

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

**SWITZERLAND**

**Minutes of the meeting**

**on  
Tuesday, 3 June 2008  
15.00-17.00  
BRUSSELS**

1. Adoption of the draft agenda
2. Election of a new 2<sup>nd</sup> Vice Chair of the Delegation
3. Approval of the minutes of the meeting held in Strasbourg on 23 April 2008

**With a view to the 27<sup>th</sup> EU-Switzerland Interparliamentary Meeting to be held  
in Strasbourg on 18-19 June 2008**

4. Briefings by:
  - Mr Claude WILD, Minister, Deputy Head of the Mission of Switzerland to the EU, on the situation in Switzerland and on its relations with the EU
  - Mr Ulrich TRAUTMANN, European Commission, on the EU-Switzerland relations

followed by an exchange of views

5. Consideration of the programme and the draft agenda of the Interparliamentary Meeting
  - nomination of first EP speakers
6. Any other business
7. Date and place of the next meeting

The meeting opened at 15.10 with Ms RAEVA in the Chair. Ms RAEVA welcomed Ms Hanna DAHL who is replacing Mr BONDE after he has left the Parliament.

Excused; Mr Alyn SMITH and Ms DÜHRKOP

#### 1. Adoption of the draft agenda

The draft agenda was adopted

#### 2. Election of a new 2<sup>nd</sup> Vice Chair of the Delegation

Following that Mr Jens-Peter BONDE had left the European Parliament and been replaced by Ms Hanna DAHL in the SINEEA Delegation, the IND/DEM Group announced that Ms DAHL was the candidate for the 2nd Vice-Chair of the Delegation. Since no other candidates had been received and Ms DAHL confirmed her candidature and that she had completed her declaration of financial interest, the delegation elected Ms DAHL by acclamation.

Ms DAHL then introduced her self. Neither politics not the Parliament is new to her since she has been active as a President of the June movement in Denmark for many years and as a political assistant in the European Parliament. Furthermore, Ms DAHL expressed that the course of the Delegation is very close to her hearth since she believes it is an important issue to discuss how we should address the problems of associated countries who are not members and how we have a qualified discussion about making close bonds to countries who are not members of the Union but want to be associated to it.

#### 3. Approval of the minutes of the meeting held in Strasbourg on 23 April 2008

The minutes had been distributed to members prior to the meeting. Since there were no objections or comment the minutes were approved.

#### **With a view to the 27<sup>th</sup> EU-Switzerland Interparliamentary Meeting to be held in Strasbourg on 18-19 June 2008**

#### 4. Briefings by:

- Mr Claude WILD, Minister, Deputy Head of the Mission of Switzerland to the EU, on the situation in Switzerland and on its relations with the EU, and
- Mr Ulrich TRAUTMANN European Commission, on the EU-Switzerland relations

Ms RAVEA welcomed Mr WILD and gave him the floor. Mr WILD thanked the Chair and the Members of the Committee and started with a statement expressing the sincere friendship of Switzerland to Denmark after the bombing of the Danish

Embassy in Islamabad this week-end. The whole diplomatic community is together with Denmark asking for better protection of diplomats.

Mr WILD then continued with a presentation of the current political situation in Switzerland and the main issues on the Swiss agenda. The Interparliamentary meeting on 18-19 of June is in the mid of a very interesting time since it is part of a series of high level meeting between EU and Switzerland taking part in June. Commissioner Ferrero-Waldner met with the Swiss foreign minister Madame Calmy-Rey last Sunday, and in the end of this week the President of Switzerland, Mr Pascal Couchepin will receive the President of the Commission Mr Barroso on his first official state visit to Switzerland. Further on, on the 11th respectively 13th of June, General Director Robert Veru, responsible for the dossier on customs and taxation between Switzerland and the Union, and Competition Commissioner Mrs Kroes will visit Bern to discuss upcoming issues. These high level meetings are clear signs on the close relationship between the Union and Switzerland.

When it comes to current political developments, dramatic things are happening in the "renowned stable and rather boring country when it comes to politics". A new political party might be born following the turbulence after the General elections in October last year when the strongest party, the Swiss Popular Party (SPP) didn't manage to get their most prominent personality, Mr Christoph Blocher, into the Federal Council. This happened since the Parliament, who needs to re-approve the Federal Council, did not re-confirm Mr Blocher but instead elected a more moderate candidate, Mrs Eveline Widmer-Schlumpf. When Mrs Widmer-Schlumpf, from the Canton of Grisons, did accept to be elected she was put under pressure from the federal level of her own party, the SPP, to quit which she refused. The SPP then decided to exclude her, but to do this they had to exclude the whole cantonal section to which she belonged, namely Canton of Grisons, which they did just last Sunday. From this, Mr WILD explained, we now have a situation where other more moderate sections of the party also have started to challenge the SPP central authority. In total two of the representative in the federal government from the party who won the election has de facto now left the party. A political evolution like this has never been seen in Switzerland before and will, according to Mr WILD, in the long run definitively have an impact also on Swiss foreign policies.

Mr WILD commented on the governments policies on cooperation with the EU. According to Mr WILD the current political situation is not likely to end or have an immediate impact on the way Switzerland has chosen to conduct affairs with the Union. As before, the Swiss people are not ready to take any step to full addition, the integration policy will continue in the bilateral way. Switzerland will follow the Union sector by sector, in a pace that suits the Swiss political system. It is simply not possible for the Swiss government to take bold foreign policy steps when ever decision is or can be directly challenged.

Mr WILD continued with an overview of Switzerland's current priorities which can be divided into three dimensions; 1) To consolidate, 2) to develop new areas of co-operation, and 3) to respond to EU requests. The first priority to consolidate the current aquis, includes the extension of the agreement on free movement of persons. This agreement is of highest priority since if it is not extended it will stop all other agreements. One of the safe guards when the agreement was concluded was the

possibility for Switzerland to hold a referendum on whether or not to prolong the agreement seven years after it had entered into force. This will be next year and since Romania and Bulgaria have joined the Union after the agreement was signed the government must now decide whether or not to hold a separate referendum on the inclusion of these countries into the free movement of persons agreement. From the Union's perspective there is of course no possibility to pick or choose member states to be included in such an agreement; if the agreement should be prolonged, it must to be for the Union as a whole. The Swiss government understands this very well and will do everything to win a referendum since the Commission, if the referendum is lost or if a separate referendum on including Romania and Bulgaria is lost, will use the guillotine clause within the first agreement package from 1999. Other priorities for consolidation are the operational beginning of the Schengen regime and the concretisation of the financial contributions for the enlargement of the Union to Bulgaria and Romania. The Schengen regime is expected to start at the end of this year after the final evaluation, started in the beginning of this year, is finished. When it comes to enlargement contributions, Switzerland has already voluntarily accepted to provide one billion Swiss Franc over a five year period to the EU-10 that joined in 2004 and in March 2008 the government announced that 257 million have been allocated for Romania and Bulgaria. An addendum to the memorandum of understanding will be signed under the Slovenian Presidency which will open the way to agreements between Switzerland and Romania, and Switzerland and Bulgaria. Another issue that is about to be solved is the solution to the revision of the customs code. After the terrorist attacks in the USA, the EU had to revise customs code for third states, including Switzerland. However, the economic and environmental consequences of applying a rigid customs code to Switzerland, a country which is passed by 23.000 lorries a day, would be tremendous. For this reason another solution that does not give any more administrative problems is needed, and will probably be found with Mr Veru on his visit on 11th June.

What regards the second priority, to develop new areas of cooperation, Mr WILD informed the meeting that on the 14th of March the Federal Council identified seven new areas of mutual interest where he thinks that it is worth to see if Switzerland can enter into negotiations with the EU. One of these is free trade in agricultural goods, an issue that will be tough to sell in Switzerland but definitely is of interest for both parts. Other issues are more cooperation in health and consumer safety issues, cooperation in Gallileo, where Switzerland already have participated with payments over years, cooperation in CO<sub>2</sub>-emission trading schemes, negotiations on electricity, cooperation with the European defence Agency and cooperation on a framework agreement for ESPP-operation where Switzerland is participating. In total seven new areas in which Switzerland proposes to enter into new negotiations and thinks that there is a common and mutual interest for both sides.

On the third dimension of priority, responding to EU request, Mr WILD said that there is now a dialogue on the cantonal fiscal regimes which have been portrayed by the EU as being hidden state aid, biasing the internal market and violating the free trade agreement. Switzerland does not accept this accusation and hope to find a solution to the issue. Another area being discussed is the modalities of provision of trans-border services under the agreement of free movement of persons where the Union have some problems with the Swiss way of applying protection measures to avoid the dumping of salaries in Switzerland. Furthermore, Switzerland expects the

Union to start discussions on taxation of savings by the end of the year. And in the field of Schengen a temporary/transit solution has to be found for Liechtenstein which is in customs- and monetary union with Switzerland but not yet a member of Schengen.

The Chair thanked for the detailed presentation and gave the floor to Mr TRAUTMANN for his view.

Mr TRAUTMANN, representing the European Commission, gave the meeting the Commissions perspective on the breakdown of priorities made by Mr Wild. In general, the priorities of the Community and Switzerland are the same, however, unfortunately the understanding of what is meant by the different parts are different which create some problems. When we say that consolidations of existing agreements is very important we clearly share the Swiss approach that the first thing we have to do is to sort out the enlargement 2004, where some open issues such as agricultural and insurance agreements are still pending, as well as the enlargement that took place in 2007. Mr TRAUTMANN pointed out that Switzerland, as a European country, may at any time become a member of the European Union and as a member of EFTA, Switzerland may also at any time join the European Economic Area. These options are in general open to Switzerland and should not be forgotten. Neither should it be forgotten that the Swiss 1992 application to join the Union is still valid and has also been restated by the Federal Council in their approving of the European Report of 2007, where the Federal Council clearly said that the Swiss application to join the Union should be considered as valid. Mr TRAUTMANN then looked at the other option, the assessment presented by Mr Wild that for the time being and due to the internal political situation in Switzerland, the so called bilateral approach, is the only feasible approach. But a bilateral approach also has something very important going with it, namely that both parties respect each others' integrity. In this sense, Mr TRAUTMANN stressed that, when talking about enlargement it is, for the EU, completely unacceptable of Switzerland to even question enlargement and not accept new member states of the Union. It is a clear commitment of Switzerland to respect the Union as it stands which internal discussions on whether or not to continue for example the agreement on free movement of persons with the new member states Romania and Bulgaria clearly do not do.

When talking about the consolidation of existing agreements, Mr TRAUTMANN stressed that consolidation for the Union does not only mean maintaining legal instruments but also to apply them correctly. In this respect the consolidation heading has also in it the so called tax dispute. The flanking measures adopted by the Swiss government primarily effects neighbouring countries and was not really designed to protect against the perceived threat of new member states. From the Unions side we believe that several of the modalities implemented in Switzerland actually are contrary to the agreement on free movement of persons which makes the discussion more complicated since we know that from the Swiss side there is a dependence on maintaining the flanking measures for the internal policy and to get the Swiss people to accept the enlargement with Romania and Bulgaria. It is very important that we find a solution to these flanking measures. Other issues in the area of consolidation that needs to be addressed are the discriminatory taxation of EU-workers in Switzerland and the question of managing quotas in the area of agricultural. Regarding the financial contribution which Switzerland voluntarily has accepted, Mr

TRAUTMANN pointed out that from the Union's perspective there is a clear political link between the agreements concluded in 2004 and the Swiss financial contribution since it was a condition for the compromise reached in March 2004 which made it finally possible to conclude the agreements which later became the second bilateral agreement signed in October 2004. The Union has always been very clear on this, that this financial contribution is a precondition for the full application for the agreements of 2004, including the association of Switzerland to Schengen.

Regarding possible areas for future cooperation, Mr TRAUTMANN highlighted the different perceptions of the situation. For example, with regards to Galileo, the Union's perception is that it is a continuation of already existing cooperation because the Galileo project was launched long time ago in the European Space Agency where Switzerland and Norway participated in the early stages of development. What regards free trade in agricultural products; it is very unclear to the Union what is included in this labelling since the community already has had a mandate for four years to negotiate liberalisation in trade in agricultural products. This mandate has never been responded to by the Swiss government who now comes with an idea of putting together some elements on liberalisation on trade in agricultural products, foods, inputs and others, so we have not really a clear view on how far that should go. Mr TRAUTMANN finished his briefing with stating that if Switzerland is associated they should as much as possible accept the community acquis in its entirety; the set of rules should not apply only to member states of the European Union but also to associated countries.

During the exchange of views that followed the introductions, Ms DAHL expressed her support for and wished to encourage Switzerland in their negotiations with the Union. Ms DAHL asked for a clarification regarding the reason for the referendum on free movement of persons and the integration process. One of the problems with the integration process according to her is that politicians have tried to get things through at government level rather than by having an open discussion with the people. It seems like if there is a threat from the Commission; if you don't get the wanted results, in other words if the Swiss people when expressing their opinions in a referendum do not accept free movement of persons from 25 or 27 countries, you don't get anything. This isn't fair since it actually means that associated countries have to accept and stick to the acquis in whole, while member states in many instances are permitted to negotiate special arrangements. Ms DAHL stressed that it is important that the Union respect the results of a referendum in Switzerland and that she would support Switzerland if a special agreement is negotiated with the EU.

After relating back to a present occurrence in his home country (Poland) Mr JANOWSKI asked Mr Wild if he thought that Switzerland would join the Union in the near future. The reason for the question was that at a meeting with young people discussing the Lisbon treaty a 16-year old youth asked Mr JANOWSKI if Swiss people were very wise people since they have been able to benefit from and use the contacts, with or without being a member of the Union. Switzerland has access to the European market and does a lot of trade with member states; Swiss products are famous and well advertised in the member states. Mr JANOWSKI also mentioned the seven new possible areas of cooperation announced by Mr Wild, and especially the integration of the common policy on defence.

The floor was then given to Mr WILD who wished to answer Ms Dahl; unfortunately the element of threat mentioned in your question is something that is falsely perceived by the Swiss people whenever we deal with the EU. There is no threat by our colleagues from the Commission, they are tough negotiators and they are doing their job just as we are doing ours. It is true that we are sometimes given rules that we have to accept and follow, but this is because we have democratically chosen to be associated and we try to remind our people that the Union is just asking us to fulfil our part of the contract. Unfortunately populist people who are politicising against the EU are using parts of our agreements that could be interpreted as threats in their policy and this is taken into the media which gives people the impression that the EU is threatening us. Regarding the guillotine clause, Mr WILD stated that we accepted it when we signed the agreement, we are not happy with it, but it was part of the deal made in 1999, and a way to sell the agreement at home. We will always respect the decisions made by our people and present it to the Union as a new situation. This had to be done in 1992 when the Swiss people rejected the EEA, and we can only hope we will be able to find a solution again if a referendum gives a negative result. We share the same values and cannot afford a crisis.

With regard to the question from Mr Janowski, if Switzerland would join the Union in the near future, Mr WILD said that he could not give an answer to this since this decision needs to be made both by the people and the cantons. For these reasons, you cannot push forward a decision. However, he stressed, this do not mean that Switzerland is less European than the Union. The paradox in the discussion if or when Switzerland should join is that if you look at a map of the world, Switzerland is the one country that resembles the most what the Union is now trying to build. Switzerland is like the Union constructed, over years from bottom to top, by handing over areas of sovereignty from the cantons to the federal state. When Swiss people realises this, some of the fears might go away. However, at the moment politics are made out of what is possible from the institutional setup. Mr WILD summed up his answers by mentioning the Swiss neutrality, stating that it is not an obstacle for membership. Switzerland, who already participates in peace keeping missions in the Balkans and Africa, could join the Union and still be a non-allied country.

With regards to Ms Dahl's question, Mr TRAUTMANN said that the Union do respect the votes of the Swiss people but the Swiss people has decided not to become members of the Union and it is a privilege of the member states and the European Parliament to decide in which direction the Union should develop. The question on how we should relate to the associated countries is a tricky one. These countries are geographically as well as culturally close to the Union; however, in terms of international relations, they are not members which give us two possibilities. One is the classical bilateral relations, and the other one is association. Association means that those countries participate in some areas in community policies and therefore it is a one way street, an associated country cannot take part in decision making and cannot claim the same rights as a member country. At the same time, when deciding to be associated to for example community programs or policy areas, the associating country have to accept the rules determined by the Union. Associated countries basically have to follow these rules. As an answer to Mr Janowski, if the Swiss are better negotiators, Mr TRAUTMANN related back to the guillotine clause from 1999 which the Commission insisted on to make it impossible for the Swiss to later drop for example free movement of persons and keep air transport. What regards the

second package, Mr TRAUTANN explained that the Commission now has insisted on a commitment from the Swiss side to contribute to the cohesion funds since Switzerland has quite a good access to most parts of the European internal market but didn't pay anything before to develop it.

Mr WILD, as a reply to Mr Trautmann, stated that sometimes they have to remind the Commission that there is a difference between negotiating with Switzerland and the lately held 12 accession negotiations. The Commission sometimes act in a reflex mode of "take over the aquis" which was a message to the accession countries; if you want to join, you take over the aquis. But Switzerland is not in the same situation, we do not want to join the Union, we want to negotiate as partners. There will be parts of the aquis that we can take over, but when the aquis is challenged by internal institutions or our system of direct democracy, we cannot sell the agreement at home and then we need to try to find another solution.

Ms DAHL closed the discussion by making a comment on the distinction between politics and diplomacy, a balance that we always have to remember. She is representing the political side of this issue and is here to speak on the behalf of the electorate. If the Union would pay more attention to what is politics and what can be achieved by diplomacy, it would be closer to its citizens.

#### 5. Consideration of the programme and the draft agenda of the Interparliamentary Meeting

The Chair presented the Programme and the draft agenda, elaborated by the two Chairs, for the IPM in Strasbourg on 18-19th of June. On proposal from the Chair, the delegation nominated following first EP speakers:

Item 2: Overview of the development, current state of play and future challenges of the bilateral relations between Switzerland and the EU

- Ms Diana WALLIS
- Mr Michael REITERER, the Commission's Representative in Bern

Item 3: Free movement of persons.

Experiences from the previous enlargements and accession of Romania and Bulgaria to the EU

- Mr Mieczyslaw Edmund JANOWSKI

Item 4: Cross border service provisions

- Mr Hanne DAHL

Item 5: Swiss financial contribution to the EU enlargements in 2004 and in 2007

- Mrs Etelka BARSIPATAKY

Item 6: Schengen/Dublin. Evaluation process by the EU and Switzerland's operational participation

- Ms Marie PANAYOTOPOULOS-CASSIOTOU

Item 7: Free-trade in agricultural products

- Mr Alyn SMITH, to be confirmed

Item 8: Dialogue between the European Union and Switzerland on tax issues

- Mr Paul RÜBIG

#### 6. Any other business

Mr Obiols I Germa, President of the Conference of Delegation Chairs had proposed that the interparliamentary delegations be involved in the gender mainstreaming of the European Parliament by nominating a member of the delegation as its representative in the network of gender mainstreaming. The delegation appointed Ms PANAYOTOPOULOS-CASSIOTOU as its representative.

#### 7. Date and place of the next meeting

Next meetings;

- 27th EU-Switzerland IPM in Strasbourg on the 18-19th of June
- Delegation meetings in Brussels on 10 September in Brussels and on 24 September in Strasbourg to prepare for the 25th EU-Norway IPM to be held in Oslo on 29-30 September 2008.

The meeting closed at 16:45.

## ATTENDANCE LIST

### Members

RAEVA (Chair) - RÜBIG - PANAYOTOPOULOS-CASSIOTOU - SAKALAS -  
JANOWSKI - DAHL

Excused: SMITH - DÜHRKOP

### Members Assistants

ARNOLD - GUEORGUEVA - NÀDAJI - GREGOR - LINS - VENCHWITE -  
WANNINGER

### Political Groups

HEISTER (PPE-DE)  
PERRIN (PSE) - ESDERS (PSE)  
KRINGS (ALDE)

### Invitees

TRAUTMANN (Commission)  
WILD (Deputy Head of the Mission of Switzerland to the EU)  
BORGHI (Swiss Mission)  
GRUNERT (DG EXPO) - SCHULZ (DG EXPO)  
DE VALCK (Conseil)

### Secretariat

OLSEN - d'AGOSTO - PELISTER - ELGH - BORASHVILI