EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SWITZERLAND, ICELAND, AND NORWAY AND TO THE EEA JOINT PARLIAMENTARY COMMITTEE

MINUTES

of the

MEETING (Switzerland + EEA)

on

Wednesday, 20 June 2007

Strasbourg

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   Mrs Diana WALLIS (ALDE, UK)
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   Co-rapporteurs: Mr Børge BRENDE (Conservative Party, Norway)
   Mr Alyn SMITH (Greens/EFA, UK)

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2 July 2007/KL/HO

Apologies: Mr BONDE, Mrs PANAYOTOPOLOUS and Mrs ROTH-BEHRENDT

The meeting opened at 16:20 with Mrs WALLIS in the chair. As Mr SAKALAS had to attend the plenary session he would arrive later during the meeting.

1.
Due to a poor attendance of members at the preparatory meeting on 4 June, the meeting was postponed until today. Draft agenda was adopted.

2.
The minutes of the meeting held in Brussels on 8 May 2007 had been distributed to members prior to the meeting. The minutes were approved.

With a view to the 26th EU-Switzerland Interparliamentary Meeting to be held in Bad Ragaz on 24-26 June 2007

3.
Mrs WALLIS welcomed H.E. Mr. Bernhard MARFURT, Ambassador, Mission of Switzerland to the EU, and Mr Matthias BRINKMANN, Head of Unit, European Commission.

Mr MARFURT stated the great pleasure to comment on the EU-Switzerland relations. A Swiss referendum shows that there is a positive attitude towards EU policies concerning financial aid to the ten new Member States from Switzerland. The political elite, meaning the government, as well as the parliament and political parties, has put a great effort into engaging and informing the public on what is happening, and into this referendum. The results of the referendum are however, perceived quite differently inside Switzerland and outside Switzerland. That there ought to be no discrimination between Member States in the European integration is an argument that works well inside the EU but not with the Swiss as non-members. This sort of discussion will come up again concerning the free movement of persons regarding Bulgaria and Romania.

Concerning the cantonal tax system, Switzerland has felt a little bit hurt, and a lot of resistance is shown in Switzerland towards the EU due to the way that the EU has handled this issue. There is a great debate and there is not question that we find ourselves in a very difficult situation. It is not the fact that the EU has a problem with the taxes, but rather the way in which it has been handled and discussed that that is of concern. Switzerland does not feel that competition and agreement have been violated, and the Court of Justice has stated that the economic agreement with Switzerland is not the same as the Internal Market, which means different interpretations. Now the EU says differently than the CoJ. There will be no negotiations on the tax system based on the Free Trade Agreement, as that would be beyond what is tolerable. The Swiss government and parliament will respond to Mrs Ferrero-Waldner's communication and there will be discussion, which does not mean that there will be negotiations.

Regarding the free movement of persons for Bulgaria and Romania, the final mandate should be available by the end of the summer and negotiations can begin then. Pending issues will be settled. Mr MARFURT thanked Mr BRINKMANN for his continuous support and wished for a quick solution to both issues. He further mentioned cooperation in health, the liberalisation of the electricity generator markets, and pointed out that Switzerland is an important transit country. Concerning terrorism and security control on boarders, this would need a rapid solution, and Switzerland has been looking at a free trade agreement on agricultural products. A Framework Agreement could perhaps form a better organisation for Joint Committees and other

bodies, and perhaps also a political platform to avoid issues such as the cantonal tax system. He further mentioned that higher taxes in Switzerland mean higher financial contributions to Member States. Finally, Mr MARFURT pointed out that there are fewer boundaries towards Cyprus and Malta and that they are waiting for EU ratification on an agreement on negotiations with Bulgaria and Romania, hopefully by the end of this year. He finished by stating the excellent cooperation that Switzerland has with the EU, and that they should continue in a spirit of partnership, mutual respect and through open dialogue to meet both sides expectations.

Mrs WALLIS thanked Mr MARFURT and noted on an amendment of the Annual Report on competition on negotiations with Switzerland, which talked about voluntary cooperation on business codes of conduct instead of the Free Trade Agreement. She then gave the floor to Mr BRINKMANN for his briefing.

Mr BRINKMANN thanked Mr MARFURT for his comprehensive explanation, and stressed that Swiss-EU relations are very good. Our intention is for this to continue, and we should not let divergent views spoil further bilateral relations. Regarding the tax issue and how this has been handled by the EU; it is no surprise to Switzerland that this is a concern for the EU, as this exhaustively has been discussed for two years. The Commission has to follow EU rules, just as Switzerland has their laws and rules which they must obey. The 1972 regulation, specifically Article 23 and 27, obliges the Commission to act and to take a decision; it is not only our duty but also our right. The question is in the interpretation, and in the Commission we believe that we are right. However, the important thing is what we do. This has been a longstanding issue, both in the OECD and in the Joint Committee, and the Member States have been given the mandate to deal with this issue unanimously which Switzerland has to reckon with. A change can be seen in the Swiss attitude now, from not being willing to discuss this at all to now being quite ready to discuss it. Whether there will be discussions or negotiations is not important, but rather that is has to be solved in a mutually respectful way. As one can see changes in the attitudes of Swiss companies, one can see possibilities, and the Commission is on stand-by to discuss it.

Regarding the enlargement, free movement of persons and financial contributions, a letter has been sent to the Swiss President and we are waiting for an answer to advance. Concerning cooperation in health, electricity and agriculture we are open towards this. Concerning a Framework Agreement, a streamlining of the cooperation could be useful as long as it adds value.

Mrs WALLIS stated that it is clear that an interesting and detailed discussion on taxes will occur at the IPM in Bad Ragaz.

4.

Mrs WALLIS presented the programme for the IPM in Bad Ragaz, and regretted that Mr REITERER, Head of the Commission's Representation in Bern would not be able to attend the meeting but she hoped that the delegation could meet him at another occasion in the future.

Mrs WALLIS continued by proposing the first EP speakers for the coming IPM, namely:

- item 3: Dialogue on taxation issues in Switzerland and in the European Union
  Mr Andreas SCHWAB
- item 4: EU enlargements - implications for Switzerland and implementation of the Schengen Agreement
  Ms Jolanta DICKUTÉ

- item 5: WTO developments and its implications for the EU and Switzerland
Mr Paul RÜBIG

With a view to the 28th meeting of the EEA Joint Parliamentary Committee to be held in Vaduz on 26-27 June 2007

5.
The Chair presented the programme and the draft agenda of the coming JPC and informed members who will be present from the EEA institutions.

6.
Mrs WALLIS informed members that the draft reports on the functioning of the EEA Agreement in 2006 and on the EEA and the Future EU Maritime Policy have been distributed to members and the deadline for amendments to the draft resolutions have been set for Tuesday 26 June 2007 at 12.00. She went on stating that concerning the EEA, it is usually said to be "functioning well". The problems with implementation regarding the two new Member States Bulgaria and Romania make this statement difficult now. As Mr SMITH unfortunately was not present the draft report on Maritime Policy would be considered at the meeting in Vaduz in the presence of the Commission.

7.
The Working Document had been distributed to members. As the Rapporteur Mr BONDE was absent, the working document would be considered at the EEA JPC meeting in Vaduz, where the Commission would be present. Following the debate in Vaduz, the JPC will decide on the future procedure on this matter.

8.
General elections have been held in Iceland on 12 May 2007, and a new coalition government (Independence Party and Social Democratic Alliance) had been formed. Mrs WALLIS stated that it will be interesting to see new faces on the coming meetings this autumn, and that details regarding this have been circulated by the Secretariat.

Mrs WALLIS also declared that as she was elected Vide-President of the European Parliament in 2007 she can no longer remain Chair of this Delegation, why a new college, Mrs Bilyana Ilieva RAEVA (ALDE, Bulgaria) will be presented as the ALDE candidate for President of the Delegation. The election will take place at the first meeting in the autumn.

9.
The next delegation meeting is scheduled for Wednesday 5 September 2007 in Strasbourg to prepare for the next EU-Iceland Interparliamentary Meeting on 12-13 September 2007 in Brussels. This will then also include the election of a new Chair.

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The meeting closed at 17.05.

ATTENDANCE LIST

Members

WALLIS (Chair) - SAKALAS (Vice-Chair) - BARSI-PATAKY - RÜBIG - DICKUTE - JANOWSKI

Substitute Members

HUDACKY - BUDREIKAITE - RÜHLE

Political Groups

HEISTER (EPP-ED) - COLERA-GARZON (ALDE) - GUILLERME (PSE)

Members' Assistants

ARNOLD - PRANITZ

DGs

SCHULZ (Expo)

Invitees

RAEVA (MEP) - MARFURT (Ambassador) - BRINKMANN (Commission)

Secretariat

OLSEN - MOLLET - LIDÉN