it requires effective, tangible responses, as well as a close eye to ensure that the earthquake rubble does not become the site for further profiteering and illicit practices that line the pockets of the big criminal groups. We must be vigilant and give our best efforts: we must all work so that, with our help, our friends in the Abruzzo region can smile again.

**Patrizia Toia, on behalf of the ALDE Group.** – (IT) Mr President, ladies and gentlemen, a terrible tragedy in my country has hit the important central region of the Abruzzo and the city of Aquila. It has been a disaster that has affected human lives, including young lives; it has struck houses, our homes; churches, our places of worship; monuments, our culture; companies, our workplaces; universities, our centres of learning; and has left great devastation in its wake.

We have all rallied round these people and we can now say this: firstly, that they have responded with great dignity, despite being so intimately and so practically affected, losing their most valuable possessions such as their homes – and, as we know, the home is central to Italian culture – yet these people have reacted with dignity and want to start living again, rebuilding what they had, their own communities, within the places that represent that community and in keeping with tradition and continuity. I am reminded of the importance of the university and of small and medium-sized enterprises for that region, which is at present suffering from severe economic hardship and lack of recovery.

I should also say that there has been an extraordinary mobilisation on the part of the institutions: the government, Parliament, all the opposition forces, as well as the majority who, with great wisdom and responsibility, regard the work to be done in a spirit of unanimity: local institutions, volunteers, civil protection, the thousands upon thousands of young people and adults who went to Abruzzo and who

represent social groups, associations and the Catholic community; everyone has made a contribution. Even those who did not travel there have done something: economically, culturally, our country's entire cultural, social and economic spheres are being mobilised, which is very important.

It will, however, be important to remember this, as Mr Pitella said, when it comes to reconstruction, because in addition to these positive aspects of the tragedy, the structural weakness of our building methods has come to light, and I believe that here, alongside calls for justice, there should be a commitment to identifying liabilities and to reconstruction.

A word about Europe, Mr President: when disaster struck, Europe was there, as it will be in the future through the funds and other actions that have been mentioned. I would wish for there to be a visible presence, too, so that Europe is recognised not only in the money that arrives, but also in the faces and in the institutions. I propose that a joint delegation from this Parliament visit the region, without pomp, without publicity, but in order to say that Europe is made up of institutions and people, and that these institutions and people want to support and go on supporting Aquila, the Abruzzo and my country, also, which has been so severely damaged.

**Roberta Angelilli**, *on behalf of the UEN Group*. – (IT) Mr President, ladies and gentlemen, I too would like to thank the Community institutions for the support they have shown for Italy and the people hit by the earthquake. These have been difficult days, further aggravated by the weather conditions of the last 48 hours.

But after the grief and destruction comes the time for practical proposals and reconstruction, the time to restore a future for the Abruzzo region. We are asking the European institutions to do their bit; in fact the Commission has already given its guarantee through Vice-President Tajani, who was very prompt to assure us of his commitment in the immediate aftermath of the disaster.

As the Commission itself today confirmed, first of all we must verify all available financial resources, guarantee the swift activation of the European Solidarity Fund for natural disasters, and then look at the possibility of making full use of and reprogramming the European Social Fund and other Community programmes to support employment and businesses. However, we are calling in particular for the possibility of introducing extraordinary legislative measures, tax breaks, incentives and aid possibly as an exception to current *de minimis* provisions. These would be measures authorised by the European Union and valid for two or three years, that is to say for the time needed until the end of the emergency and reconstruction.

On these subjects and on these objectives, as today's debate has also shown, we are all in agreement, there are no divisions. I too would like to conclude with heartfelt thoughts for the victims, their families and the people affected, but I am especially proud, as an Italian woman from that area, to extend special thanks once more for the efforts made by the institutions, all the political parties and above all the rescue teams, civil protection and the Red Cross. I also thank all the voluntary organisations and individual citizens who did what they could and made a personal contribution or gave money to express their solidarity and provide real help; they are a truly outstanding example of efficiency and humanity.

**Monica Frassoni**, *on behalf of the Verts/ALE Group*. – (IT) Mr President, ladies and gentlemen, the Group of the Greens/European Free Alliance joins with all the Members who have spoken before me in expressing our condolences, our strong sense of solidarity and our support for those who have suffered as a result of this great tragedy, this disaster, this natural event, which was, however, caused by a whole host of things, and I do hope that the European Union, in a visible way, will be able to make a positive contribution to this situation.

There is one thing that cannot be denied: the impact of this earthquake could have been much less severe, the tragedy should not have been this great, because it is clear that a whole series of buildings and houses have collapsed and they should not have done. There has been negligence, there has been fraud and there has been deception, and we must establish who is liable, because this, too, is an essential part of reconstruction, which is also the moral reconstruction of the Abruzzo, its people and our country as a whole. Reconstruction should be an opportunity for huge innovation in sustainable development for those people who have shown us all that they not only have great dignity, but also great courage and an overwhelming desire to start afresh.

At this point, the least demagogical, most practical approach that will allow Europe to take swift action to support the emergency efforts and reconstruction in the Abruzzo is to review the region's 2007-2013 operative programme, that is to say the Structural Funds. The Abruzzo operative programme currently provides for EUR 140 million in European cofinancing, for a total programme cost of EUR 345 million, with the difference made up by national cofinancing.

We are well aware that one of the problems we must face is that of Italy's organisation in cofinancing the funds that the European Union is sure to grant, and on this point we Members must be extremely vigilant.

As I was saying, first and foremost, we must ask for the other European funds already planned for the Abruzzo, such as the Social Fund, to be reviewed and redirected towards measures and priorities that serve reconstruction. In this context, the Abruzzo operative programme could involve a reallocation of structural fund resources earmarked for other Italian regions that are now more competitive. We know that the European Commission is willing to evaluate grants, and this same mechanism can be used for other Member States.

Following this, the Italian authorities, primarily the government, with the cooperation of all local bodies concerned, must move quickly to calculate the cost of the direct damage sustained, in order to meet the deadline of 15 June 2009 for submitting an application for funds within the framework of the European Solidarity Fund. The amount of support granted will depend on the damage sustained, but will not in any case be more than a few million euros. This fund exists precisely in order to provide fast, effective and flexible economic assistance, therefore it is important that the Italian authorities quantify this damage, otherwise it will be difficult to get funding.

The national authorities also need to get to work on the loan application to the European Investment Bank, so that adequate sums can be granted for fast and sustainable reconstruction in this region.

**Roberto Musacchio**, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, first comes grief for so many innocent victims, then a commitment to rescue efforts, overcoming the emergency and reconstruction, in which Italy gives of its best.

European assistance in this is important, but we also need a European framework to help to prevent these disasters, which often have more than just natural causes; we therefore need a prevention framework, a natural disaster warning system on which to build a civil protection and prevention network. In addition to this, we need a land policy that provides guaranteed standards on land use that respect its balance, as well as safe building standards.

The Abruzzo earthquake also involves this, and, without wishing to be controversial, we must investigate all the liabilities, so that we can avoid a repetition of these serious events, and above all we must focus on land reclamation rather than on new demolition works. For this reason also it is vitally important that the Soil Framework Directive be adopted, which will provide structural support for appropriate management of European land, and European funds should be reformulated in line with prudent land policy, thereby creating a healthy environment and good jobs.

**Reinhard Rack (PPE-DE)**. – (DE) Mr President, Vice-President of the Commission, our Italian fellow Members have rightly viewed this debate as a very important one for their country and requested the floor, yet it is also a debate for all Europeans. After all, we are a European community. We are pleased to have the opportunities presented by the Solidarity Fund, and we should like its use to be as targeted as possible – including by the Italian Government and the regional bodies. We wish to express once more our condolences to the numerous victims, and we hope that Europe is able to help bring relief as soon as possible.

**Armando Veneto (PPE-DE)**. – (IT) Mr President, ladies and gentlemen, I would simply like to draw attention to the sympathetic response to this tragic event throughout Italy and also in Europe. When things like this happen, they allow us to observe the cohesion of the country and the Community, which can only nourish the hope of general solidarity and peace, including inner peace, that we enjoy within Europe.

I would also say that we must undoubtedly, openly and urgently tackle those responsible for the poor construction work that caused neighbouring buildings to react differently. Finally, on the sidelines there has been some dispute over the predictability of earthquakes; I will not go into it now, but simply say that studies on radon indicate that earthquakes are preceded by an increase in this gas. I therefore think, as is right for any scientific research, that Europe can and should use all its structures to encourage further studies on this, because, as is the nature of science, it may yet contribute to the purely hypothetical possibility of predicting such devastating events.

**Siim Kallas**, *Vice-President of the Commission*. – Mr President, there is no doubt that there is a strong feeling of solidarity in all Member States, and in the Commission as well, concerning this terrible earthquake. There are mechanisms for providing help, and the Commission services acted immediately. Everything must be done in close collaboration with the Italian authorities. Last year we had the huge disaster of the forest fires in Greece and before that we had forest fires in Portugal and the floods in Germany and the Czech Republic.

In all these cases the European Union expressed solidarity and helped as much as it could. It will do so in this case as well.

First of all, we are awaiting calculations of the scale of the damage and then we can decide how best to use the Solidarity Fund. The Commission itself cannot launch Solidarity Fund money; this can only be done after receiving the request from the Member State and after the calculation of the scale of the damage.

Many Members raised the question of the reprogramming of the Structural Funds, and DG REGIO is discussing this. My colleague Danuta Hübner will visit the area soon and discuss concrete possibilities. We are in permanent contact with the civil protection department in Rome to help, and also to help prepare the Solidarity Fund application, so there is no doubt that the Commission will do whatever it can to help the victims of this disaster.

Concerning safe building standards, these standards exist but the question is how closely these standards are followed in Member States. The standards definitely exist: they exist in directives and they exist in national legislation as well.

Our civil protection mechanism, at the heart of which is a monitoring and information centre working 24 hours a day, will collaborate with Member States in disaster prevention and also in addressing the consequences of disasters.

Once more on behalf of the Commission I express our condolences. We will do whatever is possible to help people in this disaster area.

**President.** – To conclude this debate, on a personal note and also on behalf of the Bureau of the European Parliament, I take this opportunity to express my condolences and sympathy once again for the victims and the families affected, and of course to pledge every possible support for the people of the region so badly hit.

The debate is closed.

## 11. 2007 discharge: EU general budget - Council (debate)

**President.** – The next item is the report (A6-0150/2009) by Mr Sørengaard, on behalf of the Committee on Budgetary Control, on discharge in respect of the implementation of the European Union general budget for the financial year 2007, Section II – Council (C6-0417/2008 – 2008/2277(DEC)).

**Søren Bo Sørengaard, rapporteur.** – Mr President, on a point of order first, because I just want to be very sure that the Council has been invited for this item. As we are going to discuss the problem of the Council, it would be very bad if the Council was not invited for this item. I just want the President to guarantee that the Council has been invited.

**President.** – Mr Sørengaard, I can confirm on behalf of the Presidency that the Council was indeed invited to attend the debate on this item. Despite this, it is with the Presidency's sincere regret and on behalf of Parliament as a whole that I note the Council's absence; I believe this was also the case this morning, when the President of Parliament welcomed the Council but received no reply whatsoever. Although I regret this, I can do nothing to remedy the situation and we are thus obliged to hold the debate as planned. I therefore invite you to take the floor again as rapporteur, to introduce the debate on this report and on this item.

**Søren Bo Sørengaard, rapporteur.** – (DA) Mr President, I wish to begin by saying that I very much regret the fact that we are going to conduct this debate in the absence of the Council – the very Council whose budget we are about to discuss. It is absurd, of course, that the Council should simply choose to ignore this debate in this way, given that the Committee on Budgetary Control has voted by a very large majority to recommend that Parliament postpone its discharge decision for the Council's 2007 budget.

Why have we done this? Is it because we suspect some fraud or irregularity? The answer is 'no', because we have no indication or information which points in that direction. So why, then, have we done it? We have proposed that the grant of the Council's discharge be postponed, because our committee has not yet received any official reply from the Council regarding a series of ambiguities in the budget. These ambiguities may well, in fact, be the result of misunderstandings, but the Council has declined to clear up these misunderstandings. Naturally, it could have done so by replying to our questions.



In accordance with paragraph 42 of the Interinstitutional Agreement, no operational appropriations for the Common Foreign and Security Policy may appear in the Council's budget. As representatives of the European taxpayer, we have the task of ensuring compliance with this agreement. However, in order to do so, we must be given the chance not only to ask questions about the Council's budget, but also to obtain answers to those questions.

In the annex to the report we have listed a number of questions, some of which are actually quite straightforward, and it should not be difficult to provide an answer to them. For example: how many accounts outside the budget did the Council have in 2007? What funds did they cover and what were they spent on? Another question is: can the Council offer any explanation as to how its own internal auditor could have come to the conclusion that there were shortcomings in the control and verification of invoices? Yet another one: is there any explanation as to why it has been necessary to transfer substantial amounts from the translation budget line to the travel budget line, year after year? Despite repeated calls from me, as rapporteur, and from the committee as a whole, the Council has to date given no official reply to these questions.

That causes great difficulties, of course, not only for the committee, but for the whole of Parliament, as well, because how can we grant discharge for a budget, in other words accountably claim to our electorate that this budget is correct, without knowing what lies behind the figures? That would be absurd.

We on the Committee on Budgetary Control are nice people. This is why we are giving the Council one more chance to answer our questions. We, therefore, recommend to Parliament that it postpone granting discharge for the Council's budget. This will allow the issue to be raised again in November and give the Council a few more months to consider whether or not transparency is better than secrecy.

I hope that with today's debate and tomorrow's vote we will send a clear message that we do not want to be a rubber stamp for the forces of darkness. We want openness, we want transparency and we want a full insight into how taxpayers' money is being spent. That is what we want today and that is what we want after the elections in June.

**José Javier Pomés Ruiz**, *on behalf of the PPE-DE Group*. – (ES) Mr President, I read in the applicable financial regulation that the Secretary-General and High Representative for the Common Foreign and Security Policy, assisted by the Deputy Secretary-General, shall have full responsibility for administering the appropriations entered in Section II – Council – of the budget and shall take all measures necessary to ensure that they are properly managed.

Where is Javier Solana? Where is the Deputy Secretary-General, since he is not at this debate? This is despite the fact that the only piece of information that we have, namely the report by the internal auditor, says that there is a B account, an off-budget account at the Council. Pursuant to the financial regulation, it is not the Czech Presidency or the French Presidency but Javier Solana who is responsible for the Council, together with his deputy.

What is this off-budget account?

The auditor says that this section should be eliminated. We would like to know what it has been used for, and why.

We would like to know why, of the EUR 650 million administered by Mr Solana, and for which he is responsible, EUR 13 million was transferred from interpretation to travel expenses in 2006, but in 2007 the allocation for travel expenses was not increased. The same thing is happening again, and we do not know what so much travel means, and where these funds are going to end.

We are angry, because there is only one exception to the democratic scrutiny exercised by this Parliament over all the accounts funded by taxpayers in the European Union: the accounts kept by the Council. Those are not audited. We, the Members of this Parliament, have not even been able to obtain a single official meeting with the Council to discuss the accounts.

They have refused to give us papers. They have refused to give us documents. They understand that we have no jurisdiction to scrutinise the Council; this was all very well when the Council carried out solely administrative duties, but now the Common Foreign and Security Policy represents operational expenditure, and we do not understand why this should be exempt from democratic scrutiny.

Here, therefore, I would like to say that the attitude adopted by the Secretary-General, Mr Solana, is unacceptable and that therefore, on this occasion this Parliament is going to propose that the Council's

accounts not be approved, as happened 10 years ago when Mr Elles said that he was refusing to approve the Commission's accounts, triggering the resignation of the Santer Commission.

**Costas Botopoulos**, *on behalf of the PSE Group*. – Mr President, the decision that we are about to take is a very important one. The Socialist Group is in favour of postponement for four reasons of principle.

The first is the credibility and the role of our own Parliament. It is very important to say, from the outset, what Parliament can and cannot do. What it can and must do is control democratically the accounts of the Council, too, notwithstanding the gentlemen's agreement that has been put in place.

The second reason is interinstitutional equilibrium. It is important that we do not do something that we cannot do as a Parliament, but it is also very important to say that it is our right to have a view, to have an opinion on the Council's accounts, when these accounts are operational and where these operational accounts must be accounted for. This is the democratic principle and this is what we are about to do. So we are not saying we want to do something else. We are saying we want to do our duty.

The third reason is the respect and the preparation for the Lisbon Treaty. You know very well, colleagues, that, with the Lisbon Treaty, the common external policy acquires much more depth and much more momentum. It is a much more important common policy and we cannot from the outset say that Parliament will not have a bearing on that policy at all. We must have the opportunity now to say what the role of Parliament is.

The last – and probably the most important – point is transparency vis-à-vis the citizens. Our role as a Parliament is accountability vis-à-vis the citizens. We cannot, and we must not, say to the citizens that the big common policies, like the external and defence policy, will lie outside the democratic control of our Parliament.

So for those four important reasons of principle, we believe that we must vote in favour of postponement.

**Kyösti Virrankoski**, *on behalf of the ALDE Group*. – (FI) Mr President, first of all I wish to thank Mr Søndergaard for his excellent report.

The report on the Council's discharge is very long and thorough. It is also based on references to documents and the EU Treaty.

The most problematic issue is transparency. The Council's budget only partly concerns administration, as a large share of the funds go on operations, such as the Common Foreign and Security Policy. The Council is fairly unwilling to discuss the implementation of the budget with the Committee on Budgetary Control, and it is not keen to hand over the documents requested either.

The European Parliament, together with the Council, is the authority responsible for the EU's budget. Its task is also to oversee the use of funds and the budget's general implementation.

As far as I can see, it is this very lack of cooperation that has forced the Committee on Budgetary Control to propose that discharge should be postponed, and not so much the way funds have presumably been administered. The situation is an awkward one because good levels of cooperation between Parliament and the Council are the lifeblood of fruitful European policy. That is why my group will make its final decision regarding its position this evening.

**Bart Staes**, *on behalf of the Verts/ALE Group*. – (NL) Thank you, Mr Søndergaard, your report is a gem, covering, as it does, all the pertinent points. I should, however, like to ask the President and this Parliament's Bureau to take note of the Council's absence and not to leave it at that. We should not let them run rings around us. I should like to urge the Bureau to consider sending the Council a very firm letter of protest with the message that this is unacceptable.

Indeed, as things stand at the moment, we refuse to grant an extension. This is beyond question now. We cannot grant discharge to the Council. This is not so much about fraud, as it is about a matter of principle, namely transparency. EUR 650 million from the European budget is managed by Mr Solana in the area of defence, security and foreign policy, but without any form of monitoring. This is not acceptable in a democracy. It has to stop. Hence the justified demands for an activities report, transparency and clarity.

That is not all, however. As a rapporteur on VAT fraud, in my report that was approved on 4 December, I clearly asked the Council to answer a number of questions. We are now four or five months down the line, and this period has been marked by a deafening silence from the Council, while the estimated fraud involved

is between EUR 60 and 100 billion annually. The Council must act. Coordination is what is needed in the fight against VAT fraud, and as long as there is no willingness to act on their part, I will not grant discharge to the Council.

**Jens Holm**, *on behalf of the GUE/NGL Group*. – (SV) Mr President, I, too, would like to ask the same question, and that is where is the Council in this debate? It is, of course, the Council and its budget management that we are to scrutinise. I find it remarkable that no one from the Council is here at this point to answer our questions. We in the Committee on Budgetary Control, in particular our draftsman Mr Søndergaard, have put several question marks against the Council of Ministers' management of its finances. We have pointed it out on numerous occasions, but have not received any satisfactory answers.

Allow me to give two examples. In 2006, the Council spent EUR 12.6 million on travel. This money was intended to be used for interpretation. I would like to ask the Council a question, but if the Council cannot answer, perhaps the Commission can: where did the Council travel to in 2006? What do these EUR 12 million represent?

The Council also has confidential accounts, so-called *comptes hors budget*. The internal auditor has urged the Council to abolish these accounts, but without success. I would like to ask why this has not happened. How many such accounts are there alongside the budget? What do these accounts contain?

Our job as Members of the European Parliament is to scrutinise the Council's use of budget resources. This we do because we represent the taxpayers. The Council's job is to answer our questions. We want answers to these questions now! What happened to these EUR 12 million? What do the confidential accounts contain? How many confidential accounts are there?

If we do not receive a satisfactory response – which we have not done as yet – then we will not grant discharge to the Council tomorrow.

**Nils Lundgren**, *on behalf of the IND/DEM Group*. – (SV) Mr President, we are facing one of the really important, fundamental questions here. You could say that, as a representative of a eurosceptic party, I believe that it should always be the Council that dominates European cooperation and that this Parliament should concentrate on the internal market and cross-border environmental issues. However, there is a third issue that has now come to the fore. The Council and this Parliament are, in principle, equally responsible for the budget and the uses to which taxpayers' money is put. Now what is, in my view, an unprecedented event has occurred in that the Council is keeping the uses to which the money is put a secret. We therefore have no transparency. Citizens are not able to say 'I accept that because I know what the money has been used for'. Therefore, I would say – and as far as I understand, all the speakers in this Parliament are in agreement for once – that there can be no question of granting discharge to the Council until we know where the money has gone.

**Hans-Peter Martin (NI)**. – (DE) Mr President, I rise to speak here as a passionate pro-European, and am convinced that we are currently receiving a lesson in what EU democracy should not look like. The fact that the Council does not deem it in any way necessary to meet Parliament's very clear criticisms in any acceptable form whatsoever unfortunately shows that all the critics of the EU, and also those who now reject the institution, are right, as we are flagrantly disregarding precisely the fundamental principles on which a democracy should be based.

Treaty after Treaty, we have been allowing the centre of power to remain completely unsupervised in reality and the Council – and this can be proven – to be lazy and incompetent and to operate largely in secret. I say 'lazy' because it can be proven that the majority of ministers – that is, those who take the decisions that are really important to Europe behind closed doors – are often not even present, and civil servants take decisions on extremely fundamental issues. This used to happen in Austria until 1848, after which the situation improved somewhat. This is not democracy.

The Council is not even willing to grant access to the agenda items that are being discussed. Members can work this out themselves minutely, detail by detail, via parliamentary questions – as I have done – and the results are frightful. These people are simply lazing around. Those who are, in reality, more important in legislative terms than us MEPs are leaving others to turn up in their place.

It is also claimed that there is now more transparency in the Council when, in actual fact, there has been less transparency in that institution since the 2006 Council Decision. A single agenda item out of 130 in the

most important Council – the External Relations Council – was dealt with in public in 2008. Everything else was discussed in camera. Everything else is less transparent than the Mafia.

Then there is the use of funds. Where do the many millions of euro go? Why is the Council refusing to cooperate on this? What is the attitude of the House towards a secret service that is being extended more and more under the leadership of Javier Solana? Javier Solana is based in Spain, which admits that there is, of course, an EU secret service. Where does the money go? How corrupt are these people, and how lacking are they in transparency?

**Herbert Bösch (PSE).** – (DE) Mr President, I should like to say two things on behalf of this committee. Congratulations to the rapporteur, who asked straightforward questions and received no answers. Congratulations to this committee, which adopted Mr Sørensgaard's report by an overwhelming majority – 27:2. The Member States are conspicuous by their absence today even though, as I would remind you, Mr President, we placed this item on this afternoon's agenda especially to accommodate the Council's scheduling problems. The Member States are doing things here that they would not dare do at home.

Now we shall be conducting an election campaign where things are being shifted to Brussels again. The problems lie in the capital cities, not Brussels. I should have liked to see the Commission offering us somewhat greater support on this from time to time. In my view, its behaviour is sometimes rather too cowardly. When, as the rapporteur says, we have *comptes hors budget* – in my country we call these 'black accounts' – this calls to mind Eurostat and similar stories. This will not work for long. It was this committee's job to warn of such a development, and I am proud that it did so by such a large majority. I believe – and this is a positive message I shall take away with me if the House follows our lead by what I hope will be an equally large majority tomorrow – that we have ensured that control does indeed work. There is someone to take care of it. After that, we shall take a look at the consequences.

**Paulo Casaca (PSE).** – (PT) Mr President, I join in congratulating our rapporteur on his work, as also the various political groups, the Commission and our committee in the person of its chairman. I must say that not only is the existence of slush funds absolutely unacceptable to us, but also that this supposed gentlemen's agreement, which will be 39 years old, does not, in my view, now have any reason to exist.

We are not nowadays a fan club. Definitely not. We are a Europe of citizens. We have to be accountable to everyone.

Here in the European Parliament, with the reforms that we have just now finished putting into practice, we are absolutely ready, from this next parliamentary term, to answer in full for the management of everything relating to our accounts.

The Council must do the same. It is highly regrettable that the Council has not taken advantage of the opportunity that it was given to be present here today. It was precisely for this reason that we chose this time. We should like to say that this definitely cannot continue and that we will do everything to ensure that the Council is forced to account for the way in which it implements its budget.

**Karl von Wogau (PPE-DE).** – (DE) Mr President, ladies and gentlemen, from the point of view of the Committee on Budgets, the Committee on Foreign Affairs and the Subcommittee on Security and Defence, I should like to introduce another rather different emphasis into this debate. Some speeches we have heard could give rise to the impression that there is no parliamentary scrutiny of common foreign and security policy, but this is far from the truth. Excellent cooperation has evolved between the Council and the Subcommittee on Security and Defence, and we are informed of every detail – including the budgetary aspects. The Committee on Budgetary Control is not involved in this – this is an internal matter for the European Parliament – but the Chairmen of the Committee on Budgets, the Committee on Foreign Affairs and the Subcommittee on Security and Defence are regularly informed of budgetary aspects. Parliamentary scrutiny is taking place here.

Then there are the confidential aspects, for which there is a special committee, which is also informed at regular intervals of all the details of European security and defence policy by Mr Solana personally.

Things may have gone very unsatisfactorily in this regard from the point of view of the Committee on Budgetary Control. I agree that the Council's absence from this debate is unsatisfactory. Nevertheless, nonsensical remarks such as those made by Mr Martin give the impression that there is no democratic control of any kind of the important matter of foreign and security policy in the European Union. There are more important things, for example the issue of the accounts from which Mr Solana's travel is financed. There is

the issue of the operations in Chad, Congo, Georgia and many other countries. Dialogue and effective democratic control are a reality here.

**Hans-Peter Martin (NI).** – (DE) Mr President, I should like to make a personal statement pursuant to Rule 149, which was Rule 145 in the previous version. I was mentioned by name; I was accused of making nonsensical remarks. I firmly reject this accusation. The data can all be documented. It is true that, in many cases, civil servants take the decisions in the important committees of foreign ministers and others – the specialist Councils – because, for whatever reason, ministers have not made the trip. Sometimes it can be proven that they prefer to attend party conferences.

It is also true – and this might perhaps be pointed out – that a Chairman, whose private dealings should be investigated at long last, has said things here that cannot go unchallenged. This parliamentary scrutiny does not exist, there are no scrutiny mechanisms whatsoever for the various security systems that have been developed accordingly – intelligence fields, that is. I shall give the following example in this very connection: the Intelligence Division (INT), with 30 members of staff...

*(The President cut off the speaker and called him to order)*

**President.** – Excuse me, you have the floor in order to answer a personal question, not to give a speech on this, and you have already responded to the personal question.

**Hans-Peter Martin (NI).** – (DE) Then I should just like to personally invite Mr von Wogau once more to disclose with whom his law firm does business and from whom it derives its profits, and then we can continue to talk.

**President.** – I think your words just now are much more serious than what Mr von Wogau said. He in turn has asked to speak on a personal matter and so I give him the floor.

**Karl von Wogau (PPE-DE).** – (DE) Mr President, Mr Martin has just addressed me in a most outrageous way. Whilst I shall certainly not be giving Mr Martin himself any information about my personal circumstances, I am prepared to provide details of them at any time in the appropriate manner, as what has been intimated here is absolutely unfounded.

**Paul Rübzig (PPE-DE).** – (DE) Mr President, Commissioner, ladies and gentlemen, I should like to start by saying that it would have been good if, when he was here in plenary, Mr Klaus had expressed his opinion on the accusations that are already well known. This would undoubtedly have helped show the separation of powers, which works very well at European level, in its true light.

Secondly, I should like to raise an objection to the comparison of the Council with the Mafia. This is something that simply cannot be said in a proper democracy.

Moreover, I believe that the national courts of auditors were indeed given the opportunity to work together rather more intensively with the European Court of Justice. Particularly with regard to the Council, national-level scrutiny by national parliaments is also a very important exercise, of course, one that should be performed regularly. Secondly, it is also vital, of course, that the European Court of Auditors analyse these exercises in detail and provide the necessary documentation.

I believe that the very transparency we are calling for here is also justified by the Treaty of Lisbon and that, therefore, we must press hard for this Treaty to be brought to a favourable conclusion as quickly as possible.

#### IN THE CHAIR: Mr McMILLAN-SCOTT

*Vice-President*

**Herbert Bösch, Chairman of the Committee on Budgetary Control.** – (DE) Mr President, I should like to pick up briefly on what Mr von Wogau said. Mr von Wogau, you may have a body that holds very interesting discussions on future projects. However, discharge is not the responsibility of three Chairmen or a diverse body, but instead of the Committee on Budgetary Control and then of plenary. If you can tell us what is happening with the Council's off-budget accounts, then please go ahead. I am convinced that you do not know, and we do not know either. Yet, by granting discharge, we take full responsibility for what the Council has or has not done.

This is not a kindergarten; if we do not know what they have done, we cannot take responsibility for it, otherwise we make ourselves a laughing stock the world over. Anyone wishing to do that tomorrow is welcome to, but my recommendation is not to grant discharge and to opt for postponement.

**Ingeborg Gräßle (PPE-DE).** – (DE) Mr President, ladies and gentlemen, it is in our interests to find a solution to this dispute, but this will be possible only if the Council makes a move.

We have complied with procedures, we have sent rapporteurs, and the four coordinators have written letters and asked questions. No replies were forthcoming, with just a reference made to a gentlemen's agreement – which certainly never applied to discharge, only ever to the budget meeting. Even then, it applied only to the administrative part. This gentlemen's agreement has never applied to the operational part; indeed, at the time the agreement was made, there was no operational part.

The Council must offer us a solution to this; it has time to come up with one, and we would urge it to do so. I am a little ashamed on its behalf on account of the members of the public up there, as this is the negative side, the arrogant side of Europe. We no longer live in a monarchy, and it is time that, in this regard, the Council joined us on the path of democracy – of greater democracy – which, incidentally, it always helps push through in the Treaties, too.

We would urge the Council to stop making this House a laughing stock, and the Council should also stop making itself a laughing stock.

**Pierre Pribetich (PSE).** – (FR) Mr President, Commissioner, as symbolic as it may be in this institutional triangle, we are all the same witnessing with astonishment today an essential act of the European Parliament – the discharge – taking place, and one key participant is missing. Indeed, I am thinking, ladies and gentlemen, of the visitors who are witnessing this scene in which some speakers are saying that extra-budgetary accounts exist, which cannot be made public – meaning that they cannot be dealt with transparently – and in which the Council is not here to testify where necessary to difficulties or to other circumstances.

I believe that as MEPs we cannot accept this state of affairs, this deplorable absence of the Council, and we can only protest and in particular approve the suggestion made by the chairman of the Committee on Budgetary Control, namely to postpone this discharge, because, otherwise, Parliament would make a fool of itself by validating accounts that it does not know about and has not had the opportunity to inspect.

Frankly, Mr President, the Council needs to pull itself together and be able to provide the information needed in relation to transparency so that it can prevent the Eurosceptics from seizing upon this issue in order to say that we are not transparent and that we are committing errors, especially where democracy is concerned.

**Søren Bo Søndergaard, rapporteur.** – (DA) Mr President, first of all I would like to express my satisfaction with the unanimity of the views which we have heard here today and I hope that they will have some impact on the Council. I fully endorse what the Chairman of the Committee on Budgetary Control, Mr Bösch, said to Mr von Wogau, and I would also like to put one more thing to Mr von Wogau: Why should Parliament grant discharge, when it is being denied information?

Certainly, if this were a matter for some other body, there would be no reason for us to get involved. May I point out, however, that if we do grant discharge, we will be taking on a degree of responsibility. Granting discharge means taking on a degree of responsibility and we can only shoulder that responsibility if we are given information. It may well be that this information has been made available to some other quarters in Parliament, but why should the Committee on Budgetary Control be denied access to it, when it is supposed to be dealing with this matter?

I also think that Mr Staes made a valid point in proposing that we ask the Bureau to lodge a protest with the Council, especially because there are unsigned documents being circulated which appear to originate with the Council, with partial answers from the Council to the questions we have raised. It is totally unacceptable, of course, to have a situation where unsigned documents which claim to answer our questions are being handed out to the press, when the Council is not attending this debate to present its views. Therefore, I think it would certainly be a good thing if we went along with the proposal for the Bureau to register a note of protest with the Council.

Finally, I would like to thank the committee for the excellent work it has done. Much attention has been paid...

Ah, the Council has arrived! Very good.

(Applause)

Perhaps we can start the discussion all over again! I will give the President the opportunity to start the whole discussion again so we can have the questions to the Council. So I will propose that to the President.

**President.** – The Council is, of course, welcome, but they have come for the next debate.

(Protests)

However, I will make sure that the Presidency-in-Office understands the concerns of Parliament, as expressed in the last debate about the budgetary discharge. I am sure the Minister will take that message back to Prague.

The debate is closed.

The vote will take place tomorrow.

## **12. Common rules for access to the international market for coach and bus services (recast) - Common rules concerning the conditions to be complied with to pursue the occupation of road transport operator - Common rules for access to the international road haulage market (recast) (debate)**

**President.** – The next item is the joint debate on

– the recommendation for second reading from the Committee on Transport and Tourism on the common position of the Council with a view to the adoption of the Regulation of the European Parliament and of the Council on common rules for access to the international market for coach and bus services (recast) (11786/1/2008 - C6-0016/2009 - 2007/0097(COD)) (Rapporteur: Mathieu Grosch) (A6-0215/2009),

– the recommendation for second reading from the Committee on Transport and Tourism on the common position adopted by the Council with a view to the adoption of a Regulation of the European Parliament and of the Council establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC (11783/1/2008 - C6-0015/2009 - 2007/0098(COD)) (Rapporteur: Silvia-Adriana Țicău) (A6-0210/2009), and

– the recommendation for second reading from the Committee on Transport and Tourism on the common position adopted by the Council with a view to the adoption of a Regulation of the European Parliament and of the Council on common rules for access to the international road haulage market (recast) (11788/1/2008 - C6-0014/2009 - 2007/0099(COD)) (Rapporteur: Mathieu Grosch) (A6-0211/2009).

**Mathieu Grosch, rapporteur.** – (DE) Mr President, I assume that this is a joint debate on the three reports forming part of the road package.

I should like to thank the Council, and also the Commission staff. The work we have done over the last two years has produced good results.

Road and freight transport within the European area accounts for approximately 75% of transport and employs two million people. Certain new rules were called for in view of the market opening for 25 countries that is planned for May 2009. The Commission proposals were along the same lines.

As regards the report by my colleague Mrs Țicău – whom, along with all the rapporteurs on the road package, I also wish to thank for the constructive cooperation – it is important that clear guidelines are being laid down on this for transport operators. They must prove their reliability throughout Europe, and must also have a sound financial structure. Transport managers should be able to demonstrate either many years' experience or a high level of training. Serious offences can jeopardise this reliability, which also means that Member States will be called upon to continue to perform checks and punish offences even after the entry into force of this regulation. This is often lacking in the transport sector as a whole.

More than half of Parliament's amendments have been accepted. I shall not go into all of them today, but I should like to highlight one result of the unofficial trialogue that is very important to me, namely the combating of 'letterbox companies'. These lead to distortions of competition and weaken national undertakings. Preventing this form of establishment means preventing social and fiscal dumping, which was also a subject in itself in the road package.

On the subject of market access for buses, coaches and lorries – buses and coaches in particular – this regulation mostly revolved around the ‘12-day rule’, as agreement was reached very quickly on the other points. The reintroduction of the possibility of taking a weekly rest period after 12 days does not compromise safety. The daily driving and rest periods must be observed, and on such journeys drivers will never exceed the permitted daily driving time. In addition, these 12-day trips help European integration and, for many people, are a very economical way of going on holiday.

The discussion on market access was one of the most intense for freight transport, and here Parliament did not obtain everything it wanted. Yet we did reach a compromise, and it was a good one. It seems to me that, particularly for cabotage – three operations in seven days – this compromise is a good starting point. The ultimate aim is to regulate services in third countries and, in the medium term, the cabotage market should be opened. We are awaiting proposals from the Commission on this, as cabotage should also serve to avoid unladen journeys. Nor do we want to interpret the imposition of temporary restrictions on this as protectionism, however. At this particular moment, with social and tax harmonisation in the transport sector completely failing to take effect, it was a very good idea to limit it in order to avoid unfair competition. Yet we should not wait two years before applying this regulation. Six months for cabotage and the 12-day rule should suffice.

I should also like a clear answer from the Commission as to whether countries that have already opened their cabotage markets pursuant to Article 306 of the Treaty will be prevented from continuing to do so under this regulation. I hope that the Commission will make a clear statement today on the further opening of cabotage markets and on Article 306.

**Silvia-Adriana Țicău**, *rapporteur*. – (RO) Mr President, Commissioner, I would prefer to use five minutes to start with and leave one minute for my conclusions.

The draft regulation sets out the conditions in terms of location, character, financial situation and professional competence which a person must fulfil to be able to perform the occupation of a road transport operator. The regulation which we are discussing has also established the terms under which a company can employ a transport manager, has reinforced authorisation and monitoring procedures, has provided regulations for electronic registers and the protection of electronic data, has dealt with the issue of penalties for non-compliance with the regulation and has set up a system of mutual recognition of diplomas and prior rights.

At first reading, which ended with a plenary session vote in May last year, Parliament insisted that the transport manager have a proper contractual link to the company and imposed an upper limit on the number of vehicles one manager could manage.

Amendments were also introduced to tighten the requirements for the company to have a fixed location. The company's good reputation may be lost as a result of its involvement in human or drugs trafficking.

Parliament has drawn up a list of serious infringements leading to exclusion from the profession in conjunction with removing provisions on minor infringements. Insurance has been accepted as proof of financial standing and the quick ratio of assets to debts has been dropped.

A compulsory written examination in the country of residence has been retained as a requirement to practice this occupation, with the possibility of an exemption for 10 years' continuous practical experience.

Finally, previous rights have been rescinded and the Commission has been asked to report on the likely impact of extending the regulation to commercial transport using vehicles with the appropriate design and equipment, intended to carry up to nine persons including the driver.

The Common Position has adopted in whole or in substance 70 of Parliament's 113 amendments. These include amendments on minor infringements, the definition of the link between companies and transport managers, the right of appeal of those subject to decisions on operating as a transport manager, mutual recognition of certificates, prior rights, the exchange of information between the competent authorities, as well as drugs and human trafficking as grounds for exclusion from the profession.

Concerning the registers, both Parliament and the Council agree on a stepwise approach. In fact, the Commission will define the data structure for national electronic registers by the end of 2009, but the two institutions have proposed different timetables for implementation, with the Council requesting a longer period of time.



There have also been other issues where the Council's initial stance was different to that of Parliament, but after long, fruitful negotiations, an acceptable compromise was reached for both institutions.

As a result, Parliament has accepted a more flexible timetable for implementing and interconnecting national electronic registers (31 December 2012). It has been agreed that major infringements will only be incorporated in national electronic registers after 2015, the limit on the period of validity for authorisation to perform the occupation of road transport operator will be removed, the examination will be retained in the Member State of residence, the structure of the electronic registers will include a public and a confidential section, the references in the regulation's content to restricting licences for accessing the road transport market will be removed, where virtually all the references to the licences for accessing the road transport market are only contained in Mr Grosch's two regulations.

I await fellow Members' comments with interest. Thank you.

**Pavel Svoboda**, *President-in-Office of the Council*. – (CS) Ladies and gentlemen, in today's debate I am standing in for my government colleague, the Transport Minister Petr Bendl, who has unexpectedly had to remain in Prague.

I would like to thank you for offering me the opportunity to address you ahead of tomorrow's vote on the road transport package. The Czech Presidency considers the finalisation of this collection of legal regulations to be highly important. The package is important because of the need for a clear and harmonised approach on the current system of cabotage instead of different approaches in the various Member States and also access to the market for transport operators.

With the help and support of the rapporteurs the Presidency has achieved a successful result concerning this important collection of legal regulations. I know that everyone has been working hard towards this result and that everyone has had to make certain compromises. Everyone demonstrated a constructive approach in negotiations in order to achieve second-reading approval.

The main items arising from our discussions can be summarised as follows: a more detailed specification of cabotage rules, the possibility for drivers engaged in single occasional international passenger transport services to work for 12 consecutive days and tighter controls on transport companies. Now the road transport sector will have a set of simplified rules and control mechanisms for cabotage as well as unified and enforceable provisions on access to transport markets. There will also be clear rules preventing abuse and helping to ensure fair competition, greater efficiency and better controls in this sector.

The compromise on cabotage will make a significant contribution to a more transparent, more efficient and safer road haulage market. It will contribute to further improvements in the road haulage market while at the same time creating a fairer and more transparent framework for the entire road haulage sector. It will reduce numbers of journeys by empty vehicles on EU roads thereby contributing to lower CO<sub>2</sub> emissions. The compromise also assumes that Member States will use appropriate safety mechanisms for preventing violations caused by cabotage on the road haulage market. The new rules on cabotage will come into force six months after the regulation is published in the Official Journal. In 2013 the European Commission will also consider the option of further steps relating to opening up the road haulage market and liberalising cabotage.

I firmly believe that the new legal framework for transporting goods and passengers in the EU will make a significant contribution to rapid and sustainable economic recovery. I would like to thank Parliament for its work on securing agreement in the negotiations over this package, and I would especially like to thank the rapporteur Silvia-Adriana Țicău and the rapporteur Mathieu Grosch, whose hard work and determination have helped to secure a successful result.

**Antonio Tajani**, *Vice-President of the Commission*. – (IT) Mr President, Mr Svoboda, honourable Members, the Commission cannot fail to be delighted with the compromise reached on the road package, since it enables us to conclude the legislative procedure at a time when the transport industry needs to have simple and effective rules and be set free from pointless red tape.

I have to say that the decision we are taking will also help to make our roads safer, because I believe that whenever we take action in the sector of transport and especially road transport, we must always keep sight of our goal to halve the number of casualties on EU roads. The rules that Parliament is adopting do, I think, help to achieve this objective.

We are also happy because this is another signal the European institutions are sending to citizens on the eve of the elections, and because the legislative procedure can be concluded at second reading, just two years after three major and complex legislative proposals were tabled. They have perhaps made for difficult debate, but at the end of the day institutional and common sense has prevailed, as has the political will to meet the demands of citizens and the transport sector in general.

I would like to take a quick look at the reports we are debating, in order to give some answers to the questions asked by the rapporteurs. I will begin with access to the international market for coach or bus transport services: it is true that cabotage represents a very limited section of the transport business as a whole, but, politically, it is a highly sensitive area. If used in a way that complements international transport, cabotage also contributes towards a better use of capacity and a reduction in unladen journeys, meaning a reduction in the number of heavy goods vehicles on the road – and you will be aware of how many road accidents involve large vehicles. This regulation will clarify the rules on cabotage, which will be applicable – and I refer here particularly to Mr Grosch's comment – in a uniform and non-bureaucratic fashion throughout the EU, without affecting existing cooperation between Member States under Article 306 of the Treaty. Furthermore, cumbersome national procedures still in force will be abolished, in order to enable transport firms to make the best use of the possibilities of cabotage. The Commission will keep a close eye on the evolution of the road transport market and will publish a report in 2013.

If deemed appropriate in that report and if the conditions for fair competition have been better harmonised, the Commission will propose that the cabotage market be opened up further. The Commission has made a statement to this effect, which will be sent to the Parliament Secretariat for inclusion in the reports of this debate. This statement will also be published in the Official Journal, alongside the legislative proposal.

I now come to Mrs Țicău's work on common rules concerning the conditions to be complied with to pursue the occupation of road transport operator. The Commission welcomes the introduction of a new 12-day rule. This is a tailor-made measure that takes account of the very particular conditions of certain types of passenger transport that allow for a longer period than six days, but do not normally require a large number of driving hours, for example school trips, skiing holidays and certain excursions. The new legislation also stipulates extremely rigorous measures so that road safety is not threatened, I can assure you. There are currently 100 different types of Community licences in force in the EU, which often makes for difficult and lengthy checks. Under the new legislation, there will be just one type and one standard format of Community licence used throughout the Union.

I now come to the third text in question: access to the international road haulage market. In an increasingly open market, we need to harmonise the conditions imposed on the companies that compete in this market. That is the purpose of the new regulation, which replaces a directive and at the same time tightens up the conditions that companies must meet. Each firm will have to appoint a transport manager to be responsible for the efficient running of the business as a whole.

In addition, in order to avoid 'dummy companies', further guarantees must be supplied as regards companies' registered offices. Further still, a new electronic register will be compiled in order to step up information sharing between national authorities and to make controls more intelligent and efficient. This, too, helps to ensure road safety.

Finally, transport businesses are today receiving a very clear message from legislators concerning the more serious failings that lead to licences being withdrawn, for example the repeated cases of tachograph tampering. This is unfortunately a practice that takes place in all EU countries, but the tampering not only constitutes a breach of the rules, it also threatens the safety of those who travel on Europe's roads, as it is clear that tired drivers are not able to respond quickly should problems arise.

That is why I said at the beginning of my speech that the laws about to be passed by this House make a serious and important contribution to our joint battle, as Commission and Parliament, to reduce drastically the number of road traffic casualties. I would therefore like to thank you for your willingness to adopt these laws so quickly.

Let me repeat, this is a strong signal we are giving to European citizens, demonstrating once again that Parliament – and I say this not least because I served in this House for 15 years – has shown great efficiency and seriousness, for which I am grateful.

**Georg Jarzembowski**, *on behalf of the PPE-DE Group*. – (DE) Mr President, I should like to thank the Council and the Commission for their constructive cooperation with our Parliament's rapporteur. As Commission

Vice-President Tajani himself said, this is a very good example of how a good result can be achieved in a short space of time even on difficult dossiers.

However, I cannot hide the fact that we are not overly happy with the cabotage regime. As the President-in-Office of the Council – and you, too, Vice-President – mentioned, it is intrinsically better, on environmental and economic grounds, to avoid unladen journeys in Europe. Therefore, it would be better if the cabotage restriction could be lifted altogether sooner rather than later.

As an interim step, we are accepting three cabotage operations in seven days, but we are awaiting your report most eagerly, and hoping it will state that 2014 will mark the end of this restriction. After all, it is a trifling area for the transport sector, but one that wastes money and has adverse effects on the environment. Therefore, I hope that you will present a proper proposal in 2013, as a cabotage restriction is absurd in a European internal market of 27 countries.

I should also like to thank the Council and the Commission for supporting us in the end on the reintroduction of the 12-day rule for buses and coaches. This is very important for the bus and coach industry, which, in many countries, consists of small and medium-sized enterprises, as the introduction of two drivers on such trips – which are mostly for senior citizens – has caused problems for SMEs. We are pleased that this expires in six months' time. It must be understood that there are many people, particularly older people, who do not like flying but would still like to travel as tourists in Europe and perhaps enjoy the sun in places such as Italy or Spain, hence the importance of our reintroducing the 12-day rule for buses and coaches and making it affordable and thus possible for senior citizens to travel. This is a great success for us, for bus and coach companies and for passengers, and so I am much obliged to the Council and the Commission.

**Brian Simpson, on behalf of the PSE Group.** – Mr President, first of all I would like to thank both rapporteurs for their work on this difficult dossier. It is clear that this package, and in particular the issue of lifting cabotage restrictions, has divided opinion along national lines, but I think what we have before us now is an agreement that we can support.

I had serious concerns about full cabotage delivered in one move without any levelling-up of social costs, or indeed running costs, for individual hauliers. Such a move, I believe, would have had a detrimental effect on the road haulage business, not only in my own country but in other Member States as well. Therefore the compromise introducing temporary cabotage is not only sensible, it is a solution that will be workable, allowing three domestic journeys after one international one. Temporary cabotage also allows us to end the environmental nonsense of HGVs travelling hundreds of kilometres empty, without distorting domestic markets.

Finally, I am also happy to support the new enforcement measures that have been introduced via the Ticău report. This has to go hand in hand with further market opening, and will allow Member States to practise tough and efficient enforcement measures.

**Jeanine Hennis-Plasschaert, on behalf of the ALDE Group.** – (NL) For years, emotions have run high when it comes to the phenomenon of cabotage. Current legislation, as has already been pointed out, is said to be too vague due to the term 'temporary' that has been used. For various Member States this is the perfect excuse to further protect their own market, which is what we have noticed.

To create clarity once and for all, the Commission has asserted that it will bring forward a proposal to solve all these issues. I have high hopes for this. Strikingly enough, though, the Commission has proposed to impose firm restraints on the scope for cabotage. This is striking because the existing rules have all this time been considered an intermediate step towards complete freedom. In 2009, we were supposed to be moving towards complete freedom, according to both the Commission and the Council.

I consider the agreement that is now before us and on which we will be voting tomorrow a huge disappointment. Instead of more freedom, hauliers are faced with more restrictions. Of course we do need a European approach. I too could not agree more. The sector should not have to put up with all kinds of national outpourings a day longer.

This agreement, however, Mr President, is completely at odds with the principles and objectives of the internal market. The arguments in favour cited, such as traffic safety, the environment and a reduction in the administrative burden, hold no water whatsoever. There will not be an actual free market, Mr Tajani, and this whilst every restriction leads to more transport movement. It is anything but workable, Mr Simpson.

Working on the principle that something is better than nothing is not an option for the Group of the Alliance of Liberals and Democrats for Europe. It does not work in this case.

**Roberts Zile**, *on behalf of the UEN Group*. – (LV) Thank you, Mr President. Commissioner, I would certainly like to thank both rapporteurs and all those others who have been involved in finding a compromise, but I would like to say that there are both positive and negative aspects to what we have accomplished. For example, it is a good thing that we have managed, on passenger transport, to reduce the obstacles to transport in districts near borders, where there is an intensive flow of cross-border transport. At the moment, however, when in difficult economic circumstances solidarity is needed, protectionist tendencies can be seen in relation to national markets, and thanks to the concept of 'temporary' use, restrictions still serve as an excuse for many Member States to carry on protecting their domestic markets. Unfortunately, Member States will be able to make use of a safeguard clause that gives them the opportunity to use serious difficulties observed on the national transport market as grounds for approaching the Commission and passing protective measures. In addition, it should be noted with regret that they will also be able to do this after 2014, which was in the European Parliament's original position. I would like to make a similar point about international coach transport too. The provision stating that in the event that international transport poses a threat to the viability of the provision of similar services a Member State may suspend or cancel the transport operator's licence is, in my view, unacceptable in the operation of the single market. Thank you.

**Georgios Toussas**, *on behalf of the GUE/NGL Group*. – (EL) Mr President, the common position of the Council of the European Union, like the Commission's initial proposal for a regulation, liberalises the national passenger and freight road transport markets and grants international Community transport companies access to the internal markets of the Member States. In fact, it hands international and domestic road transport over to the large monopolies on a plate.

The proposals contained in the European Parliament reports move in an even more reactionary direction. They call for the immediate and full liberalisation of the markets and the removal of all barriers, restrictions and controls. The workers now understand from bitter experience the painful consequences that the charge by monopoly business groups into road transport will have on their lives.

The liberalisation of the internal freight and passenger road transport markets steps up the exploitation of working drivers, who will be forced to drive without breaks and without any measures for their rest and safety, sweeps away their wage, labour and insurance rights, increases the risks to road safety and imposes the concentration of transport among international monopolies, which reap huge profits, with disastrous consequences for the self-employed and small businesses trading in this sector. It results in increased freight charges, a lower standard of service and higher risks to passenger security.

That is why we voted against the common positions and the recommendations by the European Parliament. The working class movement is against capitalist restructurings and calls for the creation of a single public-sector transport market based on the criterion of satisfying modern grassroots requirements.

**Johannes Blokland**, *on behalf of the IND/DEM Group*. – (NL) Had I predicted around 1980 that the end for the cabotage restrictions would still not be in sight by 2009, there is no doubt that my audience would have had a good laugh at my expense. After all, restrictions of cabotage are, by definition, blatant violations of the rules of the European internal market.

Now, in 2009, we are once again faced with the prospect of going home empty-handed at second reading. Needless to say, I will be supporting the amendments by the Group of the Alliance of Liberals and Democrats for Europe, but as the Group of the European People's Party (Christian Democrats) and European Democrats is deliberately refusing to stand firm on this, it is delivering the future of the road haulage sector a fatal blow. I am pleased to see that the 12-day rule has been retained in the proposals, but not that this has been done at the expense of ending cabotage restrictions.

If Amendments 17 and 18 are not adopted, I will be voting against the end result. I refuse to put my name to a proposal that is detrimental to the environment, puts the haulage sector at a disadvantage and is very disrespectful of the workings of the European internal market.

**Corien Wortmann-Kool (PPE-DE)**. – (NL) I should like to start by saying that the good news in the proposal we are now discussing is that the 12-day rule for bus transport has been abolished.

As far as cabotage is concerned, however, the proposal is downright disappointing. After all, back at the start of the 1990s, and even in the 1980s, it was agreed that this restriction of the free transport of goods would

be temporary in nature. That is why we, the Group of the European People's Party (Christian Democrats) and European Democrats, but also Members of other groups, had submitted proposals at first reading to lift the restrictions by 2014. In recent months, though, it has become apparent that the Member States have been thwarting this proposal, despite the efforts Mr Grosch has made as a rapporteur to have a date on the table after all. The thwarting has been fierce, which is very bad news.

Protectionism in times of crisis is the worst news for Europe, for, as Mr Tajani rightly pointed out, it is a waste of money and bad for the environment. That is why the Dutch Christian Democrats (CDA) will be voting against this proposal, even though we are aware that it is the Member States that are blocking this measure and there is nothing we can do about it, unfortunately. The content of this proposal is both wrong and unenforceable. The legislation is therefore not just bad in times of crisis, it is also symbolic.

I should therefore like to encourage the Commissioner not to leave matters at that, and to take the initiative once more, the right of initiative he has in the next few years to abolish this restriction of cabotage yet. He will be supported by the Christian Democrats in so doing.

**Gilles Savary (PSE).** – (FR) Mr President, Commissioner, first of all I should like to pay tribute to the sense of compromise shown by our two rapporteurs, Mr Grosch and Mrs Țicău, since this is a difficult subject in the sense that, yes, we do want the single market, but the public and company directors do not understand that having the single market at times means that some of them will have to fail, that the economy will have to go into recession and that jobs will have to go.

In the public's eyes, it is only worth having the single market if it puts them in a win-win situation. However, we know only too well today that, on issues such as cabotage, social conditions in the various countries are such that, were it to be systematised, we could, as things stand, see a number of workers from countries with high levels of pay ejected, ousted from the market by countries with low levels of pay.

I therefore believe that the position adopted is ultimately the right one. Cabotage should be liberalised, but it is still too soon to do so suddenly and indiscriminately. Thus, having the notion of consecutive cabotage, with an adjustment that refers us to a rendez-vous clause for a report by the Commission on the social repercussions, and, above all, not having an automatic and indiscriminate date for liberalisation, suits us very well.

That is why we shall vote in favour of this report, while calling on the Commission to be attentive and while expressing the wish for liberalisation ultimately to take place, but not to give rise to unfair competition or social dumping, which do so much damage to Europe's reputation and which, in a country such as mine and no doubt in that of Mrs Wortmann-Kool, prompted the sudden rejection of the European Constitutional Treaty by citizens fearing the loss of their social position. Thus, I am grateful to the two rapporteurs.

**Dirk Sterckx (ALDE).** – (NL) I should like to thank Mr Grosch and Mrs Țicău for the work they have done, and I think that Mrs Țicău is right to be strict about access to the market in her report. If you run a transport company, you have to observe a number of rules and, as Mr Grosch has already stated, PO box companies have to go, as they are the cause of a lot of the abuse that goes on. That is Mrs Țicău's report, then.

So why can we not give the companies to which strict rules apply a European market to work on? Moving on to Mr Grosch's report, I would have liked to have seen a clarification, not a restriction. As such, the majority of our group cannot endorse the compromise Mr Grosch has struck.

We are actually taking a step backwards, in that we are once again restricting the scope of hauliers within the European market. There is no prospect of an opening up in 2014, as per Parliament's request. The Council disagrees, but I think this is one concession too many. We are, in actual fact, arranging empty journeys for lorries – something which, in this day and age, simply should not be done. I doubt whether those Member States that have now opened up their cabotage markets to each other are still able to do so under this regulation, should they wish to do this on a bilateral basis. I also wonder how Member States that claim that monitoring is difficult will now manage, because it is not that much easier. It is the same in all the countries, but it is difficult to monitor and I should like to see if the police authorities are up to this.

If the cost of wages and social dumping are the reason, why do I not get to see documents in which the French authorities reprimand French customers for using too many Belgian lorry drivers? They are more expensive than the French. Why do I then hear stories of Belgian lorry drivers who, for relatively minor offences, are kept under arrest in the United Kingdom? For there, too, drivers are cheaper than in Belgium. So, if social abuse is supposed to be a reason, it is certainly not the case here.

The upshot, in my view, is that we will be taking a step backwards in relation to the internal market. Tomorrow, we will be approving intelligent transport systems, which means that we are saying that communications technology and information technology lead to more effective freight transport. We then say, though, that we will be restricting this for political reasons. This is very unfortunate and I will therefore oppose the agreement which Parliament will, unfortunately, be approving by a majority.

**Michael Henry Natrass (IND/DEM).** - Mr President, another package of reports to keep EU committees busy, more pollution into a sea of unnecessary regulations. Winston Churchill said if you have 10 000 regulations you destroy all respect for the law. English respect is destroyed. A BBC poll shows 55% want to leave the EU and 84% want the UK to keep its powers.

President Pöttering confirmed the EU makes 75% of the law. In 35 years, that is more law than England has made since King Richard III in 1485. So, here we are, making legislation to correct legislation. Where will it all end?

The UK will leave the EU, be good neighbours and watch you in your sea of regulations from across the English Channel, watching the EU die a death by a thousand self-inflicted truck directives.

**Dieter-Lebrecht Koch (PPE-DE).** - (DE) Mr President, Commissioner, ladies and gentlemen, the road transport package comprises three mutually complementary issues that have an important impact on the freight and passenger transport markets. It will benefit carriers, drivers and users, particularly in the current economic climate. At the same time, it will improve safety on our roads, increase transport efficiency and benefit environmental sustainability.

I welcome the choice of the form of a regulation to achieve our ambitious aims. Bans on cabotage operations result in unladen journeys, which we cannot and do not want to afford, either financially or from an energy or environmental point of view. On the other hand, unrestricted opening of the freight transport market would lead to distortions as a result of unfair competition – which is why this is being tackled gradually. Cabotage is permitted provided that it does not become a permanent or continuous activity in a Member State in which the transport operator is not resident.

Unfortunately, this initial step does not yet represent the full opening of domestic road transport markets, but it does leave this possibility open. Unladen journeys are already being reduced and the environment protected.

With regard to access to the cross-border passenger transport market, the main objective is bureaucracy reduction, in the interests of simple, fast procedures for the authorisation of cross-border regular services. Documents are to be harmonised and checks simplified. I very much welcome the introduction of the revised 12-day rule for organised cross-border coach journeys. This will benefit holidaymakers and bus and coach companies alike, without compromising safety. It is citizen-focused politics.

In future, authorisation to pursue the occupation of road transport operator will be subject to specific, transparent conditions. This will increase the status of the profession, ensure the recognition of professional qualifications and help combat dumping practices. The increase in safety and reliability will be palpable.

**Saïd El Khadraoui (PSE).** - (NL) First of all, I should, of course, like to thank the rapporteurs, Mr Grosch and Mrs Țicău, for the work they have done and for the fact that they eventually managed to thrash out a compromise on the package, one that should not last for more than a few years at the most, as it is merely a transitional measure, in my view. With regard to road transport, there are two important points I should like to make. The first one is, indeed, access to the profession. This has, in my view, been structured in such a way as to ensure that guarantees are in place from those who want to be active in the sector.

Cabotage is clearly subject to some controversy. This is a good transitional measure that was necessary in order to define more clearly what is possible. In the past, it was stated in rather vague terms that cabotage is possible on a temporary basis. This has now been clarified as three times over a seven-day period. It is indeed logical that everything should be thrown open, but the time is not yet right, in my view.

The compromise that is now before us, namely that we review the social situation in the European Union in a few years' time and take further measures as necessary strikes me as a very reasonable proposal. This opening up of the market should go hand in hand with a levelling of the social bar. Meanwhile, it should be possible for a number of countries, or groups of countries, such as the Benelux countries, for example, to agree with each other that things stay the same so that open cabotage remains possible. As long as salary

and working conditions are more or less the same, I personally do not have any problem with this, but this is clearly not the case yet across the board, and that is why this intermediate step is necessary.

**Ari Vatanen (PPE-DE).** – Mr President, when we leave this place this evening, most of us will take a black car. These are quality cars and quality drivers, and we know that those drivers are very professional. It is a known quality. They meet the criteria.

Although I partly agree with the English gentleman a while ago when he complained about too much legislation – sometimes it is true that we do produce too much legislation – I still regret that EU access to professional rules was not extended to taxis, because we all use taxis in the various Member States and their quality differs a great deal. When you take a taxi, reliability is very important, as is quality: knowing what to expect. It is also a question of safety. You are very often alone in the car in strange surroundings. The taxi is also, for many of us, the first contact we have in a new country, so it would make sense for the drivers to meet certain European criteria. It also means that, if they were professional, well educated and knew where they were going, we would not have to be afraid of overcharging.

There are countries like Germany, Sweden, Slovenia and Finland where the national rules are very stringent on this issue and the taxi profession works well. London taxis are also known for their quality. We should share these best practices. But, in the mean time, while we are waiting for this legislation on criteria for the taxi profession, maybe we should legislate for us to give good tips to those drivers who take us home in the evenings.

**Pavel Svoboda, President-in-Office of the Council.** – (CS) Mr President, ladies and gentlemen, I would like to thank you for the various contributions put forward during this debate. I would like to assure you that the Council is fully determined to strengthen and complete the single market. The Presidency therefore believes that, precisely for this reason, an adjustment is required in existing Community legal regulations. The Presidency also fully shares the aim of boosting the competitiveness of the road haulage sector in the EU by rationalising and simplifying the existing legal framework and thereby helping to curtail market violations. However, opening up domestic transport markets fully would expose our transport operators to unfair competition and would impair the functioning of the market because there are still significant fiscal and social differences between the Member States. This must be avoided, particularly in a time of economic crisis when the economy as a whole requires a careful and considered assessment of the best methods for stimulation and recovery. It is clear that by 2013 at the latest the Commission will assess the situation on the market again with a view to further liberalisation. This compromise version represents a fair and balanced way to combine the various interests.

Our common aim is to make road transport more efficient and sustainable. These legal regulations will make a significant contribution towards reducing breaches of economic competition rules and improving compliance with legal regulations in the social area as well as road transport safety regulations on the part of road transport operators. It will also bring about a significant reduction in the administrative burden both for road transport operators and for supervisory bodies. It should also provide the sector with a legal and administrative framework aimed at deriving further benefits from the common market. I firmly believe that this important collection of legal regulations will support and facilitate road transport and will help stimulate economic recovery. I would like to thank you once more for the excellent cooperation which has made it possible for us to reach a joint compromise on achieving these objectives.

#### IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

*Vice-President*

**Antonio Tajani, Vice-President of the Commission.** – (IT) Mr President, honourable Members, I believe that what Parliament is about to adopt is a good compromise, reconciling the Council's demands, the demands of the majority of MEPs and the European Commission's proposals.

Obviously, when a compromise is needed, each must take a step back so that others can do the same, and I therefore think that Mr El Khadraoui's words were wise: we have done the best we could under the circumstances. As I said in my earlier speech, as far as cabotage is concerned, the Commission intends to assess the situation and see if it might be possible to reach an agreement – it will depend on how things stand – it may be that we can open the sector further and so take the direction many Members have called for, but we must of course gauge the situation at the time.

To repeat, I believe that this is a good compromise, and I would like to address Mr Sterckx, who has the courtesy and good will not just to criticise, but then also to listen to the reply, unlike many Members, who have made criticisms and then are unfortunately unable to listen to the Commission's comments in response to what they have said. I would like to reassure Mr Sterckx, who is rightly concerned about the existence of prior agreements concerning his country of origin and the other Benelux countries.

It is my belief, however, that this legislation, as it is to be adopted, will not – as I said earlier – have any negative repercussions for existing agreements. They will remain in force, because the new legislation will broaden the situation but will not affect, and therefore not prejudice, bilateral or trilateral agreements that already exist. Thus I believe I can reassure Mr Sterckx that as I see it, which I believe is the correct and effective interpretation, there will be no negative repercussions for the agreements that chiefly – I repeat – concern Benelux.

I also wanted to reassure Mr Blokland and Mrs Wortmann-Kool about the concerns they voiced: we do not intend to stop here, we are looking – I repeat – to see how the situation develops, in 2013 we will prepare a report to assess the state of the art, how things have evolved, and if it is possible, if we deem it necessary, we will again propose to Parliament and the Council a possible extension of the situation and further liberalisation of the cabotage system. We are very aware though, that many EU countries hold a different view, and so in order to obtain approval from the Council it has been necessary to take a step back on other matters.

Nonetheless, I would say again that I think it is a very good thing that we have reached an agreement relatively quickly, an agreement that – I would also reassure Mr Jarzembowski – could always be improved; every law can be improved, but too often the best is the enemy of the good. I believe we are doing the right thing and I do not think it necessary to leave the European Union when we talk about these subjects, as Mr Nattrass suggests, because I think that good rules are useful to the European Union.

Even an authoritative British newspaper, the *Financial Times*, has speculated that Great Britain will re-think the need for stricter rules; certainly, during the crisis Europe has withstood the economic and financial crisis better than other regions, precisely because it has based its economic system on clear rules.

I believe, perhaps because I was born in Rome, that the history of Roman law and the Napoleonic Code has demonstrated the importance of having rules that guarantee society's development. I do not know which side of Hadrian's Wall Mr Nattrass was born on, but judging by his speech I would say he was born on the far side of the wall, and his ancestors therefore had no way of knowing Roman law.

Ladies and gentlemen, allow me to thank you again for your cooperation, and the Council for its work, and express my thanks once more in this House to the Commission staff of the Directorate General that I have the honour to lead, because without their valuable contribution it would not have been possible to reach a compromise that I believe to be positive for all EU citizens.

**President.** – Mr Sterckx, do you wish to speak on a point of order?

**Dirk Sterckx (ALDE).** - (NL) Mr President, I just wanted to let the Commissioner know that Mrs Hennis-Plasschaert is no longer here, as she had to attend another meeting. I am the listening ear on behalf of everyone in our group who is involved in this subject. I simply wanted to inform you of the fact that she did not simply disappear.

**President.** – Thank you, Mr Sterckx.

I believe that was not a point of order, but a matter of courtesy.

**Mathieu Grosch, rapporteur.** – (DE) Mr President, I should like to start by thanking the Commission for its very clear answers. I would emphasise that the restriction on cabotage is a transitional arrangement, that the study is being carried out and that, depending on the result, market opening will also be in prospect.

Another very important aspect is that Article 306 applies here – including, quite clearly, to the Benelux countries, Mr Sterckx, which means that your request is superfluous and we no longer need to support it.

The other thing I want to say here concerns cabotage itself. Following the remarks I have heard here, I think that this compromise is actually even better than I had thought, for the simple reason – and this I address particularly to my fellow Members from the Group of the Alliance of Liberals and Democrats for Europe and my fellow Member from the Dutch Christian Democratic Appeal (CDA) – that creating a transitional arrangement does not mean that we wish to throttle the internal market – if I may use that expression – or



businesses. If we bear in mind today that certain businesses use state-of-the-art vehicles but pay their drivers EUR 400 per month, whilst other businesses pay EUR 1 500 a month, it strikes me as more than reasonable to say that the social bar needs to be raised somewhat. If there is money available to meet vehicle requirements, there is also money to meet wage requirements. This bar must be raised, and only then can the market be opened. In my view, it is a faulty understanding of an open market to say we should open it and see where we go from there.

My last comment is that the funny thing is always that those very countries – for example the United Kingdom – who block any kind of harmonisation, particularly in the area of taxation, are today saying that there is a lack of harmonisation and so we should just let the market evolve. Some say they want to see restrictions, whilst others say we have far too many restrictions.

If we want to convince the European public, we cannot say that the market should be opened and everything else will sort itself out. Instead, environmental, social and tax legislation must be sorted out in this House together with the Council and the Commission. Then we shall be credible.

**President.** – Thank you very much, Mr Grosch, for a speech that has already received the support evidenced by the applause of your fellow Members.

**Silvia-Adriana Țicău, rapporteur.** – (RO) Mr President, Commissioner, I would like to begin by thanking Mr Grosch, the shadow rapporteur, with whom I worked, along with the technical staff from the Committee on Transport and Tourism and the European Socialists Group, as well as my colleagues in the Commission and the Commission's staff, not to mention yourself, Commissioner, and the Presidency of the European Council which I have enjoyed very close cooperation with.

I would like to remind you that in June 2007 the European Commission proposed amending the regulation on access to the road transport business. The proposals for the amendment have come about from the experience gained following the application of European Commission Directive 96/26. This has resulted in some of the legislative provisions being reworded with the aim of ensuring more consistent application, by using a legal act in the form of a regulation. Here we are now roughly two years later, having a final vote on this document which has a direct impact on approximately 800 000 European enterprises and around 4.5 million jobs.

Our common objectives are as follows: to improve road safety, reduce bureaucracy, simplify procedures and provide predictability and certainty for road transport operators. I hope that this compromise which we have reached will develop the road transport market. I thank fellow Members once again for their cooperation.

**President.** – The joint debate is closed.

The vote will take place tomorrow at 12 noon.

### **13. Rights of passengers when travelling by sea and inland waterway - Rights of passengers in bus and coach transport (debate)**

**President.** – The next item is the joint debate on the following reports:

– the report (A6-0209/2009) by Mr Teychenné, on behalf of the Committee on Transport and Tourism, on the proposal for a regulation of the European Parliament and of the Council concerning the rights of passengers when travelling by sea and inland waterway and amending Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (COM(2008)0816 – C6-0476/2008 – 2008/0246(COD)), and

– the report (A6-0250/2009) by Mr Albertini, on behalf of the Committee on Transport and Tourism, on the proposal for a regulation of the European Parliament and of the Council on the rights of passengers in bus and coach transport and amending Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (COM(2008)0817 – C6-0469/2008 – 2008/0237(COD)).

**Michel Teychenné, rapporteur.** – (FR) Mr President, Mr Tajani, ladies and gentlemen, the two principles that have guided my work since the start of this process have been ensuring that all modes of transport are on a more equal footing with regard to passengers' rights – which is an objective that the Commission and the

European Parliament have set themselves – and ensuring that these rights are clearly enshrined in this text. In the latter instance, special attention was paid to people with restricted mobility, since the maritime transport sector was in fact lagging behind somewhat where these people were concerned.

The general spirit of the text is that people should be able to travel in Europe without being subjected to the whims of the companies concerned, and should be able to demand a minimum level of service and a minimum level of information and, lastly, that persons with restricted mobility should be able to benefit from the same quality of rights as other European citizens without their being penalised twice over.

The content of the version adopted in committee on 31 March would appear to be acceptable to everyone. This is, firstly, because the rights of persons with restricted mobility are being increased. Should this text be adopted, it will no longer be possible to refuse persons transport on the grounds of their disability, except, of course, for reasons linked to boarding conditions, to respect for their dignity and to the technical elements of the vessel. Furthermore, assistance must also be provided for persons with restricted mobility, and this, from the time of booking; today, thanks to the Internet, there is a need for return journeys and official information. This has therefore been dealt with in the text.

Lastly, information on passengers' rights must be standardised and provided in accessible formats, as happens today in the rail and the aviation sectors.

When it came to the rights of all passengers, we felt it was important for compensation in case of problems also to be harmonised at a higher level, on the basis of what is being done in the aviation sector. As a result, passengers subject to delays and cancellations will be able to receive as much as a full refund, with a scale of refunds calculated according to the problems encountered.

Information should be clear and accessible, which is often a problem in the transport sector. We see it all the time: people not having enough information, not knowing why the boat – in this case, but it could just as well be the train or plane – is not departing, or why there are delays, and we wanted to improve these methods of information provision.

Lastly, complaints management must be better organised. Indeed, making a complaint when problems arise is a complicated business, and this text is designed to simplify the procedure, both at Member State level and for individual citizens.

The role of the national bodies that will manage complaints has also been addressed, and it has been defined better.

Finally, urban and suburban transport services – I refer in this regard to Mr Albertini's beloved vaporetto in Italy, in Venice – shall be excluded from this text, since they do not fall within the scope of major transport services.

Moving on now to cruises, and their place in this text: I would remind you that cruises are an extremely important type of holiday today, and that their target group includes both elderly people and disabled people. This is why cruises are, of course, integrated into this text, not only with reference to the Package Travel Directive on which the text depends and which is a 1991 directive, but also with an assurance that consumers will receive the same level of treatment.

The definition of *force majeure* – which represents grounds for a possible refusal of transport – is put forward, and, on this issue, we have worked on a consensus amendment, which we have produced jointly. I would however remind you that in the aviation sector, today, the Court of Justice has often been obliged to take decisions due to cases of *force majeure* not being defined well enough. Thus in this text we have tried to address problems linked to maritime transport. I am referring to tides, winds and storms, which are also par for the course with maritime transport and which had to be considered.

To conclude, the responsibility of ports to provide assistance has also been the subject of debate. This is a text on passengers' rights; it is not a text ...

*(The President asked the speaker to conclude)*

... and so, with arbitration between the ports and the carriers having been carried out, this is the sum of the text. I know that Mr Jarzembowski is going to table his amendments, so I shall reply in the two minutes that I have left.

**Gabriele Albertini**, *rapporteur*. – (IT) Mr President, ladies and gentlemen, with the approval of the legislation on air and rail transport, Mr Teychenné's report on transport by sea and inland waterways, and this proposal on the rights of passengers in bus and coach transport, the European Union is completing the legislative framework for all modes of transport.

In drafting this regulation we found ourselves facing the need to strike a balance between two approaches: the first considers the 'level planning field' for all modes of transport, whereby different modes of transport can compete under the same conditions and with equal opportunities, while at the same time passengers enjoy a high level of protection regardless of the means of transport they have chosen.

The second approach reflects the different characteristics of each mode of transport and considers their particular features, for example, in the case of bus or coach transport we would look at the management of liability for delays, and in the case of road transport we would think about accidents, congestion and so forth, which would not apply to rail transport since it uses a dedicated route.

I would also like to talk about two contrasting points which we have tried, I think successfully, to balance. The real purpose of this regulation is to strengthen passenger rights, but in road transport the industry is largely made up of small and medium-sized enterprises, which will need time and resources to adapt to the new requirements and, like so many other industrial sectors, are experiencing difficulties due to the economic crisis.

We now come to the amendments before Parliament, and I would like to thank my fellow Members for the important contributions they have made to the text of the regulation and for their excellent cooperation. The bulk of the work for this first parliamentary reading has already been done by the Committee on Transport and Tourism, leaving the House to deal only with clarification concerning the legal language.

On behalf of my group I have tabled just three additional amendments for tomorrow's vote. Let me describe them briefly for you: Amendment 73 is a simple linguistic clarification, and Amendment 82 sets a ceiling for the strict liability set out in Article 6(3) of the proposed regulation. As regards the scope of the text of the amendment passed by the transport committee, all the political groups have agreed on the inclusion of regional transport. As for urban and suburban transport, two key texts will be put to the vote tomorrow.

As rapporteur I endorse Amendment 80 on the exclusion *tout court* of local transport, tabled by my group, but I have also indicated my support for Amendment 81, which gives Member States the power to exempt local transport, provided that they guarantee passengers a similar level of rights to that set out in the regulation.

I believe we have drafted a text that puts us in a good position from which to begin future tripartite discussions with the Council and Commission. I therefore wish the Czech Presidency and Sweden, the next country to hold the presidency of the European Council, success in their work on passenger rights and, of course, I hope to be able to contribute to the subsequent phases of the adoption of this regulation during the next parliamentary term.

**Pavel Svoboda**, *President-in-Office of the Council*. – (CS) Ladies and gentlemen, you will vote tomorrow on draft amendments to the two proposals from the Commission on protecting the rights of passengers in bus and coach transport and also passengers travelling by sea and inland waterway.

These are important legal regulations which are of great interest both to consumers and to the transport sector. The EU recently adopted regulations of the same type for air and rail transport. The recently submitted Commission proposals will complete this legal framework. In practical terms this means greater protection for all travellers, especially disabled persons and persons with reduced mobility, regardless of the means of transport. Moreover, it will create equal conditions for all areas of transport. The Czech Presidency of course welcomes these proposals and attaches great importance to them. I believe we all share the objective adopted by the EU in recent years of reinforcing passenger rights.

In connection with the draft amendments which you voted on in the Committee on Transport and Tourism, I would like to mention two aspects in particular. The first is that you attach great importance to the rights of disabled persons and persons with reduced mobility. We share your views in this area of course, which is highly important if we want to achieve second-reading approval over these two important legal regulations.

The second is that you have aimed for a precise harmonisation of the draft regulations with versions of existing regulations applying to the rights of persons travelling by different forms of transport, and you have proceeded very carefully in adapting the proposals to the specific requirements of bus and coach transport or transport by sea and inland waterway, without abandoning the aim of reinforcing passenger rights. We

fully agree over the need to adapt legal regulations to the specific characteristics of the various forms of transport. As we all know, it is not possible to apply exactly the same approach to different kinds of transport. Rail and air transport have their own characteristics and the same applies to bus and coach transport and transport by sea and inland waterway. There are huge differences even within these individual branches. Large and small companies operate and journeys can take several days or just a few minutes. It is therefore necessary to find a solution acceptable to everyone that will ensure the protection of consumers without imposing an unnecessary administrative burden on the sector, and particularly the smaller firms on the market. This issue is of particular importance in the current economic situation of course.

We therefore appreciate your work on these issues. It provides an excellent starting point. At the same time it is also for the most part in line with our opinion on the proposals. I firmly believe that we will be able to cooperate constructively on legal arrangements which will protect the interests of all concerned and will at the same time take account of the EU objective of improving the process of lawmaking. In conclusion, I would like particularly to thank the rapporteurs Mr Albertini and Mr Teychenné for their excellent work and carefully drafted report.

**Antonio Tajani**, *Vice-President of the Commission*. – (IT) Mr President, ladies and gentlemen, it always gives me pleasure to recall my many years in this House as an MEP, and this enables me to appreciate all the more the work that the European Parliament has done on this debate.

That is why I would like to thank Mr Teychenné and Mr Albertini for the important contribution they are making to protect the rights of citizens as passengers in all transport sectors, because the need to intervene in the area of bus and coach transport and maritime transport represents an attempt to fill a gap that, as you have all pointed out, exists in European law.

We have many passengers with disabilities and many whose mobility is reduced for other reasons, and so we also have a duty to guarantee free movement, because first and foremost this is a question of freedom within the European Union. Of course, good law-making is not easy, but today we are taking a big step forward.

I was also pleased to hear what Mr Svoboda had to say. There are certainly still some doubts about the texts that the Commission and Parliament agree on adopting, but I also noted a general political openness on the part of the Council, which gives me hope for the future.

I am sure that, as was the case for road transport, we will come to a satisfactory compromise that guarantees European citizens the opportunity to travel freely and to be duly protected within the European Union.

So, I think that today we are discussing topics that affect the lives of all citizens, which is why I am persuaded that as far as the bus and coach proposal is concerned, support should be given – and the meeting of the Committee on Transport and Tourism of 30 March showed encouraging signs of this – to the Commission's approach for the widest possible scope, covering all regular passenger transport services whether international, national, regional, urban or suburban. This responds to the need to simplify legislation, but also to guarantee equal rights for all passengers without exceptions of principle.

However, Mr Albertini, given the specific nature of this sector, the proposal leaves Member States the option of exempting urban, suburban and regional transport covered by public service contracts if these contracts offer passengers a high level of protection comparable with that laid down by the regulation. This seems to me to be a reasonable solution that offers the required level of flexibility while safeguarding passengers' basic rights.

The liability of bus or coach companies vis-à-vis passengers in the event of death or injury represents another essential element of the proposal. There are too many disparities on this within the Community, which creates serious uncertainties for passengers. I would like to look at couple of points on this subject in more detail: firstly, this area does not deal with the issue of insurance, but is concerned exclusively with carriers' liability towards passengers. Secondly, the bus or coach company is not deemed solely liable for compensation for damages and its right to claim compensation from third parties is not questioned. Thirdly, this area concerns neither imports nor the procedures set out in the 2005 directive on insurance against civil liability in respect of the use of motor vehicles; and fourthly, the Commission has not in fact developed a new liability model. What is being proposed today is a liability scheme that is inspired by other modes of transport, while taking account of the particular features of this sector.

As regards maritime transport, I believe that a single legislative instrument is needed, even if there are differences of opinion on this in both Parliament and the Council. Allow me to point out a key issue regarding

scope: compared with road, rail and air transport, there are far fewer passengers who travel by sea or inland waterways. Among these, those who use inland waterways represent just a small minority. In my opinion, it seems neither logical nor realistic to have separate regulations for sea passengers and those who use inland waterways, even less so when one considers that they often use the same kind of vessel. I think that a single legislative instrument must be the answer.

On 30 March 2009, alongside the debate on the Teychenné report in the Committee on Transport and Tourism, a public debate was held between ministers within the framework of the EU transport council. I am pleased to have had the opportunity to observe from this debate a certain amount of dovetailing between the Commission, Member States and Parliament as regards the aim of giving European passengers a new and ambitious regulation as soon as possible.

In this context, the Commission is of course prepared to make any clarifications and improvements to the text that may be required to take account of the particular characteristics of each type of service and thereby provide the industry with the tools to apply the regulation with the necessary flexibility. Allow me to emphasise again the need to provide the resources to implement the future regulation effectively. To this end, it is important that the national authorities responsible for its application submit periodic reports on their activities. Each Member State will be able to organise its own national system as it sees fit, for example by choosing whether to have one or more competent authorities.

**Georgios Papastamkos**, *draftsman of the opinion of the Committee on Legal Affairs*. – (EL) Mr President, the proposal for a regulation, as amended following input from the European Parliament, strengthens the rights of passengers in maritime transport in a satisfactory manner.

However, I believe that, in the next legislative initiative on this subject, a horizontal approach, a single legal instrument covering all means of transport, would be more correct, given the current need to use combined means of transport.

It would also be systematically preferable in future if separate proposals were tabled on the rights of passengers, on the one hand, and on persons with reduced mobility on the other. The reason for this is that the individual arrangements have a different purpose and different addressees.

Finally, I should like to highlight the repeatedly blinkered approach taken by the Commission, although not by Vice-President Tajani, to issues which require broader and multilateral study, such as maritime transport.

Maritime transport on the Mediterranean Sea takes place under different conditions from transport across straits.

**Georg Jarzembowski**, *on behalf of the PPE-DE Group*. – (DE) Mr President, Vice-President of the Commission, President-in-Office of the Council, I wish to say to the previous speaker that we have the Greek islands and Greek ferry companies in view at all times: he need have no worries on that score.

I can say that my group and I are pleased that, for the first time, we are to have statutory, citizen-focused passenger rights in the event of delays and cancellations also in maritime and inland waterway transport and regional bus and coach transport. We should like to thank the two rapporteurs, Mr Albertini and Mr Teychenné. We enjoyed constructive cooperation in the committees, which produced good results.

There are just a few points on which I should like to expand. I think that 25% compensation for maritime passengers for two to three hours' delay is perfectly appropriate, as is 50% for delays of over three hours – but I would say to Mr Teychenné that 100% compensation for delays in excess of this is simply excessive. If we bear in mind that shipping services are provided not only by colossal undertakings but also, particularly in the case of ferry operators, by small and medium-sized enterprises, we must take a reasonable approach to compensation.

As we have already discussed, we must also be careful not to place responsibility with the wrong people or institutions in maritime transport. All of us in this House are engaged in ensuring that both dossiers provide assistance for passengers with reduced mobility, in particular, but shipowners cannot deal with access difficulties at ports; ports themselves must do this. In other words, we must take great care.

As regards the rights of bus and coach passengers, I should like to point out that there are real differences between intercity and urban buses that must be taken into account. Therefore, my group is of the opinion that we are right to call for reasonable passenger rights in intercity bus and coach transport, but that urban

and suburban buses operate under completely different conditions. These rules are out of place there, and this should be clearly recognised.

**Robert Evans**, *on behalf of the PSE Group*. – Mr President, I want to congratulate both our rapporteurs. A couple of years ago I was the rapporteur for access for disabled passengers to aeroplanes. This legislation is another piece in the jigsaw to make transport as inclusive as possible or, as our colleague Mr Albertini put it, to consolidate passenger rights.

In an age when we are encouraging people to travel by public transport, it is so important that we add coaches and buses, as Mr Albertini has, to this field. Some Members, not necessarily those here today, have looked for ways to make exemptions to exclude certain sections, but I have always taken as my starting point the desire to include as much as possible in this so we move towards making Europe more of a common market for people. That is why Amendment 81 is so important.

The Commissioner in his remarks said we need the same rights for all passengers with no exceptions – and then he spoke about the exceptions, for example for regional transport. I do not think we should exempt regional transport, and I have done some research. In some of our Member States a regional coach journey can take up to six hours, which is longer than an international coach journey from, say, London to Brussels or Paris. So I think it should be included. I think it is right that, where local transport – as Mr Jarzembowski has referred to – is not included, there are public service contracts which mean that the companies will reach the same sort of standards.

I also think we need to persuade the construction industry to build more modern buses with the needs of disabled people more in mind. Just as we have campaigned for aeroplanes to be more accessible to disabled people, so we need, perhaps, coaches with wider gangways or more accessible toilets, and we need the operating companies to make their coach terminals more accessible and to train their staff in disability and disability awareness issues.

This is a good report. It is a good collection of reports, which takes us several steps forward, and I congratulate everyone who has been involved.

**Dirk Sterckx**, *on behalf of the ALDE Group*. – (NL) I should like to thank the rapporteurs on behalf of our group. I think we have added another few elements to the rights of passengers. We have worked hard to get things on the right track for aviation and rail travel. In fact, I take the view that we gathered a great deal of experience when we compiled these reports, and I am pleased that Mr Albertini has aligned the various elements, so that there is hardly any need, if any, to distinguish between the different modes of transport, but only as and when necessary.

I believe that we are now also improving the quality of services, something that we should always keep in mind. We have learnt from our mistakes, the tightening of the definition of *force majeure* being a case in point. We need to revisit this aspect in aviation, for example, and I am pleased we have done this here for shipping.

As for Mr Albertini's report, an important question – one which Mr Evans and Mr Jarzembowski have also made reference to – is what is the scope of the regulation now? We, as a group, have withdrawn our support for the amendment which we originally submitted together with you, not because we feel it is an inferior amendment, but because the Socialists have found a better way of wording it, as Mr Evans described. We are, in any event, dropping regional transport from the regulation, but we are leaving open the option to include urban and suburban transport in it, should Member States so wish. I happen to believe that this approach better corresponds to what we are aiming for, and we will therefore support this proposal put forward by the Socialist Group in the European Parliament.

**Eva Lichtenberger**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, passenger rights must be put at the heart of transport policy as a whole – particularly here in the European Union. We have already managed this for rail and air transport, although there is considerable scope for improvement with regard to denied boarding. As I keep having to say, the problems are far too great.

One group is particularly dependent on clear rules. In the case of air transport, it has become apparent that the rules are not clear enough. By now, people with particular needs could write volumes about all the things that have happened to them on journeys. I myself have received some of their accounts. It is a disaster. Therefore, it is not only required by law but also morally imperative for the European Union to put these people on an equal footing.

In the field of bus, coach and maritime transport, for which we are now laying down rules, we may encounter problems assigning responsibilities when it comes to maritime transport and the ports – but this must be given a practice-based solution in future. My second point is that we should include as much as possible when it comes to bus and coach transport. If we make too many exceptions, we give operators the opportunity to circumvent the rules. We cannot continue to put the people who have to contend with particular needs at a disadvantage by allowing these difficulties to continue. It is our duty to take care of and ultimately also to enforce their right to mobility.

**Erik Meijer**, *on behalf of the GUE/NGL Group*. – (NL) Mr President, during this part-session, two questions came up with regard to collective passenger transport.

The first question is: what should the government do, and what should we leave to the market through tendering? We have ultimately opted for freedom of choice with regard to urban and regional transport, at my proposal. New rules on the transport of people by bus should not adversely affect the freedom of lower-level authorities to organise their public transport themselves.

With regard to passenger rights, there have always been two alternatives to choose from. The focus in the first alternative is on maximum information about the continuation of the journey in other Member States, availability of cross-border transport tickets and good, long-distance connections, so that nasty surprises during the journey can be avoided.

With the other alternative, the focus is on financial compensation paid retrospectively for delays and cancellations of services. I always champion the former alternative, but the majority in Parliament opt for the latter, especially since this is also the choice that was picked for air travel.

Greater attention to the needs of the disabled is an important reason for endorsing the proposals, even if they do leave something to be desired.

**Rodi Kratsa-Tsagaropoulou (PPE-DE)**. – (EL) Mr President, Commissioner, ladies and gentlemen, I should like to start by congratulating the rapporteurs on their substantial presentation and exceptionally cohesive work on the plethora of amendments which were tabled in the Committee on Transport and Tourism.

The European Union has been endeavouring, with the decisive contribution of the European Parliament, to improve the rights of passengers in all transport sectors over recent years. As you will remember, our institutions recently approved provisions on the rights of passengers in air and rail transport. Today a large step is being made towards strengthening equal rights for passengers on all means of transport, without exclusion and exception, as the Commissioner said.

I would remind you that, after difficult conciliation with the Council, we recently adopted a third package of seven legislative proposals on safety at sea, including compensation for passengers in the event of an accident.

I should like to point out in connection with the Teychenné report that it proposes a cohesive framework for the protection of consumers/passengers which also respects small transport companies and protects their business and competitiveness in the event of accidents due to circumstances beyond their control or in cases where maritime transport is affected by bad weather.

It is also significant that important sectors are covered, such as the rights of persons with disabilities, persons with reduced mobility, in the aim of safeguarding the principle of non-discrimination which governs all our policies. Similarly, it clearly sets out carriers' obligations in the event that services are delayed or cancelled, the time limits for delays and the amount payable in compensation.

At the end of this parliamentary term and before the European elections, our work on the rights of passengers is one of our most important achievements for the benefit of European citizens.

**Brian Simpson (PSE)**. – Mr President, I would like to thank both rapporteurs for their work in this important area and also the Commissioner for his support. Passenger rights have always been a priority of the Socialist Group, and this proposal completes the set, following on from passenger rights in aviation and rail transport.

It is vital that we all remember that the users of transport are the most important stakeholders – a fact often forgotten by some transport companies. Now, for the first time, we will have a set of basic rights for bus, coach and ferry users that will ensure proper liability for cancellation and delays, lost or damaged luggage, as well as death in the event of accidents.

Perhaps more importantly, we will have a series of fundamental rights for people with reduced mobility and special needs that will put an end to the victimisation endured by these people at the hands of transport companies over many years. No longer will transport operators be able to exclude people with reduced mobility from their vehicles; no longer will people with reduced mobility have fewer rights than able-bodied people; no longer should people with reduced mobility be excluded from the public transport network.

Who has delivered this? Not a national or regional parliament, but the European Parliament. It is the European Parliament that has put transport users at the top of our transport priorities. This is the European Parliament putting people first, and that is something that, as Socialists, we can strongly support.

**Francesco Ferrari (ALDE).** – (IT) Mr President, ladies and gentlemen, I would like to thank the rapporteur and the Commissioner for the work they have accomplished. The report provides a very balanced clarification of the rights of passengers and of all modes of transport, including in bus and coach transport, and clearly addresses all the relevant issues. Attention has been given to people with disabilities or reduced mobility; as Mr Albertini's report shows, we must be able to provide services that take account of the diverse requirements of such people.

In addition, all the concerns relating to this mode of transport – refunds, compensation, passenger information, strict liability and complaints – have been covered in a clear manner. Both I and the Group of the Alliance of Liberals and Democrats for Europe have worked willingly with the rapporteur to achieve the clearest possible text, taking account of passengers' interests on the one hand, and the requirements of the companies that manage and provide these services on the other, who need sufficient time to comply with the rules. I therefore hope this text will be approved by tomorrow's vote.

**Reinhard Rack (PPE-DE).** – (DE) Mr President, service-providing enterprises are there for the users of these services and not primarily for the service providers themselves. In this light, it is important that we lay down the appropriate rules for the users of all means of transportation and ensure that the services they are using are also of suitable quality. In this context – and here I am only taking up something that is mentioned time and again – it is very important that we look after the rights of persons with reduced mobility in particular. As I see it, one issue is now almost in perpetual motion in this connection. Let me tell you, it is not only those with a disabled persons' identity card who are incapacitated. Parents – adults with young children – certainly also need support from our rules on all our modes of transport. I hope that this also gains acceptance in one form or another.

My second point is that even the best rules and safeguards are of no use if the information on them is hidden in the furthestmost corner of the transport operator concerned. The place for information on passenger rights is at the ticket counters themselves, or on board the buses, coaches, aeroplanes and similar modes of transport themselves.

My third and final point is that we had started to lay down rules on air passengers' rights in the interests of passengers, but were too lenient. What airlines get up to, particularly in connection with delays, announcing that the last aircraft arrived late and so the next has been delayed, is no longer acceptable. We should have resolved the matter with high compensation payments at the time, which would have achieved an effect similar to that achieved for denied boarding. Now, unfortunately, this effect is not being achieved. It is not *force majeure* when an aircraft is cancelled because it is half-empty. There are many tasks for the next Commission in this regard. Vice-President, if you take on this portfolio again in the next Commission, I would urge a revision of air passengers' rights. This is urgently needed.

**Emanuel Jardim Fernandes (PSE).** – (PT) Mr President, Commissioner Tajani, I should like to begin by congratulating Mr Teychenné on the quality of his report. With regard to the maritime package to be signed tomorrow, in an area in which I was rapporteur for the Socialist Group in the European Parliament on flag State requirements and also on the responsibilities of passenger carriers, I said that, in the European Union, people should come first. In this Union, it is also essential that passengers come first.

The Teychenné report deserves my full support because it reinforces the regulatory framework not only for bus and coach passengers, but also for passengers in an area dear to me, namely sea and inland waterway passengers. In particular, it provides for compensation of 25% of the ticket price in the event of delays between one hour and two hours, 50% in the event of delays equal to or exceeding two hours and 100% if the carrier does not provide any alternative transport services or information.

I would point out that this compensation must be paid, in the event of cancellation or serious delays in journeys, within one month of the passenger's request. In the case of bus and coach transport, this report



recognises the need for additional measures for disabled persons and persons with reduced mobility. For all passengers, the right to a refund of the current price in the event of cancellation, overbooking or serious delay in the journey of at least two hours will now be a reality.

Mr President, I tabled an amendment on the need for this regulatory framework to be applied in the outermost regions as well. I am sure that legislation of this quality cannot be called into question by anyone and must be appreciated by all European citizens, including in outlying regions such as the Azores, Madeira, the Canaries and the French overseas departments.

**Marian-Jean Marinescu (PPE-DE).** – (RO) Maritime transport is governed by a number of international conventions which must be strictly complied with. However, it is vitally important to establish a set of minimum rules at Community level in these sensitive areas, particularly with regard to monitoring the enforcement of legislation. For this reason, the introduction of an independent mechanism for receiving complaints and the creation of a monitoring authority provide a clear benefit for passengers in relation to transport operators.

I think that a balance must be found between the rights of passengers and the obligations of transport operators because neither one group nor the other should slow down the long-term development of the maritime and inland waterway transport sector. We must also take into account the typical conditions in which transport operates in different maritime regions of Europe as they can have specific features which may actually restrict the possibility of establishing common rules.

In the wider context of the safety and security of maritime transport, I must mention some recent acts of piracy in the Gulf of Aden. The resurgence of these acts is concerning, especially with European citizens becoming victims during recent weeks, including five Romanians.

I would like to use this opportunity to call on the Commission and Council to make every effort for the EU to strengthen its cooperation with the other states in the Horn of Africa in order to prevent occurrences of piracy and to make transit journeys in the region safer.

**Marie Panayotopoulos-Cassiotou (PPE-DE).** – (EL) Mr President, Mr Vice-President of the Commission, we are today in the very fortunate position of being able to state that, with the decision by the European Parliament, passengers' rights are also protected in sectors which were not covered hitherto.

We are proud of the fact that leaflets are available in airports and railway stations setting out the decisions passed by the European Union in order to protect passengers' rights. If the same happens in the other two sectors, European citizens will understand that the European Union is truly useful in securing a better standard of living for them and in protecting their safe travel.

However, we need to remember that the protection achieved by legislation is not the same as that actually enjoyed by citizens, as we have seen from its application to date in the two sectors of air and rail travel. Those of us who use these means of transport, we MEPs and I personally, who travel between three different borders, can say that it is not applied effectively. That is why the Commission rightly spoke of a first step which needs to be improved, mainly in terms of the effectiveness of the contribution of the main undertakings responsible for granting rights to passengers.

We should not condemn small undertakings when they face the problem of providing transport services; I refer here to cabotage, about which I have questioned the Commissioner on other occasions. If they do not decide to take on the cabotage line, how could they undertake such a service when they will also have to take care of passengers' rights? We therefore need to give citizens the facility to enjoy the main right of transport and then to give them the additional advantages of passenger compensation in the event of delay. So first the service and then compensation for delayed services.

I am certain that Europe is moving towards a better future. That is the conclusion.

**Christian Rovsing (PPE-DE).** – (DA) Mr President, if we were to examine how the population views disability, we would find that, nowadays, when it comes to holidays, disabled people prefer to go to the US. Legislation and rules are much better there and they receive much better treatment in the US. Europe is not the preferred destination amongst our own people. Our own European compatriots do not want to holiday in Europe if they are disabled. They travel to the US. I think that is a clear sign of how immensely important the dossier we are working on here is, as regards a number of points, including tourism.

**Pavel Svoboda**, *President-in-Office of the Council*. – (CS) Mr President, Commissioner, ladies and gentlemen, the progress of the discussion so far means that I will not need the five minutes allotted to me, which is good news I'm sure. I note with pleasure that our interests coincide over the question of protecting passenger rights and the future of this sector. We look forward to close cooperation with the European Parliament, enabling us to achieve a final resolution which will again show citizens the benefits brought by the EU in the area of passenger rights.

**Antonio Tajani**, *Vice-President of the Commission*. – (IT) Mr President, Mr Svoboda, honourable Members, I believe that citizens following this debate on passenger rights and the new laws we hope to adopt in order to strengthen a system of freedom that characterises the European Union, will realise today that the Commission, Council and Parliament, and their respective staff, are not ivory towers where issues are discussed that have nothing to do with citizens, or else invade their lives in a negative way, but institutions with citizens' interests at heart, seeking to defend their rights and, I would emphasise, to protect their fundamental freedoms: no one is free unless they can move around freely from one part of the Union to another.

That is why, when I asked for your confidence when my nomination was to be confirmed by Parliament, I stressed that one of my priorities during my term of office as Commissioner for Transport would be to protect passenger rights. I believe that today we have together sent a positive signal and we have demonstrated through clear evidence that progress can be made and that the European institutions are close to citizens and are on their side.

As has emerged over the course of the debate, there are no differences of substance between the members of the various political groups; everyone has emphasised, in agreement with the Commission and also the Council, a desire to truly build, as Vice-President Kratsa-Tsagaropoulou said, a Europe of citizens.

That is why I attach great importance to the key step we are taking today and will take with tomorrow's vote; of course, such complicated subjects as these, with complex transport systems and different regulation from one country to another, require an in-depth approach, as well as instances of compromise. Every rule adopted is the product of compromise, of protecting different interests.

I would argue that this time, however, the general interest should prevail, that is to say the protection of citizens' freedom and the freedom of passengers in all existing transport systems, because it would be inconsistent to protect only those who travel by air or by train, and not those who travel by boat, bus or coach. Of course, let me repeat, differences of opinion may exist, and there are differences between the Commission and the Council and also among certain Members of this House as regards the regulation of transport by water; there are those who would prefer separate legislation for river and sea transport.

The Commission has confirmed its position, I think the right thing to do is to have a single form of regulation, but it does not really matter, what matters today is that we grasp the good news of the strong political will of Parliament, Commission and Council to guarantee passengers rights, especially the rights of passengers with reduced mobility. It is not simply, I was pleased to hear, a question of rights and above all freedoms for people with disabilities; giving millions of passengers with reduced mobility the opportunity to move around freely within the European Union also means allowing these people to contribute towards the EU's growth, since the movement of these millions of people brings welfare, develops transport companies and creates opportunities for tourism in all sorts of places.

That is why I am pleased and I would like to thank the two rapporteurs, the Council and, of course, the Commission staff, whom I always thank, since they enable me to present proposals to Parliament and the Council.

This is a particularly warm thank-you, because I believe that today the European institutions as a whole are showing that they pay close attention to the 500 million European citizens, who can sometimes be suspicious of them; but I think that today those who have followed this debate will change their minds and have confidence in the European institutions, which seek to be ever closer to the people.

#### IN THE CHAIR: MR DOS SANTOS

*Vice-President*

**Michel Teychenné**, *rapporteur*. – (FR) Mr President, first of all I should like to refer to the amendments tabled by Mr Jarzemkowski, who was telling us just now that we need to be reasonable – I believe that the important thing about this text is that it is in fact reasonable.

Is it reasonable to want to do away with the obligation for carriers to train staff who are in contact with persons with reduced mobility?

Is it reasonable to abolish compensation for lost equipment, especially wheelchairs for persons with reduced mobility?

Is it reasonable – and Mr Rack, who was here just now, pointed this out, and I thank him for his speech – to avoid reimbursing passengers, a practice that happens everywhere, and especially in the United States, in particular when departures have been cancelled and when no information, or alternative transport, is provided?

Therefore those elements in your amendments do not seem reasonable to me, and I was anxious to say so.

For the rest, I believe that there is a consensus. It was evident from all of the debates. I should like to thank the Commission, the Council, and all of my fellow Members who have worked on these issues in an excellent frame of mind, because we understood that there was an extremely important issue at stake for the people of Europe.

I therefore believe that, tomorrow – and here I appeal to the Group of the European People's Party (Christian Democrats) and European Democrats: your amendments are not reasonable – we must vote in favour of this text, and we must send out a strong signal at a time when Europeans sometimes doubt Europe. As Mr Tajani was saying, we must send a strong message to these 500 million citizens telling them that their needs as Europeans are being taken into account. That is what I wished to say.

**Gabriele Albertini, rapporteur.** – (IT) Mr President, ladies and gentlemen, having listened carefully to the debate and to Mr Swoboda and Mr Tajani, as well as my fellow Members, I feel I have all the more reason to extend my thanks for the help and valuable advice I have received in this House.

I do not have time to analyse and comment on the individual suggestions and facets of such a wide-ranging debate, rather, since I must sum up in the few seconds that remain of my speaking time, I will use two adjectives to encapsulate and bring together your thoughts and suggestions. As far as can be expected with such a complex regulation, you have deemed the work carried out to be reasonable.

This regulation takes account of the aims of extending passenger rights and granting the same conditions of protection for all modes of transport, while at the same time considering the specific nature of a number of smaller carriers that have difficulty in adapting to higher requirements at a time of economic crisis, hence my first adjective is 'reasonable'.

Then there is an idea of perfectibility, or room for improvement, which has been alluded to by Members who, although sympathetic to the circumstances to which we have adapted, want the area of rights to be further expanded, to cover urban transport and to protect passengers with reduced mobility. So then, we are on a journey towards perfection; human affairs are yet to be perfected, and this regulation, which is 'reasonable' and, I think, well drafted, is also 'perfectible'.

The rapporteur does not deny Member States the option of enlarging or extending the scheme to include urban transport, and it is already mandatory for regional transport. The level of coverage has already been outlined, and often approximates that of transnational or national journeys; and the same goes, of course, for the technologies used and the application of the scheme to people with disabilities.

To conclude, I would like to thank you all again, and I hope that today's work is not the end of the story, but that we may be able to achieve even greater goals.

**President.** – The joint debate is closed.

The vote will take place tomorrow.

#### **Written statements (Rule 142)**

**Daniel Stroj** (GUE/NGL), *in writing.* – (CS) In connection with the report on the rights of passengers when travelling I would like to point out something which does not apply to protecting the interests of consumers but rather to a violation of the principle of free movement of persons within the Schengen zone. It specifically concerns the movement of persons across the Czech-German border. Czech citizens are complaining ever more frequently – both to me personally and to regional and local authority representatives in the Czech-German border region – about harassment by the German police when they cross the Czech-German

border, either in groups or in private vehicles. Citizens complain that they are being stopped for no reason by plainclothes policemen, checked and even interrogated about the aim and purpose of their trip to Germany. The behaviour of the German police is nothing less than harassment and it is in direct conflict with the principle of free movement of persons within the EU. I would like to emphasise that such cases are becoming more frequent and I call urgently on the EU authorities to put right this unacceptable state of affairs.

*(The sitting was suspended at 6.15 p.m. pending Question Time and resumed at 6.30 p.m.)*

#### IN THE CHAIR: MR DOS SANTOS

*Vice-President*

### 14. Question Time (Commission)

**President.** – The next item is Question Time (B6-0227/2009).

The following questions have been submitted to the Commission.

*Part One*

**President.** – Question No 28 by **Sarah Ludford** (H-0142/09)

Subject: E-Commerce

What further measures is the Commission now taking to ensure the full abolition of barriers imposed on customers by virtue of their country of residence or registration of payment card which prevent them accessing the best prices and range of goods and services, such as music downloads, rail and airline tickets, DVDs and computer games, particularly those sold online, sold anywhere in the EU?

**Charlie McCreavy, Member of the Commission.** – The Commission is fully aware of the difficulties faced by consumers who are denied access to web sites or are discriminated against on a geographical basis when seeking to make on-line purchases. Let me assure you that combating geographical market segmentation, be it the result of state measures or the behaviour of private parties, is a high priority for our policy in the internal market. Practices such as those mentioned by the honourable Member in her question deprive European citizens of the rights and opportunities offered to them by the single market. They are completely at odds with the freedom to receive services across borders, which is a fundamental counterpart of the freedom to provide services enshrined in the EEC Treaty. With the Services Directive we now have a powerful tool to substantially ease problems faced by consumers who face discrimination when they purchase goods and services across borders, including over the Internet.

For the first time in the internal market legislation, the Services Directive explicitly requires Member States to put a stop to discriminatory practices carried out by businesses on the basis of the nationality or the place of residence of consumers. As you know, the Services Directive has to be implemented by the end of December this year, and, once the non-discrimination clause laid down in Article 20 has been reflected in national legislation, practices such as those mentioned by the honourable Member in her question will be unlawful. The only exception to this rule will be those cases where businesses can demonstrate that the different treatment applied to different categories of consumers is directly justified by objective reasons and therefore does not constitute discrimination. The Commission is currently working with Member States to make sure that Article 20 of the Services Directive is implemented on time and is effectively enforced by national authorities and the courts.

In addition, the Commission published a report focusing on the cross-border aspects of e-commerce on 5 March. This staff working document on cross-border e-commerce is an initiative by my colleague, Commissioner Meglena Kuneva. The report shows that, overall, e-commerce is developing rather well in the European Union, while cross-border e-commerce lags behind. There exists a strong potential for cross-border trade in on-line commerce. However, this potential cross-border trade is failing to materialise in the face of practical and regulatory obstacles that affect both consumers and businesses. The result is a fragmented on-line internal market. This has been identified and is being addressed by the market monitoring exercise the Commission has launched to examine the number of supply chains for particular retail markets. This work should allow the Commission to deepen its analysis of the retail sector in order to identify practices that distort relationships between suppliers and retailers and between retailers and consumers and assess the necessity of further reforms of the relevant national or EU regulations. This exercise covers five specific

sectors, including recreational goods such as music and books sold on-line and off-line, and will lead to a Commission communication foreseen for autumn 2009. The effective and forceful implementation of Article 20 of the Services Directive, together with the examination of further remaining issues in the context of the market monitoring exercise, should provide us with a comprehensive response to the problems or barriers emerging in the e-commerce context to the detriment of recipients of services in general and consumers in particular.

**Sarah Ludford (ALDE).** - This is an important Citizens' Europe issue, especially in the recession. Everyone wants and deserves the best deal going, whether they live in Lisbon or London. Is it not a disgrace that, 50 years after we established the common market, it is still possible, as reported by the British Consumers' Association's magazine *Which?*, for someone to go on the web site of Renfe, the Spanish rail operator, and to pay 60% more on the English-language version than on the Spanish-language version? Surely that is not all to do with regulatory differences. Will the Commission also crack down on sheer exploitation?

**Charlie McCreedy, Member of the Commission.** - I would agree with Baroness Ludford that, 50 years after the foundation of the EC and knowing what the founding principles of the whole operation are, this discrimination can take place. But the main reason for putting forward the Services Directive was in recognition that we had not successfully achieved in the area of services what we had achieved in the area of goods. Therefore, when the Services Directive has to be implemented by the end of this year, Article 20 specifies that any different treatment, such as the one outlined by Baroness Ludford, has to be directly justified by objective reasons.

Without going into the specifics of the particular case she mentioned, because that is a transport matter, which would be better for my colleague, Mr Tajani, the only reason discrimination could possibly be justified by objective reasons is that there would clearly be some additional costs. That would be an objective way of looking at it. For example, if you ordered something on-line to be delivered to you in Dublin and brought from Strasbourg, clearly there would be some additional postage and packaging costs etc. That could be an objective reason for saying that the price differential is such and such. But you cannot discriminate under any other basis. So hopefully, when the Services Directive is implemented, there will be fewer of these particular cases.

At the moment, in the transport area, you must remember that transport is exempt from the Services Directive. But my colleague Mr Tajani and his people are considering some particular initiatives in that particular sphere also.

**President.** - Question No 29 by **Claude Moraes (H-0149/09)**

Subject: EU Alzheimer's strategy

In February the UK announced its National Dementia Strategy, which will provide investment in a network of memory clinics, improve support for people affected by the condition and launch major public awareness campaigns. Furthermore, in Strasbourg on 5 February Parliament adopted Written Declaration 0080/2008 - <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-2009-0081&language=SL> encouraging the recognition of Alzheimer's as a European public health priority.

What initiatives is the Commission planning in this area, in terms of research, prevention and public awareness raising?

Will the Commission consider creating a European Alzheimer's strategy similar to that in the UK, particularly taking into account recommendations from the European Collaboration on Dementia Project which have already been presented to the Commission?

**Androulla Vassiliou, Member of the Commission.** - Alzheimer's disease has been identified as a priority initiative in the Commission's legislative and work programme for 2009 following the Council conclusions on Alzheimer's adopted under the French Presidency, and the Commission is planning a communication on Alzheimer's disease and other dementias, due for adoption later this year.

Furthermore, to stimulate coordinated efficient research in this field, it is foreseen that the communication will be adopted alongside the proposal for a Council recommendation on joint programming for research on neurodegenerative diseases, including Alzheimer's disease. This follows on from the communication on joint programming in research that was adopted on 15 July 2008.

In the field of Alzheimer's disease there is a need for accurate data, which can only be collected at EU level, to allow for planning and adaptation of health services at Member State level. Thus far the European Collaboration on Dementia Project has provided accurate, qualitative and quantitative data and analysis of the burden of Alzheimer's disease in the European Union, which has been published by Alzheimer Europe in the Dementia in Europe Yearbook. However, the project finished at the end of 2008 and there is now a need to evaluate the options for taking this work forward.

The open method of coordination (OMC) in the social field provides a framework for EU Member States to reform their social protection systems on the basis of policy exchanges and mutual learning. Within the OMC, Member States identify common challenges and agree common objectives for universal access, quality and sustainability in health care and long-term care.

In national strategic reports Member States set out how they will develop their policies to meet the common objectives. The EU supports Member States' actions to address common challenges and objectives through the OMC by facilitating dialogue about experiences and the exchange of good practices regarding health care and long-term care.

It also supports the development of innovative good practice through its funding programmes. The exchange can take place in peer reviews with a limited number of participants focusing on a specific theme, or in conferences with wider discussions.

Following indications in the 2008 national strategic reports and the synthesis in the 2009 joint report, a specific peer review will be held in France next month on 'Alzheimer's disease and other related diseases: How to cope with crisis situations or caring in the patient's home'. This will be followed by a conference in September under the Swedish Presidency on 'Healthy and dignified ageing', including a workshop on coordination of care for persons suffering from Alzheimer's disease and other dementias.

In addition, the Commission services are considering a possible additional conference to be held in mid-2010, the specific content of which will depend on the results of the 2009 events and other sources. Furthermore, the Commission's disability action plan 2003-2010 contains actions which are also relevant for people with Alzheimer's, such as promotion of independent living, quality support and care services, accessibility of mainstream goods and services, and assistive solutions.

As the ageing of the population in Europe can be expected to lead to increasing numbers of older people with a severe disability and in need of long-term care, this issue is among the priorities for the follow-up to the current disability action plan.

The Commission is also working together with the Member States, through the disability high-level group, to monitor the implementation of the UN Convention on the rights of persons with disabilities, signed by the European Commission and all the Member States. The Convention covers a wide range of policy objectives relevant for people with Alzheimer's, including accessibility, independent living, rehabilitation, social participation and social protection, and is implemented at national and Community level.

**Claude Moraes (PSE).** - Commissioner, with over six million European citizens suffering from dementia and many millions more Europeans having to care for them or being affected by this critical disease, I warmly welcome the Commission's decision to make this a public health priority. That was a comprehensive answer.

But could I ask, when you discuss the disability action plan, that you as a Commissioner and as a Commission bear in mind that the effect of Alzheimer's is a cross-cutting effect across disability, the field of ageing and public health and that you maintain a comprehensive strategy, not just identifying Alzheimer's but including all the related aspects and that you maintain your priority? This is a public health emergency for an ageing population. But thank you for that comprehensive answer.

**Androulla Vassiliou, Member of the Commission.** - I do understand that the honourable Member is satisfied with the comprehensive answer that I gave. Regarding this disability action plan, it is of course a wider issue but it has certain aspects which are specific to Alzheimer's disease and which we shall take up in our action in this field.

**President.** - Question No 30 by **Rodi Kratsa-Tsagaropoulou** (H-0163/09)

Subject: Impending recession in south-eastern Europe and implications for the European economy

According to recent analyses by international financial institutes and credit-rating agencies, a major economic decline is to be expected in south-eastern Europe accompanied by the danger of loan default on the part of

consumers and undertakings. This could have extremely serious implications for the economies of the EU Member States, given the major investment by western European undertakings and banks in this area.

Is the Commission in favour of providing support for banks in the countries of south-eastern Europe – under national programmes of action forming part of the European Neighbourhood Policy – in cooperation with these countries and possibly the European Investment Bank? How does the Commission intend to deploy available funding, for example the Instrument for Pre-accession Assistance (IPA) and the European Neighbourhood and Partnership Instrument (ENPI), with a view to reinvigorating local economies and staving off the impending recession?

**Janez Potočnik**, *Member of the Commission*. – The question refers to the Commission view on possible European economic and financial support to countries of eastern and south-eastern Europe hard hit by the global economic crisis. I am replying on behalf of my colleague, Commissioner Almunia.

The sharp economic downturn in a number of countries in this region can indeed have an adverse impact on the economies of the same European Union Member States, in particular those whose commercial banks have extended, often through their local subsidiary, significant credits to enterprises and households in the countries of the region.

It has first to be noted that economic and financial conditions differ greatly among these countries. The Commission's response to the crisis could not, therefore, be formulated globally but has taken into account the situation of each country.

Regarding candidate and potential candidate countries of south-eastern Europe, large amounts of technical assistance supporting structural reforms and institution-building have been programmed for the period 2007-2013 – EUR 9.1 billion, as you know, under the Instrument for Pre-Accession (IPA). The Commission is also implementing a EUR 150 million crisis response package, financed under this instrument, which aims to leverage in the short term an amount of EUR 500 million in loans from international financial institutions. The package includes measures ranging from the provision of micro-credit and SME financing to energy efficiency and specific technical assistance for financial sector supervision and financial regulation.

In order to further support the real economy, the Commission, the EIB, the EBRD and the Council of Europe Development Bank have jointly developed an infrastructure initiative that provides technical assistance and cofinancing to priority infrastructure investments in transport, energy, environment and social sectors. The initiative has been accelerated and implementation is now starting. It is a first step towards a Western Balkans Investment Framework that will also include investments in other socioeconomic sectors, like SMEs or energy efficiency.

In the countries of eastern Europe covered by the European Neighbourhood Policy – Ukraine, Belarus, Moldova and the three Caucasus countries – the European Union instruments available to deal with the needs of the financial sector are more limited. Yet here, too, the EU provides substantial technical assistance through the national and regional programmes of the European Neighbourhood and Partnership Instrument in support of the joint action plans under the European neighbourhood policy. In order to further help the real economy, the Neighbourhood Investment Facility has been designed to bring together grants from the ENPI programmes and the European Union Member States with loans from the European public financial institutions. This instrument has provided EUR 71 million in grants in 2008, which underpinned large infrastructure projects worth around EUR 2.74 billion.

Let me now say a few words about the support to the commercial banks in the region being provided by specialised financial institutions. Here the EBRD is the most active and it is mobilising its full panoply of instruments, including equity and short-term debt. The EIB has no mandate towards direct bank capitalisation in this region and its activity is limited to the sectors of transport, telecommunications, energy and environmental infrastructure. The mandate does not cover SMEs. Much of the financial support to the economies of the region is provided by the Bretton Woods institutions, primarily the International Monetary Fund (IMF). The IMF is making available large amounts of financing in support of comprehensive stabilisation programmes. The Commission feels that the role of the IMF in fighting the consequences of the crisis is very important.

Finally, a number of pre-accession and neighbourhood countries have requested macroeconomic assistance from the European Union. The Commission is currently examining how best to support those countries that have also agreed a stabilisation programme with the International Monetary Fund.

**Rodi Kratsa-Tsagaropoulou (PPE-DE).** - (EL) Mr President, Commissioner, thank you very much for the information you have given me.

I should like to ask you if you believe that these grants of EUR 71 million for our partners in Eastern Europe suffice. I believe that the Commission communication on the crisis and its impact on Eastern Europe does not pay sufficient attention to this issue. Also, do you believe that we shall review the objectives, means and priorities of pre-accession assistance, because Serbia has already asked for assistance to deal with urgent requirements directly in its budget.

**Janez Potočnik, Member of the Commission.** - As I said, when we talk about the real economy and the countries of eastern Europe, the financial possibilities which we have in our hands are truly limited. That is why we try to leverage as much of the money as we can from other financial institutions. That is why I mentioned that the money, which actually amounts to EUR 71 million, has also triggered the financing of large infrastructure projects, which are more than EUR 2.5 billion.

So the honest answer would be, I think, that all of us there are in deep trouble, and that certainly one has to keep a close eye on what is happening in this region, because we are highly interconnected with them and many European countries have deep trade relations with this region.

Concerning the possibility of macro-financial assistance, there are many countries among the countries which have the potential to become Member States, which are candidates or potential candidates, which have requested this. It is true that Serbia requested it. It is highly likely that Montenegro will also request it. From the countries of the southern region, practically all but Russia and Azerbaijan have requested it. The potential for macro-financial assistance is, to be honest, rather limited, and the list of countries asking for this support is quite long.

I think that the major instrument – that is why this discussion was very much one of the topics of the G20 summit – should be channelled via IMF support. We are very much in favour of this kind of activity and strengthened role or capitalisation of the IMF in this direction, because this is certainly a global problem.

I could also mention that this macro-financial assistance, if it is given to any of these states, should also go through the consultation process via the European Parliament.

*Part Two*

**President.** – Question No 31 by **Gay Mitchell** (H-0131/09)

Subject: State aid to non-EU European countries

In this time of economic tumult it is imperative that all nations in Europe are on a level playing field and should not have to be concerned about jobs moving to non-EU countries involved in supplying state aid to ailing firms. If members of the EEC or EFTA such as Switzerland are to reap benefits of increased trade with the EU bloc then it is imperative that they reciprocate by playing by the same rules regarding state aid. The current procedures for remedies of breach of this are slow and cumbersome and offer no protection to those currently losing their jobs. How does the Commission plan to tighten up this area of competition law and ensure there is a fast and effective procedure for dealing with complaints?

**Neelie Kroes, Member of the Commission.** – Firstly, I would like to mention that it is important to clarify that the EFTA states that are parties to the EEA Agreement – that is, Norway, Iceland and Liechtenstein – are subject to strict state aid discipline based on the EU model.

Article 61 of the EEA Agreement is closely modelled on Article 87 of the EC Treaty. The EFTA Surveillance Authority (ESA) is in charge of its implementation. Under Protocol 26 of the EEA Agreement, it is entrusted with equivalent powers to those of the European Commission in the field of state aid. Those states must notify any new state aid measure to the ESA and get its approval before putting it into effect. The ESA may also investigate alleged incompatible aid granted by these EFTA countries.

Switzerland is a different case, because it has not ratified the EEA Agreement. With Switzerland, the state aid rules are those laid down in the 1972 agreement between the European Economic Community and the Swiss Confederation. Under Article 23 thereof, state aid which affects trade between the Community and Switzerland and distorts or threatens to distort competition is incompatible with the agreement. Procedurally, in case of incompatible aid, the affected party can refer the matter to the joint committee established by the agreement and it can take safeguard measures if the granting party fails to put an end to the practice in question.



While remedies for incompatible aid are harder to obtain in Swiss cases, the Commission still endeavours to apply the provisions of the 1972 free trade agreement whenever possible and necessary. For example, on 13 February 2007, it took a decision concluding that three Swiss cantonal tax regimes were incompatible with the 1972 agreement, and it is currently negotiating with the Swiss authorities in order to find a satisfactory solution to this issue.

The Commission is aware that provisions on state aid found in existing trade agreements, such as the 1972 agreement with Switzerland, need to be improved and that is why, in line with the conclusions of its 2006 communication 'Global Europe: competing in the world', the objective of the Commission is to try and negotiate stronger rules on state aid and better remedies, such as the application of a dispute settlement mechanism, in future free trade agreements.

**Gay Mitchell (PPE-DE).** - I thank the Commissioner for her helpful reply.

The Commissioner will be aware that I am speaking of a company called SR Technics, located at Dublin airport, where until recently a little over 1 100 people were employed; 600 have now lost their jobs.

This was a company with excellent industrial relations, excellent skills, a full order book and a great future. There is real doubt as to the reasons for the relocation of this company and the suspicion is that either the Swiss Government or one of their Arab friends has brought in aids which are causing these people to lose their jobs in Ireland, in the European Union.

Will the Commissioner investigate this matter and use all her powers to assist? These are very reasonable people with a lot of support in the community who understand the difficulties they are facing both from the business community and from the general public.

**Neelie Kroes, Member of the Commission.** – I am very happy with your question, for you can be of help because we need more information. So far we do not have the information on this case in the 100% form that we badly need. Even then it is not guaranteed that we can be successful but it is worth a try.

To form an opinion on the existence of state aid, not to mention its incompatibility under the 1972 agreement with Switzerland, not only services but also the production or trading of goods should be involved. So please push those who you are close to so that they give us the information. In addition, I would invite the persons and undertakings concerned in Ireland to provide any further information they may have on this case to the Commission services, to enable us to take a position.

I must add, and it is open and honest to say so, that under the 1972 agreement the affected party can only ask the party granting the aid to put an end to the measure and, in a decision adopted in 2007, the Commission concluded that those measures constitute state aid that is incompatible with the 1972 agreement with Switzerland. Following that decision, the Swiss authorities have entered into a dialogue with the Commission to find an appropriate solution. The latest technical meeting took place on 13 February 2009.

So the Swiss authorities have provided some constructive proposals such as the abolition of the tax exemption for management companies. However, the preferential treatment of holding and mixed companies remains to a large extent. That is why further discussions are badly needed.

**President.** – Question No 32 by **Zbigniew Krzysztof Kuźmiuk** (H-0165/09)

Subject: Discrimination against Polish shipyards in the light of the Commission's decision to approve state aid for the motor vehicle industry

Having propped up their banks with tens of billions of euros in aid, several Member State governments have now decided to support the motor vehicle industry. The United Kingdom, Germany, France and Italy wish to provide some tens of billions of euros in aid for the sector, and the Commission has in principle accepted this proposal unreservedly, despite the fact that such funding will distort competition on the market.

Without calling such support into question, I should like to ask why the Commission earlier objected to the state aid granted by the Polish Government to our shipyards.

As a result of the Commission's stance, two of Poland's shipyards closed and tens of thousands of people working at the shipyards and for suppliers were made redundant. In the light of the Commission's recent approval of aid for the motor vehicle industry, was that decision not discriminatory?

**Neelie Kroes**, *Member of the Commission*. – The Commission would like to underline that in the case of the Polish shipyards it applied exactly the same rules as for any other case of restructuring state aid and it treats Poland in the same way as any other Member State.

The difficulties faced by the shipyards had started in the 1990s, to be precise in 1990, well before the Polish accession to the EU, and were by the way not caused by the current financial and economic crisis. In 2004, the Commission started investigating restructuring aid for the Polish shipyards. The situation of the Polish shipyards cannot therefore be compared with that of other companies which have specific problems linked with the current financial crisis.

The Gdynia and Szczecin yards have benefited from state support for many years at the expense of other shipyards in Europe. Unfortunately, the aid granted to the Polish shipyards was not spent on investments and the necessary restructuring. What is more, the yards continued to make losses, were unable to pay taxes and social security obligations and have accumulated significant debts.

For those reasons the Commission had no other option but to adopt final negative decisions for the Gdynia and Szczecin shipyards, ordering recovery of the illegal and incompatible aid granted to the yards.

However, in order to limit the adverse economic and social consequences of these decisions, the Commission authorised Poland to implement the recovery of the illegal aid through a controlled sale of the yards' assets and subsequent liquidation of the companies. That should maximise opportunities for viable economic activities to continue at those sites.

It should in particular be noted that, if the sale process is successful and correctly implemented, companies acquiring the shipyard assets will not have to repay the illegal subsidies, even if they choose to continue shipbuilding.

The Commission would also like to point out that Structural Funds, and in particular the European Social Fund and the European Regional Development Fund, could be used to cushion the social consequences of job losses. Furthermore, the use of the European Globalisation Fund can be considered under certain circumstances and conditions.

**Zbigniew Krzysztof Kuźmiuk (UEN)**. – (PL) Commissioner, I understand that you are responsible for watching over the level of state aid given to enterprises, but Polish society has the impression that, unfortunately, Polish shipyards are being treated differently from enterprises in the old EU Member States — that here consent is being given to save jobs, but that in the Polish shipyards consent to save jobs is not forthcoming, and this inequality troubles us greatly. We insist on equal treatment of enterprises in the old and the new Member States. I would also like to take this opportunity to ask what doubts the Commission has about the restructuring programme for the Gdańsk Shipyard.

**Neelie Kroes**, *Member of the Commission*. – Those in Poland who are saying what the honourable Member has been referring to are absolutely wrong. It is not correct, and I can prove it with facts and figures. And before I answer your reference to the German shipyards (you were only mentioning the old ones), I would like to underline that the shipbuilding industry in other countries – not only in Germany, but also in, for example, Denmark, the UK, the Netherlands or Spain, where the public pocket was not so generous – was considerably downsized or even closed. We know a couple of examples where shipyards were closed. And if we speak about equal treatment we need to bear this in mind as well, and not only talk about emotion – and I am not blaming someone for having emotions; I can imagine it is a very difficult situation, but still it gives the wrong impression to say that there has not been equal treatment.

In any event I can assure you, Mr President, that the Commission applied its rule in the same way to the German and to the Polish shipyards and all the other ones that could be cited here. The same criteria are applied when assessing the state aid, viability being the most prominent of them, and the German shipyards – let me take that example – were successfully restructured and turned into a viable business, while the Commission considers that the restructuring plans presented by the Polish authorities will not ensure long-term viability.

Finally, Mr President, a parallel should also be made with cases where the Commission has not authorised state aid and has even ordered recovery of illegal state aid in other Member States.

**President.** – Question No 33 by **Giovanna Corda** (H-0171/09)

Subject: On-line sale of perfumes, clothing and brand products

Commission Regulation (EC) No 2790/1999<sup>(2)</sup> (together with the guidelines on vertical restrictions) sets out arrangements regarding distribution agreements for a number of products including perfumes, clothing and other 'brand products'. Under these provisions, the sale (including the sale on-line) of numerous brand products is prohibited if the supplier's market share is less than 30%.

Does the Commission consider it necessary to continue to apply these outdated rules at the expense of healthy competition in terms of pricing and consumer choice for the sole financial benefit of a number of major groups who are in the comfortable position of deriving the bulk of their revenue from exclusive legal rights regarding these products?

**Neelie Kroes, Member of the Commission.** – The current EU competition policy towards vertical agreements is very supportive of Internet sales, and I am sure that you are aware of that, Mr President. Hence, the guidelines on vertical restraints which provide for an interpretation of Regulation (EC) No 2790/1999 make it clear that 'every distributor must be free to use the Internet to advertise or to sell products'. It is therefore clear that suppliers cannot impose restrictions on the distributors' use of the Internet – they cannot stop a distributor from having a web site, using whichever languages they prefer on that site, or sending e-mails to individual customers unless those prohibitions are objectively justified.

Even within selective distribution networks, used notably in the luxury sector, and distribution of complex products such as electronics – regardless of the suppliers' market share – any restriction to on-line sales imposed by the manufacturer on its appointed dealers clearly infringes the competition rules.

However, that does not mean any retailer can sell – on-line or otherwise – the manufacturer's products to final consumers. A manufacturer is free to impose criteria on distributors for selling his goods on line in the same way as he is free to do so for sales in brick-and-mortar shops.

Such criteria may assist in building a certain image or providing a certain level of service. Under the current rules, selective distribution is presumed legal up to 30% of the supplier's market share, since it is considered that in the absence of market power it brings more advantages than any possible harm to consumers.

The Commission is currently examining the way Regulation (EC) No 2790/1999 has been applied so far and whether there is a need for further changes, including in the area of selective distribution.

What the Commissions wants is the right balance between, on the one hand, ensuring that consumers can take advantage of the on-line marketplace, and ensuring that manufacturers are able to organise their distribution systems as they feel appropriate.

**Giovanna Corda (PSE).** – (FR) Mr President, Commissioner, I thank you, but, in general, I hope that the Commission considers that the time is right to re-examine the guidelines on vertical restraints that you mentioned just now, since they are in fact already about 10 years old.

We do of course need to take account of the most recent developments: on-line selling and electronic auctions have profoundly changed our distribution methods, as well as conditions of competition. We must be very aware of that.

**Paul Rübig (PPE-DE).** – (DE) Commissioner, I should be interested to hear your views on the situation surrounding the relevant market power exercised over such modes of distribution. At what point would you consider such market power to be present, and what action would you take against it?

**Neelie Kroes, Member of the Commission.** – I shall just repeat what I have already mentioned, that the Commission is currently examining the way that Regulation (EC) No 2790/1999 – which, as the honourable Member rightly said, is 10 years old – has been applied so far. We have to decide whether there is a need for further changes, including in the area of selective distribution.

It is important for the Commission, in this review, to strike the right balance to allow European consumers to take full advantage of the Internet to overcome geographical barriers, while at the same time allowing manufacturers to organise their distribution systems as they feel appropriate. In that context, the benefits

---

<sup>(2)</sup> OJ L 336, 29.12.1999, p. 21.

that selective distribution brings to consumers, both in the on-line and off-line worlds, will certainly be revisited.

Mr Rübzig asked what we can do in the present situation. We have to take into account, after this review, what the need is, and then we will come back with our final conclusions and we will pick up the point that the honourable Member touched upon.

**President.** – Question No 34 by **Georgios Papastamkos** (H-0172/09)

Subject: State aid for small and medium-sized enterprises (SMEs)

Will the Commission say what additional means – compatible with Community rules on state aid – are available to Member States during the current economic crisis to help SMEs, in particular to support their access to funding?

**Neelie Kroes**, *Member of the Commission.* – I will do my utmost. On 19 January 2009, the Commission adopted a new temporary state aid framework which provides additional openings for Member States to grant state aid until the end of 2010. This initiative was previewed in the Commission's recovery plan the previous month.

The main objective of the framework is to limit the fallout of the crisis by facilitating companies' access to finance. Those measures are applicable to all companies – but small and medium-sized enterprises (SMEs) can access higher aid intensities, as they are clearly the most vulnerable when access to credit is tightened. In other words this measure is of particular benefit to SMEs. The most relevant for SMEs is the new possibility for the granting of EUR 500 000 per undertaking to cover investments and/or working capital over a period of two years.

That is a new temporary compatible aid – not by the way a new *de minimis* of EUR 500 000 – and provided that it fulfils the specific conditions, this new aid is declared compatible by the Commission under Article 87(3)(b) of the Treaty, in other words under a clearly very exceptional legal basis which is directly linked to the current financial crisis. That new aid can be cumulated with the *de minimis*, but within the limit of EUR 500 000 for the period 2008–2010.

In addition, under the temporary framework, Member States could also grant state-aid guarantees for loans at a reduced premium, aid in the form of a subsidised interest rate applicable to all types of loans, and subsidised loans for the production of green products involving the early adaptation to, or going further than, the future Community product standards.

The Commission has also increased the allowed risk capital – an injection in SMEs – from EUR 1.5 million to EUR 2.5 million per year, and a reduction of the required level of private participation from 50% to 30%.

Finally, while all measures adopted under this temporary framework still need to be notified to the Commission, specific arrangements to ensure a fast adoption of the Commission's decisions have been put in place. So they are quick, effective and efficient.

**Georgios Papastamkos (PPE-DE).** - (EL) Mr President, I thank the Commissioner for her truly detailed reply. The European Commission, as the guardian of competition policy, rightly allows this temporary aid to small and medium-sized enterprises because, as we all know here in this House, small and medium-sized enterprises are the backbone of the European economy.

I have another question which goes beyond the boundaries of my first question: the European Union is not alone in the world; there are other leading commercial players and economic powers outside Europe, our third country partners, who are distorting competition to saturation point at present due to the economic crisis. Have you developed cooperation to address infringement of competition rules in connection with third countries?

**Paul Rübzig (PPE-DE).** - (DE) I would like to know which rule actually applies to equity replacement loans in this context.

**Marie Panayotopoulos-Cassiotou (PPE-DE).** - (EL) Mr President, I should like to ask the Commissioner if these extraordinary grants also include social measures for small and medium-sized enterprises. Can these worker-related measures be subsidised at the same time as the enterprise?

**Neelie Kroes**, *Member of the Commission*. – That is an intriguing question. We are major players, looking at the playing field as a whole, but we are aware that there are a couple of other players, and that they are not always behaving as we want them to behave.

Having said that, Mr President, there are at any rate a couple of bodies on which we are doing our utmost to put this very point the honourable Member has raised on the agenda: during the G20 meeting in London for instance, where it was a very important point for discussion, but also during our involvement in the WTO Round; and I think it makes sense that we are pushing and just trying to get the point accepted by all of the players.

I am proud to say that more than a hundred member states are involved in the same type of competition policy as the one we favour, so it is not only us. We are in close contact, sometimes via official agreements, sometimes via bilateral agreements, to try to get a line all over the globe.

Certainly with the new US Administration we are just starting again, and we do have excellent cooperation lines with our counterparts in Washington, such as the FTC and the DOJ.

So that is the main issue, but if you would allow me to go off at a tangent to your question a little, it is also about protectionism: that would be the devil in our midst and we should fight to prevent it becoming a reality. For protectionism is outdated, it is incompatible with the single market and it is indeed a very bad tool for enabling our citizens, our consumers, and our business worlds to be successful on that fair level playing field.

It is of course the Member States that are responsible for efforts in the employment and social areas, and they have to take their decisions on how this option of opening up the state aid rules a little can be fitted in.

The Commission would also like to point out that the structural funds – and that was what I was touching upon in an earlier question when we were dealing with the Polish shipyards – and in particular the European Social Fund and the European Regional Development Fund, can be used by the Member States to cushion the social consequences of job losses, and furthermore the use of the European globalisation fund can be considered under certain conditions.

**President**. – Question No 36 by **Marie Panayotopoulos-Cassiotou** (H-01 54/09)

Subject: Research and maritime professions

Marine science, technology and research are crucially important for the sustainable development of maritime activities and help broaden the scope of maritime studies and improve the qualifications and skills associated with the maritime professions.

In that context, will the Commission say what measures it will take to promote research in this field and give Europeans more and broader prospects of a career in the maritime sector? Will the economic crisis adversely affect that aim?

**Janez Potočnik**, *Member of the Commission*. – Throughout the past year the Commission has recognised that marine science and technology is a cross-cutting priority area. This culminated in the adoption by the Commission, in September 2008, of the communication on a European Union strategy for marine and maritime research.

The strategy seeks in particular to foster integration across thematic priorities to address complex sea-related issues, boost synergies between Member States' research efforts, promote the financing of financial marine research infrastructure and build new governance with the marine and maritime scientific communities, particularly through increased cooperation between marine science and maritime industries.

The following actions have already been implemented in the framework of the strategy. First, joint calls for proposals are being prepared and should be launched later this year to address major cross-thematic marine and maritime issues. Second, steps have been taken to upgrade the BONUS programme into a major Community research initiative under Article 169 of the Treaty – one of the questions later on is also related to this issue. Third, steps have been taken to progressively replace all existing marine ERA-NETs with one integrated marine ERA-NET. Fourth, steps have been taken to explore new sources of financing critical marine research infrastructures, particularly through the Structural Funds. Finally, two projects will be financed to foster cooperation between marine science and maritime industries as well as a stronger integration between the different actors within the marine scientific community.

The implementation of the European Union strategy for marine and maritime research under the current financial perspective will ensure the promotion in the coming years of marine and maritime research at Community level, through the framework programme instruments.

The broadening of prospects for careers related to the sea cluster, which is also part of your question, is not directly an objective of the research policy. However, by stimulating cooperation between marine scientists and maritime industries, as well as more integrated marine and maritime research, the European Union strategy for marine and maritime research can indirectly broaden the scope of maritime skills and promote marine clusters. It can in this way indirectly contribute to the upgrading of qualifications and skills associated with the maritime professions.

Finally, in the broader framework of your question and my reply, in the European economic recovery plan last autumn, the Commission proposed to Member States and the private sector to increase planned investments in R&D. This was followed up by the spring European Council conclusions, which have sent a strong message on the need for stepping up and improving the quality of investment in knowledge and research for economic recovery. Of course this is also very valid for marine and maritime research.

It is still premature for any assessment on how and if the Member States will follow these recommendations. One thing, however, remains clear: even in the current difficult economic and financial circumstances, we should not lose sight of long-term objectives such as sustainable development and the low-carbon economy. It is thus important to focus on so-called 'smart investments' which at the same time look at overcoming the crisis in the short term and at long-term possibilities and how strong we will be when we come out of the crisis.

**Marie Panayotopoulos-Cassiotou (PPE-DE).** - (EL) Mr President, I thank the Commissioner for the full reply which he has given me and I should like to ask him if the research programme can also include neighbouring countries, especially countries in the Mediterranean region, within the framework of Euro-Mediterranean cooperation.

**Janez Potočnik, Member of the Commission.** - Neighbouring countries of course can be included. It is quite clear that the framework programme is open as long as there is cooperation with the European Union Member States.

But I would like to be even more precise. We have quite a few – more than 10 – so-called 'associated members' of the framework programme. Those associated members which pay the contribution have practically the same rights and responsibilities as the Member States. For example, the Western Balkans, Switzerland, Norway, Iceland, Israel and some others are associated countries. So all these countries have exactly the same rights and obligations.

For others, within our strategy we are trying to develop a policy, which we have proposed. We have tried to do everything so that sooner rather than later all the neighbourhood countries – depending on their ability and also on mutual interests – will become associated countries. This means in reality that when we talk about research the European Union is much bigger than the Union of 27 Members.

**President.** - Question No 37 by **Emmanouil Angelakas** (H-01 58/09)

Subject: Evaluation of creativity, innovation and technological development in Member States

Given that 2009 has been designated the European Year of Creativity and Innovation, and given the EU's programmes, namely the Seventh Framework Programme for Research and Technological Development (2007-2013) and the Competitiveness and Innovation Framework Programme (CIP), will the Commission say whether it has any statistics on the level of appropriations taken up so far by each Member State in the sectors covered by the above programmes? What are the most popular sectors in each Member State (in percentages)? Does any assessment exist of the response of SMEs (small and medium-sized enterprises) to these programmes (in percentages)?

**Janez Potočnik, Member of the Commission.** - I can assure the honourable Member that, with regard to the seventh Research Framework Programme (FP7), the Commission systematically collects and publishes, for all to see, clear and detailed statistical data illustrating the implementation of this programme.

It is important to remember that Community funding for research is awarded to beneficiaries on the sole criterion of the scientific excellence of their proposals. But even though no account is taken of nationality in awarding contracts, we do collect and closely follow the data on the geographic distribution of FP7

beneficiaries and their respective collaborative links. This gives us an important insight into the level and strength of synergies developed between countries as a result of their participation in FP7 activities.

You can find all of this data, and many other detailed statistics about FP7 implementation, in the statistical annex to the Commission's annual report on research and technological development activities, which we submit every year to the Council and Parliament. More importantly, all of these reports going back to 1998 are publicly available on line via the Commission's 'Europa' Internet site.

So what does this data tell us? I cannot reel off here today a long list of statistics, as we do not have time for that, but let me nevertheless give you some few highlights concerning the focus of your question: the relative popularity of FP7 research areas among the Member States.

Information and communication technologies (ICT), health and Marie Curie actions were generally the most popular fields among Member States in terms of the numbers of participations in signed grant agreements. It should be noted, however, that their popularity is also a function of the size of the budget available to each of these research areas of FP7 and, also, the number and type of signed grant agreements present in the databases at the time of such assessment. Generally it can be noted that the participation of new Member States is stronger in the fields of security, socioeconomic research and space, and weaker, for example, in ICT and health. In the country that the honourable Member comes from there is a marked focus on ICT, but relatively weak participation, for example, in health, socioeconomic research and space.

Concerning the response of SMEs to FP7, every year the Commission publishes a detailed assessment of SME participation by country of origin as part of our annual report, which I have mentioned. Our latest data on SME participation in FP7 indicates that a total of 2 431 SMEs are now participating in FP7 signed grant agreements. For detailed information I would refer the honourable Member to the report itself. But, if the honourable Member wishes, I could hand out some of the tables with the relevant information from FP7 here today, because I have them with me.

The actions of the Competitiveness and Innovation Framework Programme are more policy-driven than grant-oriented. In particular the Entrepreneurship and Innovation Specific Programme (EIP) serves mainly as a policy support programme. If we look at its main instruments, Enterprise Europe Network exclusively benefits SMEs by providing information on access by different types of SME finance and identifying project-funding opportunities and helping to find technology and business partners. The EIP Financial Instrument, which accounts for about half of the programmes budget, is also reserved exclusively for SMEs. By the end of September 2008, around 12 000 SMEs had received financing through the SME Guarantee Facility, with applications received from 17 Member States.

In addition, the first call for proposals on eco-innovation pilot and market replication projects was published in 2008 to carry out actions in the fields of recycling, the food and drink sector, buildings and green business. The 2008 call notably succeeded in covering the priority given to small and medium-sized enterprises. In total, 74% of all participations were SMEs.

And lastly, the Information and Communication Technologies Policy Support specific Programme of CIP launched calls for proposals for 2007 and 2008 with a focus on pilot project testing ICT-based innovations, where SMEs receive more than 30% of the total budget. More importantly, this programme aims at opening up EU-wide markets for such innovations that are supplied by SMEs all across the European Union.

As with FP7 reports, reports relating to the Competitiveness and Innovation Programme are publicly available on the Europa website.

**Emmanouil Angelakas (PPE-DE).** - (EL) Mr President, I thank the Commissioner for his reply; there is indeed information on the website. Thank you also, Commissioner, for the tables which you have given me.

I have a supplementary question to ask: can you tell us how many jobs have been created in the Member States of the European Union within the framework of projects carried out under programmes implemented via small and medium-sized enterprises? Also, have you calculated the increase in gross domestic product generated from these projects?

**Justas Vincas Paleckis (PSE).** - You have mentioned several areas where new Member States are developing their activities in both programmes. I would like to ask you what you would say in general: are new Member States less active in comparison with old Member States, and, if so, what can the Commission do in order to help them?

**Janez Potočnik**, *Member of the Commission*. – The first question was quite specific. Of course we do not know how many jobs are created: economies are simply much more complex than if there were a causal relation between how much money you put in one programme and how much you supported. We are pretty sure – I am pretty sure also, when I move among the researchers, among the SMEs, when I hear the reactions and when I hear their emotions and how well they are actually using the programme, then I am sometimes much more satisfied than when I hear that we are a bit too bureaucratic, and so on. But I think that we have to look at that. We try to accommodate the various needs of SMEs: ones which are competing, which have their own capacity to compete, which have research capacity; but we also try to accommodate the others, which have the research needs but do not have the capacity. That is why we are paying, for example, for research via universities, institutes and so on.

Concerning the increase in GDP, statistically of course it is not possible to have a direct link, but you can do correlation analyses from which you can find out that this is correlated in the long term. So the countries which are investing more in R&D are, of course, more developed, and vice versa. This is, then, the reality: that those that are wealthier invest more in R&D later. So in essence, even if I cannot precisely answer that question, I can give you a fairly sure answer from the statistical analysis that this is the way to strengthen the competitiveness and, as a result, the GDP, jobs and so on of anybody who is investing more in this context.

On the question of the new Member States – and that is really an interesting question, because we are, of course, following that quite closely – I can say that they are quite active, that they are applying a lot; on average their success rates are slightly higher than the success rates of more developed Member States, which I think is normal, because somehow the strength of institutions is in the countries which have a longer and stronger tradition in R&D and of course normally are also stronger. But if you look at something very simple – if you look at the correlation: how much the country is investing in R&D at home and how much it is getting from the framework programme via pure competition – there, a strong correlation exists. So the country which is actually investing more at home, and which therefore also has stronger research potential, is getting it twice – it is getting it at home, and is also getting it via competition in the European Framework Programme, which is for excellence.

But something else is also interesting. If you look at how much the Member States – the new Member States – are investing in their R&D in global European investment, and how much they are getting from FP7, the proportion of the latter is higher than they are actually investing at home. So these connections are very clear, and my advice would be: use all possible instruments to strengthen capacity at home; use – in smart ways – structural and cohesion funds, where they have committed the amount of framework programme actually for the purpose of that – EUR 50 billion is committed – and use that money so that in the future they would help themselves at home and they would help themselves also in the possibility to compete globally, because the world is global.

**President**. – Question No 38 by **Justas Vincas Paleckis** (H-0174/09)

Subject: BONUS-169

The BONUS project (Baltic Sea marine research funding organisation) is a very important means of grouping national and regional research programmes to support sustainable development in the Baltic Sea region, with a view to coordinating, developing and implementing them by means of joint cooperation activities. Consequently Lithuania and the other Baltic States strongly support the transition from BONUS ERA-NET+ to BONUS-169.

Could the Commission state what new measures are envisaged for BONUS-169? Will the proposal be presented during the present Commission's term of office? Is there anything that might hinder the transition to BONUS-169?

**Janez Potočnik**, *Member of the Commission*. – Mr Paleckis, I am convinced that the BONUS Article 169 initiative is expected to substantially improve the effectiveness of environmental and sustainable development policies for the entire Baltic region. It would, in particular, greatly contribute to the implementation of mainly the environmental part of the European Union Strategy for the Baltic Sea Region that the Commission is planning to present to the European Council in June 2009.

We are now moving ahead swiftly with the preparation of this legislative proposal on an Article 169 and have included BONUS-169 in our legislative programme for 2009. We are making every effort to table a legislative proposal as soon as we possibly can in 2009. However, the timing of the legislative proposal is not entirely in our hands: it also depends on the timely and successful response by the BONUS consortium



in revising the tentative Action Plan. If the latter reaches the Commission by the beginning of June – this was agreed by the BONUS consortium – then I am quite confident that the legislative proposal can be tabled still under the mandate of the current Commission.

**Justas Vincas Paleckis (PSE).** – (LT) Many thanks, Commissioner, for your precise and clear reply: there is obviously hope that this matter will soon be set in motion. I would like to ask you, does the fact that environmental protection in the Baltic Sea is to be tightened even more mean that this project has something to do with the impact of the Nord Stream project on environmental protection in the Baltic Sea? Is this happening, or not?

**Janez Potočnik, Member of the Commission.** – My expectations of the BONUS programme itself are also high. That is why I am working extremely hard to get it on the table to propose to you while I am still in office.

You should be aware that our experiences with Article 169 initiatives, starting with EDCTP in the previous framework programme, were at times not too good. That is why we asked Mr van Velzen to prepare a report on that. By the way, today EDCTP is perfect and is going really well, but we had asked Mr van Velzen to table proposals for the future of '169' initiatives, and we are now following his recommendations.

One should also take into account that this is the first of an original nature and the true European added value should be presented via that kind of a programme. I am sure that this will be an example which will be followed later on by other regions. In short, I am very much in favour of the proposal, but I think that the stronger we build it the better it will be for BONUS and for the region.

**President.** – Question No 41 by **Marian Harkin** (H-0137/09)

Subject: Communicating with citizens

Given the importance the Commission has placed on effective communication with citizens, particularly in the light of the economic crisis, when many citizens are unsure about the future, and given that the consultation process is an effective tool in empowering citizens to input directly into the policy process at EU level, would the Commission agree that further steps need to be taken to raise citizens' awareness of EU consultations via the media and other appropriate forums at national, regional and local levels in order to ensure that more individuals and grass-roots organisations become involved?

**Margot Wallström, Vice-President of the Commission.** – First of all, I would like to say that civil society is one of the key actors in democracy. It plays a very active role in European integration and fulfils an important function in the communication between European citizens and the institutions. Civil society helps citizens in exerting their right to participate in the democratic life of the EU.

The Commission recognises the need to create a clearer access to the EU for organised civil society as well as for individual citizens and we have a long and healthy tradition of interaction with civil society organisations, which started more than 30 years ago.

Over the years, a large number of our services have developed regular dialogue with stakeholders. This dialogue takes into account our long-standing policy of openness and inclusiveness and it also reflects the wide differences in the policy fields and the diversity of stakeholders.

The Commission consults civil society in a variety of ways, including consultation papers, communications, advisory committees, expert groups, workshops and forums. Online consultation is commonly used. Moreover, we also organise ad hoc meetings and open hearings. In many cases, a consultation is a combination of different tools and takes place in several phases of the preparation of a policy proposal.

There is a need for a common operational framework to ensure that these consultations are carried out in a transparent and coherent way. Therefore, in 2002 the Commission set out principles and minimum standards for consulting external parties.

According to these standards, attention needs to be paid to providing clear consultation documents, consulting all relevant target groups, leaving sufficient time for participation, publishing results and providing feedback etc.

The European Transparency Initiative has also made a commitment to further reinforce the application of the current minimum standards for consultation.

A model template for open, public consultations has been introduced, including an invitation to stakeholder organisations to subscribe to the register of interest representatives.

As such, they will be alerted to consultations published on the Commission's single access point for open consultation, Your Voice in Europe. Use of this template will improve the transparency and coherence of the presentation of stakeholder consultations.

Of course we need to constantly reflect on how to further promote awareness about the launching of a specific consultation, so that more people are aware of the fact that a consultation is beginning. We can probably use our representation offices more actively.

Let me add, finally, that the Plan D initiatives, including citizens' consultations, also provide new ideas for how to engage with citizens and to include also those who do not already belong to political parties or civil society organisations, so as to ensure that we really have an open consultation. We are trying out different methods of how to engage with citizens.

**Marian Harkin (ALDE).** - I thank the Commissioner for her answer, and I agree: the Commission is certainly making some efforts. But, given that 53% of European citizens are saying they are not interested in the European elections, I think one of the reasons for that is that many European citizens are not aware that they can effect change and have an impact through the consultation process: my experience from contact with stakeholders in civil society is that very many of them are simply unaware of this process.

I myself make an effort every few months to alert stakeholders to the various consultation processes that are ongoing and I genuinely believe and would ask you, Commissioner, if you do not agree that it would be very useful for the Commission offices in each country to draw up a list, a very wide-ranging list, of all stakeholders and ensure that they are alerted to the consultation process, so that they would know and could take part.

**Margot Wallström, Vice-President of the Commission.** - I absolutely agree – 100%. This is what we just discussed this afternoon in the interinstitutional group for information and communication: encouraging our representation offices and the European Houses – because in most capitals we share the same premises.

We should use them as European Houses, making it known to citizens when there is a consultation where they can give their views on the common agricultural policy or trade or environment policy.

So I definitely share your views on doing even more to mobilise citizens. I also think that these experiments with things like the citizens' consultations lead to greater interest in the EU. As one participant said: I took an interest in the EU when the EU showed an interest in me, asking me what I think. I believe that in the end we will also have better policies by asking and consulting citizens.

**President.** – Question No 42 by **David Martin** (H-01 55/09)

Subject: The Commission's role and participation in the upcoming European elections

Can the Commission inform me of what non-party role it will be playing to increase voter turnout in the European elections?

**Margot Wallström, Vice-President of the Commission.** – The Commission supports and complements the communication efforts by the European Parliament and national authorities and political parties by carrying out thematic, awareness-raising activities at both European and local levels. Our objective is primarily to inform voters on the date and relevance of the elections, and thus encourage them to vote.

Special attention will be given to women and young people, with dedicated products and activities. Amongst others, we will transmit TV and radio clips produced by Parliament to illustrate the priority topics of the European elections on Europe by satellite and EU Tube. We will also assist in their dissemination through national, regional and local broadcasters in the Member States. Moreover, the Commission is developing a multimedia campaign for young people in all Member States and involving multipliers via on-line social media, blogs, and on-line magazines. All major web pages, for example Europa, have the election logo and link to Parliament's elections website. But traditional publications including posters, postcards and outdoor installations are also being prepared.

In Member States, all of our representations have been mobilised to organised elections-linked activities and to mobilise all of our multipliers, and almost 500 Europe Direct information relays are organising events to disseminate promotional material and provide a discussion platform for candidates.

Finally, the Europe Direct Contact Centre provides free-of-charge factual information on EU-related questions from citizens and businesses in all 23 official languages by phone, e-mail and web assistance.

**David Martin (PSE).** - Commissioner, thank you for your information on the Commission's activities. Could I just ask one more question?

During the election campaign there will be many lies told about the European Union. Some will be matters of opinion, and I would not expect the Commission to interfere in those situations, but where outright lies are told about the Community, will the Commission establish a rapid rebuttal unit for the next two or three months, whereby either you can respond directly to lies and distortions about the European Union, or candidates can approach you for factual information to rebut false statements about the activities of the Community?

**Margot Wallström, Vice-President of the Commission.** – Thank you for that follow-up question. Rebuttal forms part of our regular activities at times, and it is also part of what our representation offices do. Of course, candidates or different stakeholders can always turn to us to ask for factual information and to also provide replies to these kinds of statements being made.

But I think the Commission will probably play a role in providing factual information rather than being a party to the debate, which I think is for the political parties and for the candidates. But we will always try to offer factual information, and that is something that we do on a regular basis.

**Marian Harkin (ALDE).** - My supplementary question is very similar to Mr Martin's, because one of the issues that I found very difficult during the Lisbon Treaty referendum was not being able to get factual information quickly enough to deal with some of the lies and misinformation that were being disseminated.

I wonder would the Commission consider – given that we are very close to the election at this point – making sure that there is a dedicated group or number of people within each Member State with a particular telephone number etc. where candidates could immediately access the Commission for information on particular issues like that.

I know it is close to the elections, but I would ask the Commissioner to seriously consider trying to put something like that in place.

**Margot Wallström, Vice-President of the Commission.** – I doubt that we will have time to set up a particular service at this late stage and before the elections. However, we already have the service that offers a possibility to make phone calls or requests and try to get as much information as possible.

But what we will do is start preparing a citizens' summary of the Lisbon Treaty, for example. This is something that we will do in cooperation with the other institutions. Of course we will try to do that as quickly as possible, not as part of the campaign. We will make sure that this is made available in all official languages and in all Member States.

But I also think we have a chance to sort out questions on this, because we already know the issues. We are also used to answering questions via Europe Direct, for example, and through our representations, so we will try to help as much as we can. We also have question-and-answer material that we have put together. So I think that this can be of help both to the candidates and other stakeholders.

**President.** – Questions which have not been answered for lack of time will be answered in writing (see Annex).

That concludes questions to the Commission.

*(The sitting was suspended at 8 p.m. and resumed at 9.05 p.m.)*

**IN THE CHAIR: MR VIDAL-QUADRAS**

*Vice-President*

**15. Composition of Parliament: see Minutes**

**16. Verification of credentials: see Minutes**

## 17. Term of protection of copyright and related rights (debate)

**President.** – The next item is the report (A6-0070/2009) by Mr Crowley, on behalf of the Committee on Legal Affairs, on the proposal for a directive of the European Parliament and of the Council amending Directive 2006/116/EC of the European Parliament and of the Council on the term of protection of copyright and related rights (COM(2008)0464 – C6-0281/2008 – 2008/0157(COD)).

**Brian Crowley, rapporteur.** – Mr President, I should like to welcome Commissioner McCreevy into the Chamber and to thank all colleagues who are here this evening.

The extension of copyright and the term of protection has been a long and arduous journey for all of us, in particular because a huge amount of people are not fully aware of all the facts associated with copyright.

At the outset, let me put on the official record of the House my thanks to all of my colleagues, both those who support and those who oppose the proposal I am putting forward, for their contributions, their input and in particular for their helpful advice and guidance along the road. I should also like to thank the secretariat of the Committee on Legal Affairs and in particular Giorgio, who has been a very strong advocate and adviser with regard to all these areas, and, finally, Commissioner McCreevy and all his staff. I would hate to name them individually, but the man sitting next to you has done Trojan work with regard to this report and this directive.

Many lies have been told – and I use the word ‘lies’ guardedly with regard to what we are trying to do here. This can be condensed down very simply into four very clear areas. Firstly, the extension of the term of protection from the present 50 years to a further extension of term. We are now proposing, as part of a compromise, 70 years. That proposal for compromise is founded on some of the resistance from the Council of Ministers, and it disappoints me that the Council Presidency is not represented here tonight. In fact, all during this process I feel the Council Presidency has not been too helpful in trying to bring this issue forward. At the outset of the Czech Presidency, I advised the Prime Minister, as well as the minister with responsibility and the officials from the Czech Presidency, that this could be a great success for the Presidency as well as a success for this Parliament. But other pressures came to bear upon them, and they have taken a disinterested or semi-detached attitude with regard to trying to find solutions.

As well as that, other Member States in the Council of Ministers have purposely tried to block and hinder progress in this process by putting in spurious claims and spurious amendments without actually looking at the detail or the content or even engaging properly with Parliament to see how Parliament could be flexible with regard to what needs to happen.

But the second point with regard to what this directive is doing – and possibly the most important of all – is that for the first time it recognises the contribution of session musicians by establishing a fund to allow them to ensure that they have a return and remuneration for their work – which has been exploited by people over a long period of time – for which they may only get a one-off payment if they are lucky. This will ensure that those who are near the end of their playing careers or those who may have other economic issues with regard to them can get further protection from it.

Thirdly, with regard to the whole area of balancing the rights and the powers of those who are in negotiation between the record companies and the musicians, it gives extra rights to musicians and to others to ensure this can happen.

Fourthly, and most importantly of all, by ensuring that there is clarity with regard to how the law operates within the European Union. Many of my colleagues, particularly those from Spain and other Mediterranean countries, have put forward ideas with regard to the audiovisual sector, and we have tried to accommodate them by putting into the draft report this idea of having a separate directive to deal with the audiovisual sector, because it has different issues that relate to it and requires different solutions. Likewise, as has been discovered during the course of our debates and discussions, there is a huge area with regard to the management of the collection societies and how they best represent the rights and the collection management of the monies that are due to artists to ensure that they can come towards them.

Finally, let me just say that people should realise that this is a creative right; this is something that an individual has created and has given to us; it is something that we should pay for – not an exorbitant amount, but a small amount. The idea of copyright today is seen to be thrown away at the wind – everybody can get everything for free. If we go down that road, in the short term it may be all great for us, but in the long term

it will kill creativity, it will kill the opportunity for new musicians, new bands and new experiences to come before us all.

In our audience tonight we have some musicians, some producers and, indeed, some interested parties. I would say to them that this is the first step that we see on the stage towards guaranteeing that artists and musicians can take more control of what their rights are. If we succeed in this first step, you can guarantee we can move on to the next steps towards Everest.

**Charlie McCreedy, Member of the Commission.** – Mr President, the Commission fully supports Parliament's compromise text which is tabled to be voted at this part-session. This very balanced compromise text will hopefully facilitate the adoption of the proposal at a single reading. Such an outcome will be a very welcome development for EU performers. It will show our appreciation for the creative contribution musicians make to our lives and to our culture.

Parliament's compromise text has four main planks, all of which we wholeheartedly support: firstly, an extension of the term of copyright protection for performers and record producers from 50 to 70 years; secondly, a new claim for session players amounting to 20% of record labels' off-line and online sales revenue; thirdly a 'use it or lose it' provision that allows performers to recover the rights after 50 years, should the producer fail to market the sound recording; and, fourthly, a so-called 'clean slate', which prevents record producers from making deductions from the royalties they pay to feature performers.

I am especially pleased to note that the session players' fund, which operates on the basis of 20% of gross sales revenue, has to date come through the legislative process intact. Essentially this fund is tested on the fact that, contrary to all the criticism we have heard in the past year, the term extension will, on the one hand, provide income to performers in their twilight years and, on the other hand, promote the emergence of new arts.

Let me stress that this proposal is far from a simple term extension. For the first time ever in European copyright laws there will be a scheme whereby artists participate in the labels' sales revenue: 20% of gross turnover is set aside for session artists. This is truly innovative. Mostly importantly, the 20% set aside is not revenue that accrues to a few superstars. This 20% is exclusively for distribution to the session players. Contrary to a widely-held belief, the likes of Sir Cliff Richard will not get a single penny out of the session players' fund, and record labels such as EMI or Universal, which contribute to the session players' fund, will have to make a profit on only 80% of gross turnover.

Then there is the clean slate, a provision that ends the unfortunate practice of deducting advances from featured artists' royalties. Again, this provision is there for the lesser-known performers because it is their records which often do not recoup the advances.

There is also a clause allowing performers to undo buy-out contracts once their producers cease to sell their recorded performances. All of this is highly innovative and no EU proposal has ever pushed the boat out so far in favour of performers. This is not a proposal for the benefit of record labels. This is a carefully balanced approach aimed at rewarding Europe's creators.

Some might argue that European creators are over-protected. Those who rely on copyright for their income would beg to differ. If artists stayed in the music recording business because it pays to do so, consumers would enjoy more variety as a consequence.

We also welcome the invitation for the Commission to conduct a separate impact assessment on audiovisual performers and to come forward with appropriate proposals during the course of 2010. We are confident that we can deliver the impact assessment within the time foreseen by Parliament.

The Commission agrees that the issue of managing online rights for the redistribution of TV and radio programmes merits close attention. As a corollary to the term proposal we have addressed the broadcaster's legitimate concerns on online rights. The Commission therefore proposes to make the following declaration once the proposal is adopted in Council.

The declaration would read: 'The Commission recognises the pressing need for the collective management of the rights of phonogram performers and phonogram producers when radio or television productions incorporating broadcasts from commercial phonograms as an integral part thereof are made available to the public in such a way that members of the public may access the radio or television productions from a place and at a time individually chosen by them. The Commission will take appropriate measures to facilitate the implementation of such collective management and, as a first step, the Commission will institute a

structured dialogue between stakeholders with the aim of establishing a functioning licensing regime. This declaration is limited to the on-demand making available of radio or television productions and does not cover the making available of the phonogram itself.' End of the intended declaration.

The Commission put forward this proposal in July 2008. We are now in the midst of the worst economic crisis the world has seen in my lifetime. For many EU citizens this crisis affects their daily lives. Europe's performers often live a very precarious existence at the best of times. This proposal ensures that performers can in their later life recoup a share in the income they generate.

Parliament is being sensitive to this, and the process has shown that the impetus to act for our creators is still alive. I believe that all the fears expressed by those who are against term extension will prove unfounded.

In conclusion I would like to warmly thank the rapporteur, Brian Crowley, and express my appreciation and admiration for the efficient handling of this file by the European Parliament.

**Erna Hennicot-Schoepges**, *draftsman of the opinion of the Committee on Industry, Research and Energy*. – (FR) Mr President, I should like to congratulate our rapporteur and all the Members who have worked on this issue. I should also like to thank the commissioner for the file he submitted to us.

Performers have been overlooked all too often in previous legislation, and, like anyone else who helps to create intellectual property, they have a right to receive proper remuneration. This amendment has therefore extended this principle to performers, which is already a considerable step forward.

However, much still remains to be done, for this compromise is only a first step. The circumstances of copyright distribution companies still vary considerably in the various countries, which have very different statutes, and, from this perspective, harmonisation is not ready to be carried out in practice.

Parliament's report calls on the Commission to perform impact assessments and to monitor this measure. The next Commission will therefore be called on to continue this work. As regards the granting of licences, I should like to draw attention to the fact that the artistic community is extremely insecure as a result of approaches such as this, since artists fear that large producers will have the upper hand over works created by small producers. Therefore, a balance will still have to be found along these lines.

**Emmanouil Angelakas**, *draftsman of the opinion of the Committee on Internal Market and Consumer Protection*. – (EL) Mr President, I too should like to add my congratulations to the rapporteur and the Commission on the compromise.

The main proposals contained in the directive include the extension to the period of protection for performers and producers from 50 to 70 years, the creation of a fund for musicians and the introduction of 'use it or lose it' clauses in contracts. All this is important, and was discussed by us in committee, as were the idea of the 'use it or lose it' clause, the simplification of administrative procedures and the harmonisation of rules in all the Member States.

These were important issues which were included in the compromise, with which we are satisfied. At the same time, we are satisfied because the 70-year period brings protection into line with the period of time for which intellectual property is protected, which is also 70 years. The extension to this period of protection will help with efforts to promote young musical producers, thereby allowing Europe to become a global source of exceptional musical talent which makes an active contribution to artistic creation and job security. At the same time, the Member States will have tax revenue and Europe will become an exporter of intellectual property.

I consider the compromise to be satisfactory and welcome the success achieved.

**Christopher Heaton-Harris**, *rapporteur for the opinion of the Committee on Culture and Education*. – Mr President, I should also like to congratulate the rapporteur and, for the first time in my 10 years in this place, to congratulate the Commission on both its proposal and on the compromises it came forward with later.

I come from a point of view where I like copyright. I believe copyright and patents protect people, businesses and intellectual property (IP), and intellectual property is the bedrock of entrepreneurial free market economies. People and companies happily invest time and money in the hope of finding a product – in this case, music – that people will like and want to buy. Across the world societies with strong IP protection move forward. Those that have fewer entrepreneurs and fewer patents just go backwards.

Now 38 000 session musicians in the United Kingdom have signed a petition backing these proposals. Session musicians deserve the help they will be getting from this proposal. There is one in my constituency, a guy called Ted Carroll – one of many hundreds of session musicians – who has written to me asking us to adopt these compromises. That is why I am strongly in favour of this report.

**Jacques Toubon**, *on behalf of the PPE-DE Group*. – (FR) Mr President, ladies and gentlemen, this proposal being submitted to you is a positive measure for artists, for art and for culture, and our Group of the European People's Party (Christian Democrats) and European Democrats will support it.

Indeed, what is before you now is a compromise that strives to take account of the various points of view and the various interests and which – and this is the interesting part – is liable to be adopted by the Council, which so far has come up against a small blocking minority.

This compromise improves the Commission's proposal. It makes the relationships between producers and performers fairer thanks to a clause that permits performers to exercise their rights where they are not exercised by producers. It guarantees fairer conditions for session musicians in relation to soloists. Session musicians will benefit from a permanent 20% levy.

Under the Spanish Presidency we are going to give thought to extending the proposal to the audiovisual sector, that is, to producers and actors. In terms of broadcasters, I am grateful to you, Commissioner, for the declaration you just made, and I believe that a very precise declaration should in fact be attached to the Council's common position so that matters relating to the radio broadcasting of music are not jeopardised.

We are talking here about real revenue; session musicians are going to see their income tripled, to reach up to EUR 2 000. Consumers' interests are not harmed since extending the term of protection does not increase prices. Libraries' interests are not harmed since libraries do not pay royalties to performers or record producers. They pay them only to authors, and, even then, there are many exceptions.

This is why I am profoundly grateful to Mr Crowley, Mrs Gill, Commissioner McCreevy and the Commission for all of this work. It reflects the state of the world, increased life expectancy and new uses for works, and this is why we must adopt this text – to try to ensure that it is made definitive at first reading.

**Neena Gill**, *on behalf of the PSE Group*. – Mr President, this report has had a long, and at times complex, birth within Parliament, subject to intense lobbying from all sides, and with myths and counterclaims being the order of the day. Owing to the urgency and importance of getting this report adopted in this parliamentary term, the rapporteur and our fellow shadow rapporteur have worked hard to reach agreement on the key points in the Council's position. I therefore congratulate all those who have been involved in coming to a sensible, just and sustainable consensus. I am, however, disappointed that the Council has failed time and again to reach any similar agreement.

I am pleased, though, that the report meets my main aims and the objectives of the PSE Group, and that, if we are to have an extension of the copyright term of protection, increased revenues must first and foremost benefit the performers. That is why I am able to accept the compromise amendments tabled by the rapporteur, as there are extra measures for performers.

I would like to single out some key amendments: Amendment 58, which is a permanent 'use it or lose it' clause; Amendments 59 to 61 on a permanent claim for session players, under which labels have to set aside 20% of all sales revenue; Amendment 62 on a clean slate for featured artists; Amendment 71 on the possibility for featured artists to renegotiate better contracts; and, finally, Amendment 75 on an assessment of the impact on audiovisual performers.

I would therefore like to ask colleagues who have reservations to reconsider and vote for this report. I recognise that it is not perfect and that there are concerns. In different circumstances I would have liked it to have addressed, especially for featured artists, the time period allowed for record labels under the 'use it or lose it' clause, which kicks in after a year rather than after a matter of months, which would have been preferable.

To conclude, I would ask the Council urgently to come to agreement on this issue. All the other key players have reached agreement, and performers need clarification sooner, rather than later.

**Sharon Bowles**, *on behalf of the ALDE Group*. – Mr President, despite an enterprising charm offensive from the Commissioner and his services, I still cannot support this proposal to extend the copyright term.

I know the proposal was well meant, but in the digital era, when the way in which recordings are distributed is rapidly changing, why should we make an irreversible change by extending a system that, at its core, still operates with contracts and a structure more relevant to physical distribution and sale? The only hope to rescue that situation is to address the matter of contracts that have become unfair over time, and this has not been done. We should be making it clear that assignment for life without renewal clauses is no longer acceptable, and one of the prices recording companies must pay for any extension.

A lot of commendable work has been done to impose good conditions in return for the extension, but I fear these bolt-on additions do not render it fully fit for the purpose in the long-term future, and they also contain their own inconsistencies and unfairness because they have not addressed the matter of contracts.

I have looked for a compromise that I could live with, and I did offer the idea of limiting the term extension to recordings published before 1975, as appears in ALDE Amendments 80 and 81, which are compatible with the main package. I admit that this is a fix for the rock-and-roll era, which is concentrating minds right now and which saw both an explosion in popular music and remarkably poor contracts. However, such an amendment would not put us in an irreversible position for all newer recordings. It would see us through to the end of the current model of recording companies, which are, when all is said and done, the main beneficiaries of, and agitators for, this extension. It would also give us time to reflect on and develop more performer- and future-oriented proposals really fit for a digital age.

If you come back addressing the points that I have raised, then it could be a package worth voting for, but otherwise I cannot support it.

**Roberta Angelilli**, *on behalf of the UEN Group.* – (IT) Mr President, ladies and gentlemen, first of all I would like to congratulate the rapporteur on the excellent work he has accomplished. Copyright protection currently lasts for a maximum of 50 years, and in my opinion this period is not sufficient to give fair remuneration to artists for their creative work and performance. Indeed, it is important to improve the social situation of artists through greater protection, provided by the institutions.

It is for this reason that we are in favour of extending the copyright protection period to 95 years, and we are requesting that the additional earnings generated by this extension be given exclusively to the artists and that, in particular, for the additional 45 years, the latter should be released from the contractual obligation requiring them to transfer part of the revenue to third parties. This measure should in fact be exclusively aimed at providing a genuine advantage for authors and performers. On the other hand, it would also be desirable for the Commission to assess the impact of and need to widen the scope of this extension to include the audiovisual sector.

**Eva Lichtenberger**, *on behalf of the Verts/ALE Group.* – (DE) Mr President, we have a problem with copyright and we have a problem with remuneration for artists. So we should and we must become proactive and do something here. However, if we become proactive, then it is important that we react to the challenges of the digital era and not flog dead horses.

Let me explain how I arrived at this image. The proposal before us actually only honours one single promise, and that is the promise to promote the music industry. If we were to address what is actually happening with the artists and their income and calculate that, we would arrive at averages that are clearly too low for artists to support themselves and get something out of it.

Moreover, this money does not go directly to artists. The fund is too small to achieve anything. An artist with whom I discussed this told me that a redistribution was taking place here between the quick and the dead. I had to contradict him: it is a redistribution between artists and producers, the music industry, and then only the big names.

All in all, Commissioner, this proposal is not appropriate. We need to find something better. We need, for example, to create something like a flat rate. Even the proposals you make in connection with the 'use-it-or-lose-it' clause are still theoretical law. Please can we do something clever and well-founded, just as the artists recommended and requested in our hearing in the Committee on Legal Affairs.

**Mary Lou McDonald**, *on behalf of the GUE/NGL Group.* – Mr President, I believe that the intention of this initiative was genuinely about improving the social situation of performers, as Commissioner McCreevy and our colleague Brian Crowley have asserted, but it does not in fact achieve this. Unfortunately, even the changes introduced by committee do not go far enough in improving the proposal. It is a proposal which, I believe, will ultimately reward those artists that are already successful, and indeed reward the industry.



I am baffled at the notion of extending the term of copyright, whether it is to 70 years or 95 years, and I am baffled by it not just because it is dubious and almost out of step with the digital age but also because, quite clearly, a move like that will primarily benefit industrial interests and not struggling artists.

I believe, notwithstanding all of the hard work and goodwill, that MEPs should reject this proposal. I think the Commission needs to go back to the drawing board and come up with the right proposal, one that is not just about supporting performers and artists, but that in real and practical terms will deliver precisely that.

**Manuel Medina Ortega (PSE).** – (ES) Mr President, unlike the two previous speakers, I am in agreement with the majority of the Members who have spoken on this point.

This is a good directive, in fact an excellent directive, which is designed to protect performing artists.

When there is talk of having to find a more intelligent way of doing deals, what is actually being discussed is doing away with the concept of intellectual property. Deals can only be done if there is an established law.

We already have an established law at the national level. The Commission, under the leadership of Mr McCreevy, has adopted a fine initiative, a positive initiative, and I believe that the House should adopt the agreement that we have reached within the Committee on Legal Affairs thanks to the work done by the rapporteur, Mr Crowley, and the various shadow rapporteurs, such as Mrs Gill and Mr Toubon.

I believe this is a magnificent directive, and that it will strengthen the creation of intellectual property. In addition, the directive includes several recommendations regarding further work to be done.

I believe that the adoption of the report by this House – and I hope that the Council will align itself with the Commission and Parliament – will serve to ensure that in the next term of office the Commission will continue along this road, will make proposals to Parliament and that we will make progress within the framework of the protection of intellectual property, which is vital for the development of our European Union as a great institution based on a common culture.

**Olle Schmidt (ALDE).** – (SV) Mr President, Commissioner, Mr Crowley is a capable MEP, who often comes up with intelligent proposals. This time, however, I find it difficult to follow his intentions. The Commission is proposing that the term of protection for music recordings be increased from the current 50 years to 95 years, which would nearly double the current term. Most would agree that this is excessive. The compromise that is now being talked about is 70 years, and this is heading in the right direction.

Several questions still remain, however. Will an extension increase cultural diversity and facilitate the writing of new compositions? What effect has the copyright extension in the United States had on developments there? Has it strengthened the position of the artists or is it the music companies' that are the major beneficiaries? Can we justify an extension that increases the term of protection so dramatically? Is it not too simplistic to argue that creativity and the creative desire are directly linked to the duration of protection? In my opinion, these questions have still not been answered.

As a Liberal, I believe in copyright law and the purpose behind it, and I can therefore agree with several of my fellow Members here in this House. It is, of course, important to safeguard the production of new compositions and for composers to have control over their own work, including from a financial point of view. However, our legal interventions in this House must, of course, be proportionate, and I do not think that is the case in this instance.

In my home country, the question of access to compositions on the Internet is being debated, particularly after the prominent trial that resulted in the Pirate Bay ruling. At this point in time, when copyright is the subject of intensive debate, I therefore believe that we would be making a mistake if we approved the Commission's proposal for an extension to the term of protection for musical compositions from 50 to 95 years. Therefore, like Mrs Bowles, I am going to reject the proposal in its entirety. It is my belief that the Commission should try again. Commissioner, have a rethink, rework the proposal and come back!

**Roberto Musacchio (GUE/NGL).** – (IT) Mr President, ladies and gentlemen, it seems to me that, in the face of the major changes affecting the musical and cultural sector in general, Europe risks responding with protectionist solutions and outdated schemes, promising crumbs to performers and small music companies and instead ultimately furthering the interests of the big stars who will have considerably greater opportunity to increase their profits.

You see, in the wake of the Swedish court's judgment against the managers of the website *The Pirate Bay*, who were punished for having encouraged peer-to-peer sharing of musical material, Parliament's approval of a measure of this kind would consolidate a negative and altogether inappropriate approach to the new dynamics of the current technological era and the need of entire generations for culture, communication and freedom.

The protection of artists' freedom of expression in fact lies in their relationship with society; the freedom to produce art and the freedom to enjoy it go hand in hand and have a common adversary in the mercantile subservience of culture that would be strengthened by this legislation.

**Athanasios Pafilis (GUE/NGL).** - (EL) Mr President, the Commission proposal and the report want to make the creation of art and manmade culture permanent commodities. They are not designed to protect musicians.

This extension will only profit the monopoly behemoths, the multinational companies in the music, show and entertainment industry which will continue to grow rich from the creations of others. The losers will be the workers, the artists and human evolution itself because, under coercion from the multinationals, the overwhelming majority of players and performers are obliged to assign all their rights to them in return for a pittance.

This extension will generate profits of hundreds of millions of euros for the multinationals, but only a few dozen euros a year for musicians. At the same time, the large companies will also control intellectual production on the basis of the law of profit.

The Commission proposal, which is supported by the major political groups in the European Parliament, is telling proof of the nature, character and interests which the European Union defends and safeguards. In order to safeguard the profitability of capital, it is turning everything into a commodity, from water through to art, culture and the creations of man.

**Jens Holm (GUE/NGL).** - (SV) Mr President, the proposal to extend the copyright term to 95 years is an appalling example of how the large record companies have succeeded in lobbying for a proposal that goes entirely their way. Such a long extension to the term of protection for copyright will only hit individual consumers and it will inhibit the production of new music. We in the Confederal Group of the European United Left/Nordic Green Left have therefore tabled an amendment in which we ask for the 95 years requirement to be removed. We also ask for the whole directive to be rejected.

The rights to the song *Happy Birthday* are supposedly owned by the North American company Warner. People who celebrate their birthday in public hardly dare sing that song in certain places in the United States out of fear of reprisals and fines. This is an absurd example of how bad it can get when we allow individual interests and the industry to govern policy. That example was from the US, where the term of protection for copyright is already 95 years. Let this not be the case in Europe. Reject the requirement for 95 years and reject the entire directive!

I also wonder whether the Commission has carried out an impact assessment of how much of the future revenue will go to the individual artists and how much will actually be retained by the large corporations.

**Manolis Mavrommatis (PPE-DE).** - (EL) Commissioner, as we heard during the debate, opinions on the legislative regulation extending the period of protection for intellectual property vary.

I should like to highlight once again that the adoption of this specific directive will not affect consumers, nor will it cause the price of phonograms to rise. All of us are endeavouring to extend the period of protection of related rights in line with the increase in life expectancy. Intellectual property is protected for 70 years after the author's death, thereby generating a certain amount of revenue for their family. The current protection for related rights of performers, which covers 50 years from recording, is therefore very short. That is why the compromise setting a period of 70 years would be a good idea.

I also wish to draw your attention to the study to be prepared on actors and the possible proposal for a directive which will be presented in 2010. I also consider that actors' interpretations should be protected, especially in a period in which artistic creation is important and when technological developments can be a help in safeguarding income for artists.

To close, I hope for the European Commission's cooperation on the proposal for the new directive.

**Glyn Ford (PSE).** - Mr President, let me be clear: I support the extension of copyright from 50 to 70 years. My problem is: who benefits?

I welcome the fact that, as demanded by the Musicians' Union, session musicians are going to get 20% of the profits for distribution. The problem is the balance between the multinational record companies and the featured artists. Many of these people signed contracts 30 or 40 years ago that gave them 8% of the dealer's price, with the companies responsible for producing, distributing and collecting the money from sales. Now these selfsame multinational record companies will get a multi-million-euro windfall for doing absolutely nothing because, in this new digital age, there is nothing to do. On the basis of an industrial structure long made redundant by technological change, it is the Sheriff of Nottingham winning, not Robin Hood. These artists should have been able to reclaim their property that they alone were responsible for creating.

**Christofer Fjellner (PPE-DE).** - (SV) Mr President, let us get one thing clear: an extension to the term of protection for copyright would not result in more or better music. What 25-year old musician would honestly say 'no, I am not going to make this record, as I will only be paid for it until I am 75 and not until I am 120'? It will not even encourage *poor* musicians, as it is not their records that sell more than 50 years after they were made. Instead, it encourages either the large record companies or those who have already earned a lot from their recordings. I think this has completely lost all sense of proportion.

Someone who invents a cure for cancer today will – over and above receiving the Nobel Prize for Medicine – have his or her invention protected for no more than 20 years, whereas someone who can make a record would then have that invention, or rather the record, protected for 95 years. That is out of all proportion. I do, however, agree that 70 years is better than 95, although I do nevertheless think that the best thing to do would be to reject the entire proposal.

**Charlie McCreevy, Member of the Commission.** – Mr President, I would like to think that I have learned a lot from my time here as European Commissioner. Some people might contend that I have not, but I think I have.

But one thing that I have learned is that anything touching on the area of intellectual property is fraught with all types of pitfalls. There have been a number of issues raised in this whole area of intellectual property in Parliament and the Council of Ministers, both in my time as Commissioner and in my time previously as an Irish government minister, and some of these issues have been around for 20/30 years. So I have learned that any aspect of this topic gets a tremendous amount of coverage, generates a lot of debate and polarises a lot of Members of Parliament, Member States and different stakeholders.

So I have learned that it is exceptionally difficult to address anything in this area and try to reach an acceptable solution. During my time here as Commissioner there have been many instances where we have failed to reach any agreement in certain areas.

That being so, I am not the least bit surprised at the depth and sincerity of the arguments put on all sides of this debate, because any issue relating to the intellectual property area always generate this kind of argument, and people who are on the opposing side of the compromise proposal put forward by Mr Crowley will be on totally the opposite side in other areas of intellectual property.

So it is very interesting, in this type of debate, to see people who would take one position in other areas of intellectual property taking a different position here, because this is a very difficult area, and I accept the sincerity of the people who have contributed.

There is little point in my going over all the various points raised individually and debating them, because they have been debated ad nauseam in the committee. One thing that Mr Crowley and rapporteurs from other committees did is to give it a lot of time. Parliament has given this an exceptional amount of time and an exceptional degree of effort, and many of the assistants and people in my own DG worked exceptionally hard on this to try and reach what we thought would be an acceptable compromise.

But I will touch on some of the areas. Let me just eliminate a few points at the outset that do not relate so much to this debate as to what surrounded the earlier debate by which we came up with this proposal.

Let me assure you that the people who asked me to go forward with a proposal here were the performers – that is where the intensive lobbying came from.

If there is disagreement here in the House and in Member States, I can equally say there were different views in my DG on this issue when I first came to it as to how we should proceed, and many of the differing viewpoints put forward here were reflected there as well. I think that is natural: if it generates such divided views here and in other Member States you can expect the same in the DG.

But I was lobbied fairly intensively by ordinary performers. Yes, the high-profile performers came and lent their support to the cause, because the ordinary performers thought that it would be better to have some of the big names in this particular area as well, but the ordinary performers – the session musicians, who most people have never heard of – were the biggest lobbyists here. I think it is significant to note that, as Mr Heaton-Harris said, 38 000 session musicians support this particular proposal.

So one has to make a judgement on which is the proper way to go forward. I would say that most people know the singers of their favourite four songs or records, but I doubt very much that many of them know who actually wrote them. But the writer of the song is entitled to life plus 70 years.

If I named six tunes here tonight out of the most popular tunes created, I doubt that there would be anyone in this Chamber who would be able to name who wrote the songs, but each one who knows a particular record would be able to say: that was sung by such and such. The writer gets life plus 70, but the performer gets only 50 years from the date of his performance.

From any type of moral perspective that is unfair. Some people had one hit song when they were 21 or 22 and were then never heard of again, and they did not make an awful lot of money out of it. In their twilight years when they are approaching 70 and beyond I think it would be only reasonable that they could have a little bit of additional income. You can boil down all the technical arguments and the intellectual arguments and everything else, but on the basis of fair play I think that argument wins out.

As Mr Crowley and others mentioned, this was a genuine attempt to address some of these issues – and some very conflicting issues. We have done our best to get a proposal. Mr Crowley has put an extraordinary degree of work into this area in trying to reach agreements and compromises and has worked long and hard.

I shall just refer to some of the issues raised.

Ms Gill, who is very supportive of the proposal and I thank her very much for her support, mentioned the 'use it or lose it' clause, which kicks in after a year, but, in the implementation in Member States, Member States can allow it to kick in after three months or six months if they so wish.

Ms Bowles – and I do not doubt for one moment her sincerity in this regard – feels she is not in a position to vote for this particular proposal or the compromise proposal put forward by Brian Crowley. She mentioned the matter of contracts. Well, I do not think the matter of contracts should kill the proposal. It is definitely another issue which could be the subject of another initiative if – and only if – this proposal succeeds.

Ms Lichtenberger made a fine address. I would point out to her that EUR 2 000 certainly is not peanuts for a session player. The fund, as I said earlier, is endorsed by 38 000 performers and I think they should know.

Mr Medina Ortega, from his vast experience as a politician, made a very good point, and I agree with him that we have to propose something here that has a reasonable chance of flying in the Council of Ministers as well. As he pointed out, we have to be realistic, because, with different views there as well, we have to come forward with a proposal – as Mr Crowley and others have done – that has a realistic chance of flying in the Council of Ministers, and he put that point very forcibly and well.

Mr Schmidt and Mr Musacchio made points about the existing label business models, but we are not endorsing the existing label business models. A 70-year term is open to all new innovative business models.

Mr Holm referred to the possibility of being fined, for example, for singing *Happy Birthday* but I think he has his ideas confused here. It is not about the song: it is only about its recording by a performer, so Mr Holm can sing *Happy Birthday* any time he wishes and he will not be in danger of being penalised in any way. This is about the recording by the performer, not by the writer.

Mr Mavrommatis made a number of points which we have noted but I think 70 years is the best proxy for life.

In conclusion, I would like to express my appreciation and admiration for the efficient handling of this file by everybody involved in the European Parliament. It has resulted in the compromise proposal put forward by Brian Crowley, and I think it demonstrates our willingness to improve the legal framework for our creative community. I think that in the future it will show that protecting those who create was the right choice, and that increasing efficiency of rights management infrastructures will prove wrong those who claim that better protection will lead to a less thriving online culture.

I would like to thank everybody concerned with the debate, particularly the rapporteur Brian Crowley, not because he is a colleague of mine from Ireland and a long-standing friend, but because he has put in an extraordinary amount of work to try and make this compromise acceptable to as many competing interests in Parliament as possible and also facilitated a compromise which, as Mr Medina Ortega has said, has a reasonable chance of acceptance in the Council of Ministers as well.

**Brian Crowley, rapporteur.** – Mr President, I should again like to thank colleagues for their contributions to this debate. Unfortunately, despite all our discussions, proposals, amendments and further re-amendments of amendments, and the changes that have taken place, some colleagues still have not grasped the way that this situation has moved on. I must say, on a very personal level, that I can appreciate everybody's viewpoint and understand where they are coming from.

, it is difficult to do so when we get amendments from colleagues attached to which is an article in the *Financial Times* stating that we should vote against copyright, when at the bottom of that article it says 'copyright protected'. Even the *Financial Times*, which is opposed to copyright protection or extension, uses the copyright tool itself!

Likewise, I hear consumer organisations saying that it is wrong to extend copyright because this will interfere with consumers' rights and consumer choices, again not realising or not giving credence to the fact that copyright already exists and that those rights and protection are already there.

Likewise, I hear colleagues mentioning the imposition that this will place on innovation and creativity, but how will people create anything if they cannot protect their rights? If they cannot protect their creations, how will they do that?

Likewise, people who speak about merchandising – or 'mercantiling', as was the translation – in the record industry should wake up and smell the coffee. This has been there since the year dot. Before recorded music ever came into being, when you bought sheet music you had to pay a certain fee that went back to the creator of that music and every time it was performed the performer got a cut from it as well.

So what we are talking about is putting balance and fairness into the argument, to ensure the rights of those who are weakest in contractual terms, who are weakest in enforcement terms and who are approaching the end of their musical careers, so that they can get protection and uses.

It is important that people recognise that the advent of new technology – which we all welcome as it is fantastic – does not mean that you have the right to take something for nothing. When in the past you went into a record store and took a label's CD or vinyl record and walked out with it you would be caught for shoplifting, and downloading music free of charge without paying a fee to somebody is equivalent to that.

This is about allowing for proper mechanisms to be put in place.

I want to thank Jacques Toubon, Neena Gill and all my colleagues for their help and assistance, and am particularly grateful to Mr Medina Ortega for his useful guidance and advice in helping me out of a problem with the Spanish side of things.

**President.** – That concludes this item.

The vote will take place tomorrow at 12 noon.

#### **Written statements (Rule 142)**

**Lidia Joanna Geringer de Oedenberg (PSE), in writing.** – (PL) The objective of this report is to support European artists by extending the term of protection of copyright of phonograms from 50 years to 70 years.

The document also provides for establishment of a fund for session musicians, maintained from contributions of producers equivalent to at least 20% of their annual revenues from the extension of copyright. Fifty years after publication of a phonogram, the performer will be able to terminate the contract if the producer is not marketing the phonogram.

These are new, although cosmetic, changes in copyright law, which urgently needs thorough revision. Copyright existed before the Internet, and refers to a different era. Now a new approach to this matter is needed.

Current legislation, including Directive 2006/116/EC of 12 December 2006, does not fill a legal loophole which exists because of the development of new technology. Adoption of the Crowley report by the European Parliament will allow a certain multicultural protection, which will foster competitiveness in the world music industry. Parliament has also asked the Commission to make an assessment of the need for a similar extension of the term of protection of copyright to performers and producers in the audiovisual sector. No later than 1 January 2010, the Commission is to present a report on the results of this assessment to the European Parliament, the Council and the European Economic and Social Committee. We still have to wait for a thorough revision of copyright law.

## 18. Action Plan on Urban Mobility (debate)

**President.** – The next item is the report (A6-0199/2009) by Mr Savary, on behalf of the Committee on Transport and Tourism, on an action plan on urban mobility (2008/2217(INI)).

**Gilles Savary, rapporteur.** – (FR) Mr President, Commissioner, thank you. It is a somewhat unprecedented exercise in style that the European Parliament is carrying out on this report since, I would remind you, the issue of urban mobility was first raised by the transport commissioner, Jacques Barrot, over two years ago now, and it resulted in a Green Paper by the European Commission, which submitted its conclusions to us in spring 2007. The latter were addressed in a report – an own-initiative report – by our Parliament, drafted by my fellow Member, Mr Rack, who is here in the Chamber.

The European institutional system stipulates that a Green Paper must be followed by a White Paper, and, in the case in point, it was European Commission proposals for action plans on urban mobility that were on the table.

I must thank Mr Tajani, who is here, for advising me in December that it would not be politically possible for the European Commission to submit a proposal there and then. It is understandable: for reasons of their own, a number of States have reservations about this now that the European elections are approaching, but Parliament sought to take up the gauntlet.

I should also like to pay tribute to my fellow Members present here today, from all the political groups – especially the coordinators – and to the Committee on Regional Development, for having supported my proposal, which was to build on the advantage that we had and to say that, since the Commission could no longer take the initiative, we should do.

What we are going to propose is somewhat unprecedented. I do not know whether a precedent has been set, here in this House. We are going to propose to the Commission the action plan that it should have proposed to us.

Naturally, no legal openings are to be expected from an own-initiative report such as this. By proposing a very practical action plan, with extremely precise proposals, Parliament, not being the executive, and not being the government of the European Union – that is the Commission's role – can hope for nothing other than to be heard.

I must say in passing that, over the last few months, we have obtained the overwhelming support of all the organisations that take an interest in these matters. They include, in particular – I should like to make the point here for the benefit of the few remaining Members who have some reservations about this initiative – local authorities and all the organisations that represent local authorities, including in countries which, today, plead subsidiarity as a way of explaining to us that this action plan is out of the question.

I therefore believe that local authorities have recognised that urban mobility is likely to be one of the major challenges of the 21st century. Why? Because, today, 60% of Europeans live in the urban community. In 2020, this figure will rise to 80%, and we, the European Union, have a legal basis that makes us jointly responsible, with the Member States and local authorities, for transport policy.

Would we, as Europeans, give up on having the slightest idea or the slightest initiative in areas in which transport will present the most complicated and, no doubt, the most fundamental problems in the years to come? We think not, and that is why the European Parliament did not want us to keep quiet, did not want us to keep quiet on urban mobility. Rather, in some ways it wanted us to use this initiative to call on the Commission to take up this matter again as a priority for the next mandate.

I should like to thank all of the coordinators, since we have worked in an unprecedented manner, we have worked very much upstream, and the report that has been submitted has achieved very broad support within the Committee on Transport and Tourism.

I should like to say that this is a report that is based on the principle of subsidiarity. It is out of the question – yes, I have gone on for too long, but I am sure you will forgive your rapporteur, Mr President – for Europe to think about taking any urban transport-related decisions whatsoever on behalf of local authorities.

I myself am a local elected representative, and I am very committed to the freedom of administration of local authorities, as the campaigns that I have led in this House with, in particular, Mr Piecyk, my colleague from the Committee on Transport and Tourism, have shown. What I do believe, however, is that Europe can incentivise, can improve the exchange of information and best practices, and that is the essence of our proposals, which will be outlined shortly.

**Antonio Tajani**, *Vice-President of the Commission*. – (FR) Mr President, first of all I should like to thank Mr Savary for his work. I should like to thank him for the commitment he has shown to promoting a European policy on transport in major cities, in cities. This is not a secondary issue: if we do indeed want to rise to the challenge of transport in Europe, we have to work in the field of urban transport.

That is why I should like firstly to thank Mr Savary. I repeat: thanks to him, we have made progress in the field of urban transport, and today's report, which will be voted on tomorrow, is a very important message; it is a message that I must listen to, and I hope to be able to give Mr Savary positive feedback on his commitment during the next term of office. I am grateful to him once again for the work he has done on the issue of urban transport.

I shall now continue in my mother tongue.

(IT) Mr President, ladies and gentlemen, urban transport clearly forms an integral part of the European Union transport system since the whole system often begins and ends in large urban areas, and crosses plenty of them along the way. For this reason, it is important not only to consider urban mobility from the point of view of city life, but also from the perspective of transport of all kinds, including long-distance transport.

Combating climate change, facilitating trade, guaranteeing energy supplies, responding to citizen's mobility needs, reducing problems associated with congestion and tackling demographic change are all issues of fundamental importance for European policy, and mobility in urban areas is intimately linked to all of these challenges.

It was for precisely this reason that the Commission presented its Green Paper on Urban Mobility in September 2007, and the consultation that followed the adoption of the Green Paper has demonstrated that there is broad agreement on the fact that the European Union has a role to play in this area. Your resolution on the Green Paper on Urban Mobility, drafted under Mr Rack's leadership and adopted on 9 July 2008, upholds this conclusion.

The aim of the Paper was to pave the way for an action plan on urban mobility; Parliament's decision to go ahead with its own action plan before any Commission proposal was made sends a strong political signal; that is why I emphasised the significance of Mr Savary's work as rapporteur, as it shows how much importance Parliament attaches to a job we absolutely cannot afford to neglect.

As you are well aware, I am committed to the issue of urban mobility and to the swift adoption of a well-drafted action plan. I would like to reiterate that this is planned for in the Commission's programme of work for 2009 and I hope that it will be adopted as soon as possible. Mr Savary put it very well in his speech; there is some resistance within the European institutions as some people feel that an action plan of this kind would violate the principle of subsidiarity. I do not think there is any question of this, especially if we look at the Latin root of the word subsidiarity, which is *subsidium*, meaning 'help': it is our job as European institutions to help local institutions work more successfully. Helping someone does not mean replacing them, it means contributing towards a better solution to problems!

Without going into detail on the proposal, I can confirm that our action plan will be based on activities that we have been driving for some time, and will integrate them into a coherent context, seeking to present that political vision that is still lacking in European action on urban mobility. In this way, the political framework should be outlined for other future intervention in fields in which action at Community level is deemed useful, or indeed essential.

Your report will certainly make an important contribution to our internal discussions and I can assure you that we will be able to consider many of the proposals it contains. Of course, there are aspects and details that require further clarification or debate. We will examine your suggestions very carefully, I can assure you, together with the recommendation from the Committee of the Regions, with whom you consulted.

Today's vote will not be the end of our dialogue on this. As the Commission's work proceeds, I will make sure I stay in contact with Mr Savary and the other Members who have followed the transport sector closely, so that the plan the Commission adopts will be in keeping with what Parliament is adopting and will represent genuine quality. Finally – let me say again – our plan will not show that the Commission is replacing local bodies, but simply that the Commission wants to help local bodies to improve their work by sharing information and best practices that will enable citizens to live better and move around more easily within cities, outside cities and while crossing cities. I therefore thank the European Parliament for the work it has done and the vote it is to hold on this plan.

**Jean Marie Beaupuy**, *draftsman of the opinion of the Committee on Regional Development*. – (FR) Mr President, Commissioner, Mr Savary, ladies and gentlemen, we are here in a parliamentary assembly that is made for voting on texts, Commissioner, and we are above all in a parliamentary assembly so that texts are implemented.

We note today that, after the excellent work carried out by your predecessor with regard to the Green Paper and to the 400-odd contributions that have followed it, work has barely moved on, to the extent that, as you yourself repeated just now, it was interesting that the European Parliament should have expressed an opinion.

Indeed, nature abhors a vacuum, so when the European Commission does not do its job, it is Parliament that has to do it, and, in that respect, I must say – and you have said it too, Commissioner – that the work done by Mr Savary is very interesting since, in fact, he has provided you with all the material needed to draft the action plan.

I do not mean that a role reversal is taking place between the Commission and Parliament, but we should note that, while the Treaty of Lisbon has yet to be adopted, Parliament is in fact seizing a little more power.

This work by Mr Savary is excellent because it takes account once again of a number of proposals by the Committee on Regional Development.

While respecting the principle of subsidiarity, of course, we expect you to present us with a guide. The latter will be useful. Its aim will not be to constrain local authorities, but rather to help them. We expect you to present us with indicators – again, not as a constraint, but as a support. Above all we also expect you to present us with the travel plan-related elements. In certain countries, these exist; in certain countries, they are even mandatory, they are absolutely vital.

I should like to give an example. At the Urban Housing Intergroup, which I have the honour of chairing, we have highlighted urban growth over the last few years: in 10 years, urban growth has covered three times the surface of Luxembourg. So, how is that linked to our debate this evening? It has a very direct link since city-based users travel exactly 20% more each day due to urban growth, and more than 70% use their own cars.

All of this is a means of saying that, when the Committee on Regional Development asks you to observe the condition not only of the integrated approach but also of the travel plans, it is establishing a general principle that we very much hope you will take into account in your action plan.

This issue has obviously already been raised within our Urban Housing Intergroup, and we would like to express our gratitude to you in advance for taking account of the integrated approach here too.

You have not answered our questions today, Commissioner. You have made what is, in a way, a half-hearted commitment; you have been quite firm on the principle, but you have not provided us with any guarantees.

The situation is in fact serious. Why? 400 million Europeans live in cities, and those 400 million Europeans are affected by living conditions such as this that cause them to waste time every day in traffic jams. We know that these traffic jams cost us 1% of GDP. At the same time as we are talking about a recovery plan – an economic recovery plan – we are letting billions of euro go to waste.

Swifter action is required, Commissioner, for these action plans on urban mobility are a crucial element of the recovery plan, but they are also crucial in terms of the climate-change challenge since, as you pointed out, 40% of pollution is found in cities. I should not like to ignore the safety aspect, either, since two out of three road accidents occur in cities. When we know that one death costs nearly EUR 1 million, and one case



of serious injuries more than EUR 1 million, you see the economic cost and the human cost that this challenge of urban mobility represents each year.

Thus, for all of these practical reasons, on the eve of the European elections, we are asking you, Commissioner, if possible during the conclusion of this evening's debate, to go further in your proposals and in your promises, not by making general promises, but by committing to an action plan – your action plan – so that our fellow citizens will be more inclined to vote on 7 June.

**Reinhard Rack**, *on behalf of the PPE-DE Group*. – (DE) Mr President, I join the rapporteur, Gilles Savary, in expressing my regret that the Commission did not go through with its original plan for an integrated action plan.

There are many good reasons why everyone involved, from local authorities through to the European Union, is trying to improve urban transport conditions. We know that most people in Europe live in towns and that current transport conditions are anything but optimal. That is why there is agreement in principle to make integrated proposals at Parliament's initiative on the plan and on Mr Savary's report. I thank him for his commitment and for his specific proposals.

At the same time, however, I should like to make it abundantly clear that what many fear or believe they should fear will not happen. No one wants to take the right to configure traffic conditions away from the municipalities or the local or regional authorities. We merely want to help from the European side to ensure that action is taken on the basis of reasonable common rules where a municipality, a town or a regional entity considers it reasonable. The principle of subsidiarity is not in danger. What we want to do here will help to protect that principle.

That is why we shall continue, in the interests of the citizens, to try and ensure that, when a citizen drives another ten or twenty kilometres in Europe, he does not stumble upon a traffic-calming zone which he believes to be the same as in his home district, only to find that totally different rules apply.

No one wants to impose some sort of congestion charge or other rules on communities, but if they are used, then they should be used within a framework which citizens recognise. We have been in agreement on the sense in taking a common approach to traffic signs for over 100 years. This should also apply in future to this issue.

**Saïd El Khadraoui**, *on behalf of the PSE Group*. – (NL) I should like to start by thanking rapporteur Gilles Savary, and all those who have contributed to the end result, for the work they have done, and the rapporteur, in particular, for persevering, despite the fact that the Commission has indicated its intention to abandon the plan of action, at least for the time being, which we have been calling for for so long.

I should like to ask the Commission to adopt the recommendations which we will be voting on tomorrow and to swing into action at the earliest opportunity. Even though there is a small minority in Parliament, and evidently also some people in the Commission and the Member States, who believe that we should steer clear from anything that is related to towns, it is abundantly clear that Europe offers added value when it comes to addressing problems that are considerable and largely shared.

The report contains a number of interesting proposals. An obvious one is the collection of information, of comparable data which will help map out problems. Others include the exchange and promotion of sound ideas, directing technological innovation, ensuring that systems are interoperable, encouraging towns to compile mobility plans and taking steps to arrive at sustainable mobility. These and other examples clearly concern matters that should be organised at European level in a bid to make our towns more liveable, more easily accessible and more sustainable. I therefore count on the Commission to take this over and address this in the interests of our residents.

**Michael Cramer**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, ladies and gentlemen, I too thank the rapporteur.

In the context of climate change, urban transport plays a central role, because it is responsible for 70% of all harmful emissions. Only if we change our transport policy in the EU will we be able to achieve our own climate protection targets. The greatest potential is in towns, where 90% of all car journeys are less than 6 km long and which therefore offer an ideal opportunity to take a bus or train or go by bicycle or on foot.

We are delighted that the majority is in favour of only giving EU money to towns with over 100 000 inhabitants which can also submit a sustainable mobility plan. We are sorry that our proposal to introduce

a general speed limit of 30 km/h, with the facility for towns to set higher speeds on certain roads in accordance with the principle of subsidiarity, did not achieve a majority. This would not only be good for the climate; it would also reduce the number of road traffic accidents. Every year 40 000 people die on the roads of Europe; that is 40 000 too many.

**Johannes Blokland**, *on behalf of the IND/DEM Group*. – (NL) I should like to start by thanking Mr Savary for our good cooperation. He has drafted a sound report in close cooperation with the shadow rapporteurs.

The report is clear about the fact that urban mobility is a part of the transport sector where many challenges and opportunities lie. Challenges in the field of European climate objectives, congestion control, traffic safety and user-friendliness, and opportunities with regard to sustainable economic development, and, closely related to this, the growth of inland shipping.

Since the report is excellent and is right to give due consideration to the principle of subsidiarity, I should like, briefly, to address the link between urban mobility and inland shipping. Sustainable economic development in Europe, not least in the area of transport and in the urban areas, will largely depend on the use of inland shipping. Many European cities have inland waterways and, consequently, the innate capacity to meet growing demand in transport in a sustainable manner. After all, the increase in inland shipping requires no major infrastructural investments, does not contribute to congestion in European cities and does not increase the environmental and climate problems in European cities, provided that it uses clean engines and clean fuel. If the inland shipping capacity is already present in European cities, this should be utilised and promoted.

The future of urban mobility is therefore closely connected to the future of inland shipping. I would therefore ask the European Commission to keep a close eye on the interests of inland shipping when it drafts new legislation on urban mobility.

**Renate Sommer (PPE-DE)**. – (DE) Mr President, we have been debating urban transport in the EU for a very long time. Why exactly? We are not even competent for it. Competence was originally devised because about 80% of the population live in towns and, due to climate change, we now want to take this on.

Fortunately, thanks to our protests, we were able to reduce these ambitions on the part of the European Commission to an action plan on urban transport. My thanks to Commissioner Tajani for his insight. *Subsidere* means to support rather than to prescribe, but of course, as an Italian, he knows that better than I, as a German with A-level Latin.

What is important to me, first and foremost, is that our report, Parliament's report should highlight strict compliance with the principles of subsidiarity and proportionality. Legislative measures at European level are inadmissible for urban traffic. Supportive measures are what we are here for. Brainstorming and encouraging the exchange of best practices make sense. We do not all need to reinvent the bicycle. Our towns need bespoke solutions, but they can only be worked out by local players, because only they know what is needed.

Municipalities need to take account of very diverse situations and they therefore need sufficient room for manoeuvre, especially if they are to keep their high streets alive. They are important to the attractiveness of a town. It is therefore important not to exclude private cars and to focus more on logistics in the town. I should therefore like to see more support for research into inner-city retail logistics. That would take some of the strain off a city.

It is also important to take account of demographic change. Our society is constantly ageing. Mobility requirements and residential requirements are changing. If we want to reduce traffic, people need to be able to obtain their everyday requirements close to home, and that is also a challenge to the retail trade. Anything else would simply promote the countryside.

We do not need an urban mobility observatory. It would cost a great deal of money and generate a great deal of paper, which would simply be filed away in Brussels.

**Maria Eleni Koppa (PSE)**. – (EL) Mr President, this report on urban mobility forms an important part of viable mobility in Europe and an integral part of the strategy for achieving sustainable growth and the Lisbon objectives.

The challenge is for innovative actions to be adopted and legislative measures to be taken that will significantly improve the quality of life of citizens in cities. It is a fact that the daily lives of European citizens have become

considerably more difficult as a result of stress from travelling, congestion, pollution, noise and the deterioration in the environment. A balance therefore needs to be struck between the ambition, on the one hand, to develop the common transport policy as a right to mobility and as an important part of economic growth and, on the other hand, an integrated approach that will improve traffic congestion and make a drastic contribution towards combating climate change.

In brief, that will promote a more humane life. We need to develop combined means of transport as quickly as possible and give citizens information on all urban transport networks, so that they are in a position to choose.

I too should like to congratulate the rapporteur on his very good and substantial report and to ask the European Commission not to waste any time or effort in preparing the action plan.

**Mieczysław Edmund Janowski (UEN).** – (PL) Mr President, I congratulate Mr Savary on his treatment of the subject. Transport is a fundamental problem in urban areas. These issues, in accordance with the subsidiarity principle, are governed by domestic, and especially local, legislation. However, the importance of this problem should be recognised, and specific help and coordination should be arranged at the European level. This concerns both the promotion of good experiences and the propagation of innovative, technical and organisational solutions.

Special support is needed for intelligent transport systems in urban areas, which allow for effective traffic management as well as safety. Combining the potential of transport, information technology and telecommunications is useful here. Also needed are modal solutions, which use various means of mass transport and reduce congestion in city centres. I consider it essential to change urban planning models so that urban transport will be friendly to people and the environment. I also support the concept of creating a special financial instrument for urban mobility in the next financial perspective.

Let us remember what the rapporteur has emphasised, that almost 80% of the inhabitants of the EU live in urban areas. They lose a lot of time because of the bad organisation of transport. Let us not waste that time.

**Antonio Tajani, Vice-President of the Commission.** – (IT) Mr President, ladies and gentlemen, in response to this I can emphasise once again that I am committed to presenting the action plan in 2009.

I am aware of the sense of urgency felt by the majority of Members, but – as Mr El Khadraoui pointed out – there are legal objections in several European institutions, not just the Commission, and we must overcome these by convincing those who have doubts that an action plan of this kind, I repeat, will not breach the principle of subsidiarity. I will say it again, having studied Latin for many years, I am very familiar with the meaning of the word, which is positive; it means ‘to help’.

After the debate we have had today and having read Mr Savary’s text, we want to carry on down this route. For my part, I have no hesitations, but in order to reach our goal we need to persuade many people, and I think the right way to do this is with strong political, technical but also legal arguments. The text drawn up by Parliament will certainly be of great assistance in seeking to overcome the objections that I am sure can be overcome in the next few months. The Commission will thus give citizens an action plan, which will definitely take full account of the work you have done in recent weeks and months.

That is why I would like to thank you again, reaffirming my commitment and my desire to press ahead in the direction taken by my predecessor and also chosen by the European Parliament, while wishing to ensure that the decision is supported by as many people as possible so that the plan will be more effective. Choosing to adopt the plan perhaps a few weeks earlier, but without the full support of all parties, may not be the most helpful way to achieve the goals we all believe in.

Nonetheless, I think that after this debate and after Parliament’s decision we will have made some significant progress, and therefore the requests made by the majority of Members – because even during the course of the debate there have been different undertones concerning the action plan – can, I think, be brought to a satisfactory conclusion in the coming months.

#### IN THE CHAIR: Diana WALLIS

*Vice-President*

**Gilles Savary, rapporteur.** – (FR) Madam President, ladies and gentlemen, I should obviously like straight away to reassure Mrs Sommer during this discussion. There have been many laws here that have affected

local authorities: on the pitting of the *Stadtwerke*, or municipal utilities, against one another, for example; on public service obligations in the transport sector; and on the directives on public contracts.

Well, this is not what this is about. This is much more to do with subsidiarity. It is not a question of deciding here that a local council, a municipality or an urban area should become a '30 zone' or should give priority to rail travel. I have made sure that we do not revert to this type of debate.

The question I asked myself was: 'What can the European Union's added value be?' The answer is, firstly, its desire to act. The European Union cannot leave the urban question to one side the very same month – December 2008 – that it sets itself, thanks to Mrs Merkel and to Mr Sarkozy, a particularly ambitious climate-change plan.

How can we embark on a 'three times twenty' climate-change plan and say 'I am not interested in the urban environment', when the latter has the biggest influence on climate change?

This is a question of political consistency – European political consistency – since we had agreed, and the governments had too, to embark on the climate-change plan. There is a legitimate need to focus on the urban environment, and we cannot escape it, either in the area of transport or in other areas.

Yes, we must ensure that local councils take sovereign decisions; they are closer to us. However, what we can do is to ensure that they meet with one another, that they exchange best practices, and information.

We can ensure that they are encouraged to implement urban development plans, which is something that they have not all been able to do.

We can ensure that they integrate all modes of transport: soft transport, public transport, water transport – Mr Blokland is right – and rail transport.

We can ensure that they make urban transport more attractive to users.

That is what we are aiming for, and that is why we are calling for a financial instrument. There is Marco Polo, which encourages the use of combined transport. There are the URBAN programmes. We have several European programmes that provide incentives. We are not inventing them this time; that has been going on for years.

Without its being increased, the next financial perspective should be reoriented towards urban transport. That is our proposal.

To conclude, I would say – Madam President, excuse me, I am the rapporteur – to Mr Tajani that, if, tomorrow, we have a very large majority, he should be able to go back to the Commission and say: 'I believe that we must do something, because we have legitimacy and because Parliament has not acted alone'.

*(Applause)*

**President.** – The debate is closed.

The vote will take place tomorrow.

#### **Written Statements (Rule 142)**

**Marian-Jean Marinescu (PPE-DE), in writing.** – (RO) European citizens' quality of life depends directly on making urban transport more convenient and greener. For this reason, making transport accessible and supporting interoperability are vital actions. At the same time, the investments channelled into these types of public works are an effective way of investing funds provided in the European and national economic recovery plans. This approach is about focusing on citizens in their dual role of workers – through the creation of new jobs – and beneficiaries of transport services and of the improvement in the quality of the environment.

However, numerous European initiatives and recommendations on improving urban mobility need an integrated approach. Observing the principle of subsidiarity does not exclude the need to implement a consistent legal framework and create a common reference framework which includes, apart from integrated recommendations, a comprehensive set of good practices.

As a result of this, the local authorities directly responsible for this matter will have both the opportunity to and interest in strengthening their cooperation with all those interested in the sustainable development of transport at local and regional level.

I too call on the European Commission to urgently draw up the action plan for urban mobility in order to speed up the consistent integration of this sector as part of the European transport network in general.

**Dushana Zdravkova (PPE-DE), in writing.** – (BG) The existing technologies and means for transporting passengers and goods in an urban environment have reached their absolute limit. Indeed, smaller European cities are already being choked by vehicle traffic. In order for us to improve our citizens' quality of life, we must speed up the development and implementation of scientific research and innovation in the area of urban mobility. It is definitely the case that channelling resources into simply expanding the existing infrastructure will not help us overcome the growing crisis. We must find new, 'intelligent' solutions for tackling not only current, but also future problems with urban transport. This is why I welcome the suggestion for developing a new generation CIVITAS programme as I think that the focus must be on developing the next generation of information technology for managing traffic flows.

The integrated planning approach adopted in recent years is relatively widely used in drawing up urban plans for larger cities in Europe.

The creation and funding of a permanent European structure, which will gather and spread good practice in this area, as well as promote dialogue between the interested parties from every region of the European Union, will mark a new, important step towards encouraging sustainable mobility in urban areas.

## **19. The Intelligent Transport Systems Action Plan - Intelligent Transport Systems in the field of road transport and interfaces with other transport modes (debate)**

**President.** – The next item is the joint debate on

– the report by Anne E. Jensen, on behalf of the Committee on Transport and Tourism, on the Intelligent Transport Systems Action Plan (2008/2216(INI)) (A6-0227/2009), and

– the report by Anne E. Jensen, on behalf of the Committee on Transport and Tourism, on the proposal for a directive of the European Parliament and of the Council laying down the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other transport modes (COM(2008)0887 - C6-0512/2008 - 2008/0263(COD)) (A6-0226/2009).

**Anne E. Jensen, rapporteur.** – (DA) Madam President, I am not sure whether I can speak with the same enthusiasm as Mr Savary, but intelligent transport systems are a very exciting topic. So, what are intelligent transport systems? Well, it is not that simple to answer that question, because we are talking about a whole host of different systems: systems which enable safer, more effective and environmentally sound transport, by taking advantage of modern information and communication technology. ITS, as intelligent transport is also known, is therefore a generic term covering many different things. Under the umbrella of ITS can be found things as diverse as eCall, which generates an automatic call to an emergency call centre in the case of an accident, road toll systems, which are systems designed to collect road charges, and the already widely known GPS systems, which many of us have in our cars to help us navigate through unknown terrain.

However, ITS has many other untapped potentials: potentials for communication between vehicles, between vehicle and road and between vehicle and information centre. So, why are we not simply starting to use this technology on a larger scale, if it is so good? Well, what we face here is the question of which comes first, the chicken or the egg. Should the technology installed in the car which is capable of communicating with a roadside transmitter come first? Car manufacturers are aware of the possibilities, but they will not be able to attract investment in such technologies if there are no roadside transmitters in place first. The authorities, on the other hand, do not want to invest in transmitters before cars are equipped to receive the signals. Something will have to happen, however, and we will need to get things moving.

In this context, the Commission has produced the Intelligent Transport Systems Action Plan and submitted a proposal for a directive which should promote ITS use by kick-starting standardisation. We should compliment the Commission on this. There is need for this initiative. The two reports on intelligent transport systems which we will be discussing today, the action plan and the directive are inextricably interlinked. That is how it should be because an action plan without a directive would not give us anything very new.

Many of the things included in the action plan are projects which are already underway. What is crucial, however, is the directive, because it will boost the development of important standards in the EU. The action plan, on the other hand, is intended to delimit the scope of the directive and ensure that we channel the experience which we have gained from common projects into standardisation.

The adoption of common standards, through a European ITS Committee, applies to four specific areas: firstly, optimal use of road, traffic and travel data, secondly, continuity of ITS services on transport corridors and in conurbations, thirdly, road safety and security and, fourthly, integration of the vehicle into the transport infrastructure. In addition, we are also dealing with the very important question of data security. We do not want a big-brother society, so data security and the rights of the individual must be incorporated into the standards from the very outset. Another issue of the utmost importance is responsibilities and division of responsibilities. If something goes wrong, we should be able to identify where the problem lies, with the motorist, the satellite navigation system or the technology in the vehicle. Otherwise, we will make no further progress. And, as a result, we will not secure the necessary investment.

I would like to thank the shadow rapporteurs from the other groups for their close cooperation. We have experienced some difference of opinion as to what extent we should focus on modal alternatives to road transport, but I think that we have struck a balance between ensuring use of ITS technology in road transport and its interface with other modes of transport. There is a possibility of using information technology to make easy comparisons between the different ways of getting from A to B and to get an overview of the fastest, cheapest and most environmentally sound options. I would have liked us to have reached speedy agreement on this with the Council, but that has not been possible. The Czech Presidency has done a very good job, but I hope that the way we have tightened up the Commission's proposal will make the directive more palatable to the Council, because it is a directive that we are seeking.

**Antonio Tajani, Vice-President of the Commission.** – (IT) Mr President, ladies and gentlemen, I would like to thank Parliament, particularly the rapporteur, Mrs Jensen, and all the shadow rapporteurs, for their excellent work and the way in which they have welcomed the Commission's proposals.

I am, of course, pleased with the choices made and take note of the suggested amendments to the draft directive. Most of all, I am happy to see that Parliament has confirmed the importance of the EGNOS and Galileo satellite positioning systems for the Intelligent Transport System (ITS) application. I would, however, like to ask Parliament some questions and try to give some answers as to why the Commission has put forward a directive to promote the deployment of ITS and, secondly, whether the local and national initiatives in this field are not sufficient.

The Commission has been funding specific research and development programmes into intelligent transport systems since 1988, which have produced unquestionably positive results and inspired numerous recommendations. These research and development projects have formed an important basis on which to make technological progress, coordinate actions and encourage preliminary deployment, in general, in a fragmented fashion.

It is now time, therefore, to move from recommendations to concrete action in order to reap the benefits of applying intelligent transport systems: benefits that may take the form of road safety, easing traffic jams and reducing the environmental impact of the road system. That is the purpose behind this crucial draft directive to promote measures aimed at removing the barriers to broader and better coordinated ITS deployment.

I would like to give a couple of examples that help to explain why voluntary or local strategies are not always enough: today, a haulier travelling between Barcelona and Frankfurt is equipped not only with a mobile telephone and on-board navigation system, but also with at least three different electronic toll collection terminals for the countries it must cross, or to avoid passing through residential areas. In 2001, the Commission recommended that Member States publish detailed information on road types within the network and on restricted traffic zones. Unfortunately, we have seen only a few local or national authorities take up this recommendation. What ultimately happens is that drivers with navigation systems use the entire road network, and all too often heavy goods vehicles are directed to wholly unsuitable roads or dangerous routes, for example near schools or on very steep roads.

The new directive will make it possible to adopt the necessary measures to avoid such situations, thereby lessening all the problems we have come across. The Commission awaits an agreement between Parliament and the Council on the draft directive, which represents a key tool for implementing the action plan.

We will work closely with both you and the Council to reach an agreement as soon as possible, and I hope that next week's informal Council meeting at Litoměřice in the Czech Republic, where ITS is on the agenda, will be instrumental in this. Mrs Jensen has been invited and will therefore be attending, I believe, if only in an informal capacity, but the point is that we will be able to compare the positions of Commission, Parliament and Council in order to try to speed up what I hope will be an easy agreement, so that we may give a practical response to citizens and approve a shared text as soon as possible.

**Giovanni Robusti**, *draftsman of the opinion of the Committee on Regional Development*. – (IT) Madam President, ladies and gentlemen, I have been following the ITS plan as draftsman of the opinion of the Committee on Regional Development. Our committee's opinion, passed with unanimity, has been largely reproduced by the Committee on Transport and Tourism, in a spirit of cooperation that we succeed in creating on long-term projects. I would like to thank all those who have contributed their work and ideas.

We have all tried to avoid the heavy-handed long words that too often characterise declarations of principle. We have tried to put across the fact that we were not discussing how many or which roads to plan, but simply working out how we can move around in a more coordinated, safe, people-friendly, environmentally friendly and therefore intelligent way, which is no mean feat in itself. We have tried to demonstrate the role of technology, of safety, of peripheral zones, of waterways and, most importantly, of coordination with the Structural Funds, so that the planned timetables and targets will be consistent and coordinated. We have tried to map out an increasingly important role for safety and the integrated management, not just of transport, but above all of the people transported. I believe we have succeeded in providing a consistent and convincing approach.

I now hope for two things: that the Commission will not simply 'take note' and then go off in whatever direction it sees fit when the time comes to make operative decisions; and that the operative strategies outlined in the plan will form the basis of the choices of all other programmers of related activities. Too often, we have gazed into crystal balls and seen a series of marvellous plans, but each is impenetrable to the next.

It would be disappointing if we were to continue to fund roads when we have decided that fewer cars should be on the road; it would be disappointing if we were to continue to fund vehicles designed without taking account of interconnection or passive safety, or consumption not only of fuel but also of the environment; it would be disappointing if together we were to plan to go down one route and the money and resources for which we are responsible were then to end up going down another, being spent without coordination in terms of time.

**Etelka Barsi-Pataky**, *on behalf of the PPE-DE Group*. – (HU) Madam President, the European People's Party (Christian Democrats) and European Democrats is of the view that one of the most important pillars of European transport policy is intelligent transport technology. Two years ago, when we discussed this matter here in Parliament during the mid-term review of the transport policy White Paper, which I was the rapporteur for, we set as one of the key objectives the deployment of intelligent technologies as a tool to help us improve efficiency on our roads and raise the level of services. But those intelligent developments which will make our roads safer and road transport more environmentally friendly already exist now.

However, in order to ensure the deployment of our technological developments, we need this action plan and directive. I suggested in the regulation that we set a minimum level for intelligent applications so that we can provide our TEN-T network at least with this minimum level. These applications will then support efficiency and safety. We are obviously expecting funding proposals from the Commission for those of the intelligent solutions which will not be implemented using private funding. Similarly, we are also expecting proposals from the Commission with regard to how traffic crossing external borders can be seamlessly adapted to Europe's intelligent infrastructure which we are hoping for. Within the context of the directive, the European Commission has been given an unusually large amount of trust, considering that the directive is a framework directive. This is why it is important for Parliament to participate, as part of the comitology procedures, in drawing up the implementing regulations.

Madam President, we have voted today on the review of the Green Paper on the future of the TEN-T policy. We can be sure that the future of Europe's TEN-T network lies with intelligent transport. Thank you very much.

**Silvia-Adriana Țicău**, *on behalf of the PSE Group*. – (RO) Madam President, Commissioner, ladies and gentlemen, I would like to begin by congratulating Mrs Jensen for the quality of the work she has done and for her two reports.

Intelligent transport systems are advanced applications aimed at offering innovative services in terms of modes of transport and traffic management, as well as enabling various users to be better informed and make safer, better coordinated and 'smarter' use of transport networks. However, I think that it is important for intelligent transport systems to relate to all types of transport and not just urban transport, which is why I have made amendments with this in mind. In addition, urban transport and urban mobility are very much part of urban development. I am therefore pleased that we also have our colleague from the Committee on Regional Development in the Chamber. I think that it is important that the use of intelligent transport systems can make an effective contribution to the reduction in fuel consumption, and by implication, to improved air quality in cities and to traffic flow.

I think it is important to provide passengers with information, protect data of a personal nature and, of course, ensure that data is anonymous so as to be able to protect users. Last but not least, I feel that this is a step forward, but major investment is needed in this sector.

**Sepp Kusstatscher**, *on behalf of the Verts/ALE Group*. – (DE) Madam President, in principle one must agree with the general objective of the directive. Better information systems for travellers and road infrastructure operators, for example with a view to reducing road traffic accidents and making transport cheaper and more efficient, is obviously a good idea, as is the facility for collecting environmental data. However, I have three main concerns.

Firstly, faith in so-called smart technology easily tempts people into handing their responsibility over to machines and instruments.

Secondly, there is an ever-increasing danger of all the data collected being misused. People's privacy is in ever-increasing danger.

Thirdly, this directive is too car-oriented. Interoperability with other transport systems, such as public transport, would be much more important than the elaborate game of cat-and-mouse that industry is trying to play with us.

**Dieter-Lebrecht Koch (PPE-DE)**. – (DE) Madam President, I unconditionally support the Commission's aim of creating a legal framework for the coordinated introduction and use of intelligent transport systems in the field of road transport. My personal long-standing fight for the mass introduction of eCall, the electronic emergency callout system, brings the urgency of this home to me almost daily, and intelligent transport systems can do so much more. They contribute towards environmental sustainability, improved efficiency, enhanced safety and non-discriminatory competitiveness in road passenger and freight traffic. They also support co-modality, including by developing interfaces with other modes of transport such as rail, waterways and aviation, which started to incorporate intelligent transport systems a long time ago.

All this cannot be achieved by the Member States alone; it can only be achieved as a Community task. Intelligent transport systems based on EU-wide compulsory minimum underlying standards and specifications improve the environment for innovation and create planning security, especially for small and medium-sized enterprises. I welcome in particular the planned open, vehicle-integrated platform for intelligent transport system services.

The action plan at last includes a timetable for the introduction of individual systems a) for safety in road transport, such as ESP and eCall, b) for continuity in traffic management; for example, information on congestion charges or parking management reduces the number of cars driving round looking for a parking place, c) to use road, traffic and travel data in real time, which will be an asset both to professional lorry drivers and everyone else using the roads.

The directive sets out detailed requirements for the compulsory and coordinated introduction of standard intelligent transport systems throughout the EU and their application in the Member States. It also safeguards the use of personal data. But beware, the introduction of intelligent transport systems will cost a lot of money, because infrastructures and vehicles will need to be fitted with the necessary information and communications technology. We still know too little about whether potential users are willing or able to pay.

**Gilles Savary (PSE)**. – (FR) Madam President, first of all I should like to thank Mrs Jensen for her consistently outstanding work, since it is very open and very alert to all of the opinions expressed.

I should like to start by saying that, behind intelligent transport systems, there are all the same European funds, and that I was somewhat amazed to discover how they were practically all channelled towards cars.



I believe that cars obviously do have their good points; the automotive sector is an extremely powerful economic sector in Europe. However, I do think that we need to add some intelligence to all modes of transport.

I am not overlooking the fact that there is ERTMS for the railways, SESAR, and GALILEO, but in my view we are lacking a user-oriented approach with regard to user information; to accessibility for persons with reduced mobility and the possibility today of adapting urban vehicles; to the introduction of an energy-saving urban vehicle; to safety in the field of transport, especially in relation to public transport, which is a very important issue; to user information; and to ticketing, areas in which there is often considerable progress to be made.

I therefore believe that the resources should be diversified in the years to come. In particular, I should like attention to be paid to respect for personal data; we must prevent a situation where we find ourselves back in Orwell's 1984, where we seek to realise the fantastical notion of replacing humans entirely with machines. We saw what happened on the Hudson River last winter: had there not been a pilot, there would have no doubt been no mechanism that could have straightened up the plane. To conclude, I believe that priority must also be given to modes of transport other than cars.

Notwithstanding those reservations, I support the report that has been submitted.

**Zita Gurmai (PSE).** – (HU) Madam President, Commissioner, ladies and gentlemen. The introduction of intelligent transport systems offers numerous obvious benefits. This will make transport in Europe safer and more efficient, while promoting environmental protection and energy efficiency too. We should also acknowledge the Commission's action plan and the clear deadline that has been set. I also think it is important that when the systems are deployed, the aspects relating to compatibility, coherence and regulation are applied too. As far as consumers are concerned, apart from affordability, they must also have the opportunity of making a free choice, and suitable laws must be introduced to guarantee that there is no possibility at all of private individuals' data being misused. A logical, high-level, intelligent system must be deployed which can be developed further and can implement new technological advances effectively. It is in all our interests to make this a reality. At the same time, it is also crucially important for the European car industry that we can keep on moving. I would like to thank the rapporteur for her work.

**Den Dover (PPE-DE).** – Madam President, I speak as a civil engineer, and my son has a transport surveying business stretching right through the United Kingdom.

This matter is extremely important because, from Europe, we can make sure that the latest technology impacts on the usefulness and efficiency of road transport in all its forms. This is one big growth area year by year. Even in a recession time, we are forecasting something like a 55% increase between now and 2020 on freight and 35% on passenger cars, etc, and with that, of course, energy increases.

So often, as elected Members, we journey round our constituencies and find ourselves in traffic jams, and so often we have to make phone calls to find out what the situation is ahead. We need more data on the windscreens so that we can sort out our own salvations in a more effective and efficient manner.

I wish Mrs Jensen and the Commissioner every success.

**Antonio Tajani, Vice-President of the Commission.** – (IT) Madam President, honourable Members, I believe that we should look to the future with optimism, because as far as approval of the directive is concerned, I believe that in addition to strong cooperation on the part of the Czech Presidency, there is a willingness from the Swedish Presidency to conclude a positive agreement between Commission, Parliament and Council. This therefore gives me hope, and I think it may even be something to inspire Parliament tomorrow to vote in favour of the texts we are debating.

I would like to respond to some of the remarks made and to reassure Mrs Țicău as to our objectives: beginning with an action plan and a directive that looks at the transport system generically, with that perspective, we then look at the urban dimension and focus on that, but we do need to consider the general first, in order to come to the specific.

I also wanted to respond to Mr Kusstatter on the subject of the road sector and other transport systems. At present there is no coherent European framework for the deployment and use of intelligent transport systems (ITS) in the road sector, while for other modes of transport, as Mr Savary pointed out, specific plans have been created: SESAR, the new-generation air traffic management system, RIS for river transport and VTMS for sea transport, not forgetting the RTMS system for rail transport. The ITS action plan thus primarily

concerns the road sector, but also includes specific actions and initiatives aimed at ensuring and improving the interconnectivity of road transport with other modes of transport, through appropriate interfaces.

I was keen to point out, not least to Mr Savary, that obviously the ITS action plan incorporates not only measures for elderly drivers, but also for road users defined as 'vulnerable', namely cyclists and pedestrians. These, among others, feature in the list of measures that may be adopted by the Committee for the intelligent transport systems set out in the directive. In particular, they deal with the use of ITS for the safety of users, as for example in the case of intelligent signs for the visually impaired.

In light of this, with a directive we can introduce certain rules, but the problem is also in having intelligent drivers; it is not enough to have intelligent systems, we must also ensure that whoever sits behind the wheel of a car or lorry, or rides a motorbike or bicycle, uses their intelligence. Sadly, this is not something that can be regulated with a directive, regulation or action plan; we must simply use sound rules to persuade European citizens to use their intelligence and not to use alcohol or drugs when they take to the road.

**Anne E. Jensen, rapporteur.** – (DA) Madam President, I think that Commissioner Tajani, put his finger on it just now, because that is precisely what all of this is about. We have to make motorists act more intelligently. We have discussed this at great length and Mr Kusstatscher has also said on many occasions that, rather than allowing these systems to make us behave more stupidly, we must ensure that they actually help us to be better informed and act more wisely. That is very important. Likewise, I think it is important that we bear in mind the example of a lorry driving across the length and breadth of Europe – today we have lorry drivers complaining that very soon they will no longer be able to see through the windscreen because of all the gadgets that they need to be able to communicate with road toll and road pricing systems, as well as other information systems. We need a common platform, so that any data fed into the computer is fed back to the lorry driver in his own language. The possibilities are there. There are, in fact, an incredible number of good possibilities.

We have also spent some time discussing the amount of funding to be earmarked for this. We understand this to amount to some EUR 300 million, much of which will be channelled into EasyWay - first and foremost by the Commission. I might mention that in my own country, in Denmark, we have just adopted a plan to allocate EUR 40 million for ITS over the next five years. EUR 40 million is a lot for a small country with 5 million inhabitants, but it will, in fact, allow us to make quite a lot of progress. Therefore, I think that if we start looking at the different Member States, it is possible to get some perspective on this. This is exactly the kind of thing that we need to get off the ground and I hope that this very topic will be included on the transport ministers' agenda when we convene for the meeting on the 29th.

In conclusion, I would like to say a few words about the amendments: we have substantive support for this proposal for the directive and only four amendments to the report outstanding for tomorrow. Personally, I am in favour of Amendment 57 tabled by the Socialist Group and Amendment 59 tabled by the Greens, but I oppose Amendments 58 and 60. I think that the fact that we have so few amendments is evidence of the strength of Parliament's support for this. So, Mr Tajani, you have got off the ground with a robust negotiating mandate.

**President.** – The debate is closed.

The vote will take place tomorrow.

#### **Written Statements (Rule 142)**

**Mieczysław Edmund Janowski (UEN), in writing.** – (PL) The present day and age demands rapid adaptation of transport to the exponential growth in its use and in the expectations of society. I think, therefore, that the introduction of Intelligent Transport Systems (ITS) is extremely useful. We should be aware that the current state of affairs in road transport is very worrying. This is illustrated by such statistics as:

- the number of deaths on the roads in the EU in 2006 was about 43 000, including about 5 500 in Poland;
- the annual cost of road traffic congestion in the EU is about 1% of GDP;
- CO<sub>2</sub> emissions caused by road transport amount to about 70% of all transport-related CO<sub>2</sub> emissions.

The following are, therefore, necessary:

optimal use of road and road traffic data;

ensuring continuity and reliability of ITS services in European transport corridors and conurbations;

extensive use in large urban areas of telematic applications, which combine transport issues with information technology and telecommunications;

rapid and harmonised introduction of applications which support road traffic safety, such as eCall, ADAS and others;

better integration of the transport infrastructure with vehicles and between vehicles;

Europe-wide coordination, making use of the experience and good practices of leading countries.

Let us try, therefore, to implement ITS throughout the EU, in relation to all means of transport and all passengers, and with regard to both public and private transport.

## 20. Second 'Marco Polo' programme (debate)

**President.** – The next item is the report by Ulrich Stockmann, on behalf of the Committee on Transport and Tourism, on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1692/2006 establishing the second 'Marco Polo' programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system ('Marco Polo II') (COM(2008)0847 - C6-0482/2008 - 2008/0239(COD)) (A6-0217/2009).

**Ulrich Stockmann, rapporteur.** – (DE) Madam President, Commissioner, the displacement of freight from road to rail and inland waterways or short sea shipping is a slow burner in our transport debates and has been for decades. Now, in the context of the climate debate, this debate has naturally taken on new importance.

In the meantime, we have arrived at this shift via various political approaches and instruments. However, if we look at it carefully, traffic is very difficult to shift in practice and this is only achieved in very rare cases.

Firstly, because connections between the modes of transport are still not sufficiently harmonised; secondly, because rail and inland waterways are still not sufficiently established as European service providers, and thirdly, because the environmentally-friendly forms of transport obviously cannot essentially provide a door-to-door service.

All these difficulties are being further exacerbated in the present recession by plummeting prices in road freight transport. Marco Polo II has also felt the impact of all these problems. That is why we transport politicians are urgently interested in a solution, because our stated target, namely that Marco Polo should help to displace 60% of the increase in road freight traffic, is now a long way away. We therefore need to switch direction before the end of this parliamentary term and we have therefore found a most reasonable compromise.

What is to happen? Firstly, the Commission instructed an agency to take over the administration of the programme and to simplify the administration procedure even before this regulation was proposed. That makes sense. We have found and jointly negotiated a whole series of points in the compromise in order to make the programme more attractive. Firstly, the threshold for Motorways of the Sea has been reduced from 250 to 200 million tonne-kilometres a year; secondly, the threshold for traffic displacement projects has been reduced from 80 to 60 million tonne-kilometres, as has the threshold for inland waterway projects, where Parliament pushed through a reduction from 17 to 13 million tonne-kilometres. We have also increased the permissible funding level for additional infrastructures from 10% to 20%. That makes sense. Finally, we also successfully argued that economic crises such as we are experiencing now can also be cited as grounds for extending the term of contracts.

So we have made the programme considerably more attractive. This compromise which we reached was also made possible by a high degree of consensus between all parliamentarians, who put aside justifiable considerations and fundamental debate at this point, in order to quickly get the programme started again. That is why, before the Commission tables a Marco Polo III proposal, we really need a general debate so that we can reintroduce all these points which are necessary to our future orientation. Moreover, we naturally want to know how the adjustment we have made now will work out. This is the subject of the vote and I hope I shall have your support tomorrow.

**Antonio Tajani, Vice-President of the Commission.** – (IT) Madam President, honourable Members, I would like to thank Mr Stockmann for the work he has done. Since 2003, the Marco Polo programme has aimed to

create a more sustainable transport system in Europe by shifting a substantial part of the annual increase in road freight transport to other, more environmentally friendly modes of transport such as inland waterways, rail transport and short sea shipping. The first Marco Polo programme, which aimed to shift 48 billion tonne-kilometres from the roads in four years, ended in 2006, although the external assessment has shown that only 64% of this figure was achieved.

The experience gained with the second Marco Polo programme shows that, unfortunately, it is not becoming more effective, and that Europe is not making full use of this important tool for achieving a transport system more suited to the evolution of the market. Last year, I sent a series of letters to all EU transport ministers, urging them to use Marco Polo.

I therefore believe – and it looks as though Parliament shares my view – that the time has come to amend the regulation, to change the rules on access to this project, or programme, which must be granting funds that are not always used. We are definitely moving in the right direction, because we are trying to help small and medium-sized enterprises to benefit from a Community project. SMEs have, up to now, faced quite a lot of difficulty in accessing the European funds granted through the Marco Polo programme.

The message we are sending out today is not only directed at those who use Marco Polo. It is, I believe, a call for many European regulations to be amended, since the same is true of other sectors and of national regulations involving European funds; they are not always written in such a way as to make them easy to access. This is a very real problem in all Member States, and I would emphasise again that it concerns not only our regulations, but also national regulations that involve European funds.

So then, I feel that today we are not only working on the Marco Polo programme, rather we are sending a message on good law-making for the benefit of citizens and on simplifying access to Community projects. I therefore think, of course, that Mr Stockmann's work is worthy of support and that the proposed text should be adopted, so that Parliament, I repeat, can send out a positive message tomorrow to the entire European Union.

Let me say again, this is not just a matter that concerns Marco Polo; it is a much broader issue. Starting with Marco Polo, I believe that we will be doing a service to other sectors that are particularly conscious of the use of Community funds and the take-up of the various programmes that the Commission offers to the 27 EU states and their businesses.

**Anne E. Jensen**, *draftsman of the opinion of the Committee on Budgets*. – (DA) Madam President, when the Committee on Budgets decided to issue a statement on the Marco Polo programme, its precise reason for doing so was that it had found it difficult to ensure that the funding was being used for its designated purpose. We, therefore, obviously welcome the fact that action is now being taken. The Commission deserves praise for this. We are trying to simplify the administration and tighten up the rules, in order to make it easier for funding to be used for its designated purpose. In response, we on the Committee on Budgets have also agreed that, if we fail to improve the implementation of the programme, if we fail to ensure that funding is being used for its designated purpose, we will need to rethink whether so much money should be allocated to Marco Polo and whether some of the funding should be rechannelled into other programmes, where it can be better used. Of course, we need to carry out a mid-term review of the budget after the 2010 elections and one of the things we will obviously need to get to grips with then is an assessment of which programmes are working and which are not. Where we see that there is more acute need, we will obviously divert money away from projects where it cannot be used and redirect it, so that it is not merely wasted as a grant.

**Dieter-Lebrecht Koch**, *on behalf of the PPE-DE Group*. – (DE) Madam President, plenary will vote tomorrow on the Marco Polo II programme to improve the environmental performance of freight transport. Marco Polo II offers improved planning security, because it is timetabled to run until 31 December 2013. It has a budget of EUR 450 million. The eligibility thresholds for the proposed projects are to be lowered in comparison with Marco Polo I and are equal to utilisation by small and medium-sized enterprises. I am particularly grateful to the rapporteur for that. In light of the current financial situation of many small and medium-sized enterprises, this is a very citizen-friendly policy to which I can give my unconditional support.

The programme is based on displacing traffic and reducing the overload on road transport. It will also strengthen co-modality and hence contribute towards an efficient and sustainable transport system. With a positive vote, which I recommend for tomorrow, the legislative procedure will be closed at first reading.

**Zbigniew Krzysztof Kuźmiuk**, *on behalf of the UEN Group*. – (PL) Madam President, Commissioner, speaking on behalf of the Union for Europe of the Nations Group, I would like to draw attention to the following matters.

Despite commendable objectives, such as reducing overload in road transport, reducing the effects of road transport on the environment, and preferring short sea shipping, rail, inland waterway or a combination of transport modes for goods transport, barely half of the financial means available for realisation of the Marco Polo programme are used each year, and only 60% of the programme's planned activities are executed.

The European Commission's proposals to simplify the programme should, therefore, be supported, and in particular: participation in the programme of small and single-person businesses without having to form consortia; a clear reduction in the tonne-kilometre threshold required for eligibility for the programme; raising funding intensity by increasing financial aid, which has grown from EUR 1 to EUR 2 per 500 tonne-kilometres of shifted goods transport; and simplifying the procedures for granting financial aid. I would like to express the hope that all these measures will help to ensure that the best use is made of the financial means available in the programme.

**Johannes Blokland**, *on behalf of the IND/DEM Group*. – (NL) This evening, we are discussing the changes to the Marco Polo II programme. I am indebted to the European Commission for coming up with proposals to lower the thresholds for this fund, and I am pleased that Mr Stockmann has embraced these proposals with the necessary dynamism. The extra reduction in the threshold for inland shipping, in particular, can count on my support.

There is a problem, though. This reduction is not enough. In the Committee on Transport and Tourism, Mrs Wortmann-Kool and I successfully remedied this mistake. I regret, though, that Mr Stockmann deems our amendment – number 24 – undesirable. I know him, after all, as a staunch supporter of inland shipping and I had hoped that such amendments would have been agreeable to him. After all, the threshold proposed by the Commission is still far too high for the small entrepreneur, which the canal shipping trader is, almost by definition. I cannot understand why the other institutions should wish to pick holes in Amendment 24.

We have a well-stocked fund for sustainable transport. Inland shipping is the cleanest modality by far. Why should we not lower the threshold more for this sector? The European Commission is, in my view, scared that such proposals will prompt a few Member States in the Council to demand reductions in other areas. I should like to ask the European Commission to stand firm and explicitly recognise in this House the importance of inland shipping as the cleanest mode of transport.

**Rodi Kratsa-Tsagaropoulou (PPE-DE)**. – (EL) Madam President, Commissioner, ladies and gentlemen, we shall be investing EUR 400 million in the Marco Polo II programme up to 2013, together with a great many hopes and prospects for a more efficient and viable transport system that will guarantee added environmental value in the European Union, while at the same time combining economic, social and territorial cohesion.

The results of the call for submission of proposals for the Marco Polo II programme published in 2008 and the conclusions of the evaluation of the first Marco Polo programme have shown that this programme can bring about a discernible shift in transport. However, it is highly probable that the aim laid down in its legal basis, namely of avoiding congestion or displacing a substantial part of the overall growth forecast for international freight road transport in Europe, will not be achieved.

For the programme to achieve its aims, Marco Polo II must be made more attractive. The legal basis needs to be changed and verification procedures need to be simpler and clearer. In addition, the conditions and requirements for funding need adjusting to the real aim and the changes need to be made as fast as possible to secure the greatest possible effect.

We in the European Parliament support and are hoping for easier access to the programme for small businesses, lower and simpler thresholds for the eligibility of projects and an increase in grants; in other words, a programme which is more functional and directly effective.

These changes and adjustments can be used as an example of a vital, dynamic and effective Europe, which is something we need to make citizens understand and experience on the eve of the European elections.

**Antonio Tajani**, *Vice-President of the Commission*. – (IT) Madam President, honourable Members, as we close I would like to answer some of the questions you have asked, while thanking you for the support given to this agreement at first reading, which will definitely help to improve the effectiveness of the second Marco Polo programme.

I would like to say that in recent years my staff – whom I thank again for their work – have already begun to reflect on the Marco Polo programme beyond 2013, and that this assessment will focus, among other things, on the points set out in the compromise agreement. In particular, I would like to emphasise the need to differentiate between transport modes in the conditions for funding, on the basis of safety, environmental performance and energy efficiency, the need to set up demand-driven assistance at the application stage, taking account of the needs of small and medium-sized enterprises, the recognition of economic recession as an exceptional reason for extending the duration of projects, and product-specific lowering of eligibility thresholds.

With regard to lowering thresholds, I would like to reassure Mr Blokland that the text we are adopting already provides a lower threshold for inland waterways. I do not think we could have done any more than we have, as the administrative costs would increase, but I believe we have certainly sent the signal you called for.

Going back to our reflections on the Marco Polo programme beyond 2013: as I was saying, the themes will also include the possibility of indicating the targets for minimum funding thresholds for proposed projects in terms of energy efficiency and environmental benefits in addition to tonne-kilometres shifted. In addition, the possibility of ensuring consistency between the Marco Polo Programme, the Logistics Action Plan and the TEN-T programme by taking the appropriate measures in order to coordinate the allocation of Community funds, in particular for Motorways of the Sea; and the need to take into account the specific characteristics of the inland waterway sector and its small and medium-sized enterprises, for example by way of a dedicated programme for the inland waterway sector.

In any case, the Commission intends to present its communication on the future of the programme, possibly with a proposal for a third Marco Polo programme, during the course of 2011.

**Ulrich Stockmann, rapporteur.** – (DE) Madam President, Commissioner, I agree with you. We can send out a positive message tomorrow, namely that we are able to make citizen-friendly and sensible amendments to our legislation when it is necessary to do so. We should not only send out this message; we should also start up an information campaign in the countries of Europe, so that we can capitalise on the attractiveness of this programme, because we really have made all the necessary adjustments. Now there are real deals to be had at bargain prices. If we cannot manage to shift anything now, then we really do need to question the entire programme.

I hope, Mrs Jensen, that we shall not have to put the money into other programmes, because this is an important concern. We must and will displace traffic wherever possible, but it is difficult. Mr Blokland, you have already had an answer. We re-negotiated inland waterway transport and forced an additional compromise on the Council, as it were. Our concern was to finish at first reading. That is why we could not take too radical an approach and had to negotiate with one eye on compromise and consensus. As a result, we achieved a great deal.

I look forward to the fundamental debate which we shall have shortly on the third programme, on the basis of a communication which the Commission has promised, so that we can discuss all the fundamental questions, everything that we have listed in a joint motion for a compromise, such as whether we should split up the programme for individual modes of transport and so on. Then it will become exciting again. Now it just has to work, so that it does not grind to a halt and projects already under way possibly fall by the way-side in this crisis. That really would be a pity, hence this compromise. My thanks once again to everyone for their input.

**President.** – The debate is closed.

The vote will take place tomorrow.

## 21. European rail network for competitive freight (debate)

**President.** – The next item is the report by Petr Duchoň, on behalf of the Committee on Transport and Tourism, on the proposal for a regulation of the European Parliament and of the Council concerning a European rail network for competitive freight (COM(2008)0852 – C6-0509/2008 – 2008/0247(COD)) (A6-0220/2009).

**Petr Duchoň, rapporteur.** – (CS) Madam President, Commissioner, ladies and gentlemen, the aim of the Commission proposal is to create European corridors for rail freight transport and also to establish rules for

managing and administering these corridors. The Commission is trying to increase the competitiveness of rail freight transport through the proposal and I would like to take the opportunity to applaud this. The Committee for Transport and Tourism has discussed the Commission proposal, in respect of which a total of 250 draft amendments were submitted. In negotiations over the draft amendments a compromise was achieved which won support across the political spectrum. The compromise arises mainly from an attempt to optimise rail transport as a whole while at the same time retaining enough flexibility to resolve crisis situations. The text proposed by the Commission has also been refined and simplified, and emphasis has been given to creating space for the legitimate interests of individual countries, both in terms of establishing corridors and managing and administering them. The position of the rail companies in the administrative authority has been strengthened compared to what it was in the Commission proposal. A stronger role is also given to organisations involved in the European rail freight corridors. The comments relating to cooperation with third countries affected by the corridor have been accepted. A number of changes involve a better balance of interests between passenger and rail freight transport. A request for transparent decision-making has also been accepted in relation to assigning track categories and setting out rules of precedence for high-speed freight trains. In conclusion, I would like to thank the shadow rapporteur and the workers of the European Parliament for their cooperation and the honourable Members of this House for their patience.

**Antonio Tajani**, *Vice-President of the Commission*. – (IT) Madam President, honourable Members, Mr Duchoň, for my part I would like to thank Parliament for having agreed to look at this proposal so promptly; I believe it is extremely important for the development of rail freight transport. My particular thanks go to the rapporteur, Mr Duchoň, and the Committee on Transport and Tourism for their willingness and the quality of the work carried out, which has helped to strengthen a legislative proposal aimed primarily at better integrated rail transport at European level through closer cooperation between infrastructure managers.

Rail transport is the last – I would emphasise this, the last – mode of transport to retain a highly national dimension. Crossing a border by train can still be difficult in many cases. The infrastructure managers are to a large extent responsible for this difficulty, and so we need to encourage them to work together, whether in terms of infrastructure management or planning and carrying out investment.

The infrastructure for freight needs to be brought under European policy as it already has a significant international dimension. I would remind you that 50% of freight services are now international, and that this is set to increase in future.

Secondly, the proposal aims to enable the expansion of rail freight transport services. This sector cannot develop and compete with and/or supplement the road sector without a considerable improvement of the infrastructure made available for freight trains. Today, in the vast majority of Member States, rail freight transport is required to fit around the needs of passenger transport. Unfortunately that much is true for both infrastructure management and investment.

Thirdly, thanks to this proposal, it will be possible to integrate the railways into the freight transport system more successfully, and to develop co-modality in Europe. In fact, in order for rail transport to be able to make a substantial contribution to the Community's transport goals, railway infrastructure must be better linked to other modes of transport, especially sea and road transport.

In addition to the main objectives of the proposal, though, I would like to mention four essential principles on which the text we are discussing is based. The first principle is the identification of corridors and thus of the network. This identification is based on economic rather than political factors. The second principle is strengthened cooperation between infrastructure managers. The third principle, which I would like to look at in more detail, concerns better guarantees in terms of the quality and reliability of services provided by the infrastructure, thanks to provisions designed to strike a better balance between passenger and freight traffic in infrastructure management.

This does not mean systematically giving priority to freight trains over passenger trains on the entire national network; on the contrary – let me make this clear – this concerns dedicated freight corridors, that is to say specific and clearly identified lines. Freight trains will not therefore be systematically penalised, especially where there is a greater need for speed and/or punctuality. This, in our opinion, is what we mean in practice when we talk about defining freight corridors or promoting competitive freight transport.

Finally, the fourth pillar is the definition and creation of a real network of strategic terminals. In this case, the word 'terminal' is used in the widest sense, to include rail yards, port terminals, logistical platforms, roads,

railways, and so on, which are indispensable for the proper functioning of freight corridors and the transport system as a whole.

That was what I wanted to say, and I would like to thank you again for Parliament's promptness and efficiency, it makes me proud to remember that I was myself a Member of this House for many years. The rapporteur and the transport committee deserve to be congratulated on their work. Thank you.

**Georg Jarzembowski**, *on behalf of the PPE-DE Group.* – (DE) Madam President, Mr Vice-President of the Commission, ladies and gentlemen and those still in the gallery, especially Mr Lübbering. My group supports the Commission's fundamental concern of increasing rail freight traffic by creating cross-border traffic corridors and special regulations for the purpose. Mr Vice-President, we thank you not only for the proposal; we also thank you for the fact that you have stayed the course until just before midnight tonight, but we like to work. Thank you.

Moreover, and there may have been a slip of the tongue in the announcement of your Commission proposal, our group, together with our good rapporteur, is firmly convinced that there should be no absolute priority for freight trains over all other trains, just easier access for freight traffic, because in almost all the Member States rail networks are used both by freight trains and by international, national, regional and local trains.

In cases of operational disruptions in particular, we cannot have some distant office making decisions; competence must remain with the individual infrastructure operators and railway companies, so that normal train traffic can be resumed as quickly and as efficiently as possible. Even within the special regulation for the European freight rail network, the Member States must continue to be responsible for creating and changing freight corridors. Any sort of transfer of competence to the European Commission would not be helpful, on that we should agree. Finally, railway companies, shippers and forwarding agents should be consulted on corridor regulations, because they have practical knowledge and experience about how to make the most effective use of the rail network for competitive freight traffic.

My congratulations once again to the rapporteur. He has written an excellent report which was adopted in committee with great satisfaction for the most part. My thanks to the rapporteur.

**Lily Jacobs**, *on behalf of the PSE Group.* – (NL) Cross-border goods trains trundle through the European Union at an average speed of 18 kilometres per hour. In 2007, only 60% of all goods trains arrived at their destinations at the scheduled time. Why? Because the international transport of goods by train is still being organised in a wholly ineffective manner. In that way, the transport of goods by train can clearly never compete with road haulage. At this rate, we will not achieve the European environmental objectives, and our intention to emit 20% less CO<sub>2</sub> by 2020 will come to nothing.

The aim of this European Commission proposal is to create a competitive railway network for goods transport in the European Union. This can be done by creating cross-border corridors, by bringing about increased cooperation between infrastructural managers and better mutual coordination of investments between Member States and by making better priority arrangements in the case of delays. In that way, the capacity and competitiveness of the railway network can be improved considerably.

The Commission's original proposal to grant priority to goods trains in the event of delays at all times went too far, but thanks to sound cooperation with the rapporteur, I have struck an excellent compromise which guarantees flexibility and a pragmatic approach. Unfortunately, the Albertini proposal has turned this important section into yet another empty shell. That is why the Socialist Group in the European Parliament will be voting against Amendment 71.

Yet, the proposal, as it is now before us, still manages to encourage people to work together, and users and market operators are given due consideration in the planning and implementation. It is time we finally worked together on a real internal market for rail transport and thus invested in a green and sustainable future.

**Michael Cramer**, *on behalf of the Verts/ALE Group.* – (DE) Madam President, ladies and gentlemen, I too thank the rapporteur and the shadow rapporteurs for their excellent cooperation. We in the Group of the Greens/European Free Alliance also want more freight on the railways, but not at the expense of passenger traffic. Passenger mobility is a public service in Europe. The Commission is ignoring the realities of Europe's rail networks, in which goods and passengers are carried on the same rails. There should be no dogmatic priority for either one sort of train or the other.



We Greens want to use the one-stop shops to create a single contact person for everyone who wants to send freight trains across borders in Europe. In addition, we want more transparency when paths are allocated and during operational disruptions, in order to avoid unfair distortions of competition, among other things. The Commission and you, as the guardian of the treaties, must eliminate the practice which allows state-owned companies to reserve paths free of charge solely to keep out competitors.

Our motions on noise reduction, especially from freight traffic, were rejected by the major coalition here in the House. However, we Greens shall continue to lobby for railways to remain environmentally friendly, especially by retrofitting existing freight wagons.

**Ulrich Stockmann (PSE).** – (DE) Madam President, in competition with road freight traffic, freight traffic on the railways only stands a chance if it really is established throughout Europe, which is why I welcome the introduction of cross-border freight traffic corridors, on which freight traffic will be optimised. That is what it is about.

With this report, we have defused justified concerns about a reduction in the standard of passenger traffic with fixed priority regulations for freight traffic. However, we shall have to do more work on the report, because we are process workers and we are only at first reading. In future we shall have to also take account of how the Member States react.

We need a different basis on which to calculate the number of corridors. Parliament has proposed one per country. I think that we in Germany would need a north/south and an east/west corridor. Secondly, we need to consider if alternate corridors are possible in areas which possibly have less mixed traffic. Thirdly, it must be clear that the overall capacity of rail transport must not be reduced.

Last but not least, many citizens worry that more freight traffic on the railways will bring more noise with it. That is why we must start with sensible legislation on noise reduction in freight rail traffic straight away in the next parliamentary term.

I look forward to more work. We still have things to do. My thanks to the rapporteur, because this really was a good compromise on a very contentious issue.

**Gabriele Albertini (PPE-DE).** – (IT) Mr President, ladies and gentlemen, I should like to congratulate Mr Duchoň on his brilliant report. I have tabled an amendment on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats concerning Article 14(2). According to this article, in the event of additional difficulties in the flow of traffic, freight trains have priority over other trains on European freight corridors.

In Italy, and in a large part of Europe, freight and passenger transport share the same lines; at present there are few sections dedicated to freight. This kind of priority would penalise regional passenger transport in the main Italian centres, for example in the city of Milan, which is located on three TEN corridors.

In order to avoid a situation in which passenger transport suffers disproportionately at the expense of freight transport, I suggested including the aforesaid amendment prohibiting the application of these priority rules during commuter rush hours, when most people are travelling to work. Rush hours would be limited to a maximum time slot, on working days only, of three hours in the morning and three hours in the late afternoon.

Using information provided by infrastructure managers, each Member State would define the rush hour period for the individual country, bearing in mind regional and long-distance freight traffic.

**Antonio Tajani, Vice-President of the Commission.** – (IT) Mr President, honourable Members, today's conclusions on this subject are extremely positive from my point of view, and help to send a very clear message to Member States, namely that the European railway system needs corridors that are in some way dedicated to freight. The creation of these corridors must be coordinated and consistent at Community level and all the stakeholders in the railway sector must participate in this effort.

As regards the compromise amendments proposed by the rapporteur, they provide for an improvement of the process of repartition and reserve of capacity in terms of quality railway lines for international freight trains, as well as the establishment of a reserve capacity for short-term demands. The Commission can accept this approach, as it can also accept the compromise amendment on the management of international freight trains in the event of network disruption. For the rest, Parliament is sovereign. Thank you.

**Petr Duchoň, rapporteur.** – (CS) The debate has demonstrated relatively broad agreement across the political spectrum. For that I would like to thank both the shadow rapporteurs and everyone taking part in the discussion. I think the greatest fears arise from the possibility of collisions between freight trains and passenger trains. The submitted text takes account of this danger and leaves sufficient flexibility for handling crisis situations in the hands of the operators. As far as properly and smoothly functioning rail operations are concerned, there should be no such conflicts of course and it makes no sense to debate the priorities of one or the sort of rail transport. It is therefore only a matter of potential conflict during crisis situations, but as I have already indicated the key issue here is to leave enough power in the hands of rail operators and this document does exactly that.

**President.** – The debate is closed.

The vote will take place tomorrow.

## **22. Agenda of the next sitting: see Minutes**

## **23. Closure of the sitting**

*(The sitting closed at 23.50.)*