

EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY
COMMITTEE

Ref. No. 1057956
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Brussels
4 Annexes

24TH MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

*Nordica Hotel, Reykjavik
Monday, 25 April 2005
09.00 – 12.30 and 14.00 – 17.00*

Draft Minutes

Opening of the meeting

1. The Head of the Icelandic delegation and host, Mr Gunnar Birgisson, welcomed participants to Iceland.
2. The President of the EEA JPC, Mr Morten Høglund, opened the meeting, and welcomed in particular the new Liechtenstein delegation, Mr Heeb and Mr Caduff, as new members of the JPC.
3. Mr Høglund also welcomed the vice-president, Diana Wallis. The meeting was co-chaired by the President and the Vice-President.

Adoption of the Draft Agenda (1053119 – PE 350.491)

4. The draft agenda was adopted.

Approval of the minutes of the 23rd meeting of the EEA JPC (1052664– PE 350.451)

5. The draft minutes from the meeting of the EEA JPC 22-23 November 2004 were adopted.

Development of the EEA Agreement and follow up to resolutions adopted at the 23rd Meeting of the EEA Joint Parliamentary Committee

Statements by

- **H.E. Ambassador Jean Louis WOLZFELD, representing the President-in-Office of the EEA Council**
- **Mr Matthias BRINKMANN, representing the President-in-Office of the EEA Joint Committee**
- **Minister Elisabeth WALAAS, Norwegian Mission to the EU, representing the EFTA President of the EEA Council and the EEA Joint Committee**
- **Mr Einar BULL, Member of the ESA College, representing the President of the EFTA Surveillance Authority**

followed by an exchange of views

6. Ambassador Wolzfeld gave a summary of the conclusions of the latest EEA Council, held in December 2004. He equally recalled the orientation debates in the EEA Joint Committee on a possible Turkish EU membership and the European Neighbourhood policy. He informed the EEA JPC that accession treaties for Romania and Bulgaria were being signed the very same day as the 24th meeting of the EEA JPC.

7. Mr Brinkmann highlighted recent developments in the EEA and drew attention to the Report of the EEA JPC on the functioning of the Agreement in 2004. He highlighted the issues of EEA EFTA participation in EU agencies, the greenhouse gas trading emission scheme directive, new rules in the field of competition and the active role of the EEA EFTA States in the EEA decision-shaping process.

8. Ms Walaas recalled the fact that the Agreement functioned as intended, and that the number of integrated acts were the highest in five years, adding that there was no backlog to speak of any longer. She lamented the non-participation of the EEA EFTA States in the EFSA (food agency) however was pleased about the participation in the EASA (aviation agency). She said Norway foresaw a bilateral entry into force of the greenhouse gas directive. The services directive, the accession of Romania and Bulgaria to the EEA, the European Neighbourhood policy would all be closely monitored by the EEA EFTA States, Ms Walaas continued.

9. Mr Bull highlighted the issue of the monopoly of gambling in Norway and the future revision of regional aid.

10. In the following debate Ms Wallis, Mr Høglund, Mr Bjørnstad, Ms Hedkvist-Petersen, Mr Hudacky and Mr Janowski discussed the European Neighbourhood Policy, regional state aid, JPC participation at the EEA Council, the Northern Dimension and the Financial Mechanism with the representatives of the Council, Joint Committee and ESA.

Consideration of the draft report on *The Annual Report on the Functioning of the EEA Agreement in 2004* (1053255– PE 350.496)

Co-rapporteurs: Mr Gunnar BIRGISSON (Independence Party, Iceland)
Ms Ewa HEDKVIST PETERSEN (PSE, Sweden)

11. Mr Birgisson introduced the draft report and resolution, followed by Ms Hedkvist- Petersen's comments. One amendment had been tabled by Mr Birgisson on the issue of fishmeal. The co-rapporteurs debated whether or not to support a lift on the ban of the use of fishmeal.

12. The EEA JPC agreed to make a separate report and resolution on fishmeal for its 25th meeting. As a result, the amendment was withdrawn.

13. Mr Brinkmann responded to several questions regarding the gas emission trade scheme directive, the Open Skies directive, the .eu top level domaine, and EEA EFTA participation in the European Food Security Agency.

Consideration of the draft report on *Regionally differentiated social security contributions in Norway* (1054049- PE 350.499)

Rapporteur: Mr Morten HØGLUND (Progress Party, Norway)

14. Mr Høglund introduced the resolution on regional state aid in Norway, and drew attention to the forthcoming revision of state aid rules. Ms Wallis stated that the level of state aid in general should be decreased; however special measures in remote parts of Europe could be justified. Advocating a broader European aspect of the draft resolution, she proposed several amendments to this regard, as well as a new title – *Review of the regional guidelines*. With a more pan-European approach reflected in the report/resolution, she also proposed to become co-rapporteur. Mr Høglund welcomed the proposed changes and Ms Wallis as co-rapporteur.

Vote on the draft resolutions

15. The resolutions on the *Annual Report on the functioning of the EEA Agreement in 2004* and on the *Review of the regional guidelines*, as amended, were adopted unanimously.

Consideration of the Working Document on *New environmental legislation and the EEA* (1053256- PE 350.498)

Elaborated by: Mr Gudlaugur Thor THORDARSON (Independence Party, Iceland)

16. At the outset, the working document on the environment was intended to be presented as a report/resolution. Due to the comprehensive nature of the issue, as well

as time constraints, the issues were presented as working document, presented by Mr Thordarson.

17. Acknowledging that the working paper contained issues of political substance, the JPC decided to revert to the issue in the form of a report and resolution at its 25th meeting. Ms Roth-Behrendt would be the co-rapporteur from the EP-side.

Consideration of the Working Document on *The free movement of services in the EEA – the services directive (1053257-PE 350.497)*

**Elaborated by: Ms Diana WALLIS (ALDE, UK)
Ms Julie CHRISTIANSEN (Conservative Party, Norway)**

18. Ms Wallis introduced the paper, describing the work with the directive as a moving target. The EEA JPC would revert to the issue at its next meeting, as it was assumed that a revised directive would have been presented by the Commission by then.

EU safeguard measures against farmed salmon from Norway

Introduction by the President of the EEA JPC, Mr Morten HØGLUND followed by an exchange of views

19. Mr Høglund introduced the item, and lamented the fact that the Commission had taken safeguard measures against farmed salmon from Norway. These measures were unjustified, he claimed. Ms Walaas supported Mr Høglund's point of view, describing the issue as serious in Norwegian-EU relations. Mr Brinkmann defended the Commission's measures.

Future work of the EEA JPC

20. The services directive and new legislation in the environment field would be presented as reports/resolutions at the next meeting. Mr Høglund, endorsed by Ms Wallis, proposed to present a report/resolution on the status of the resolutions the EEA JPC had adopted during the past five years.

21. Ms Wallis also proposed to put EEA EFTA States' participation in EU programmes and agencies on the agenda, possibly by inviting a speaker to address this issue.

22. Although she commended the EEA JPC for becoming more topical in its choice of reports and resolution, Ms Wallis urged all parties to respect deadlines in the future and to allow ample time for the co-rapporteurs to comment on the first resolution drafts.

Any other business

23. Ms Wallis drew attention to the joint meeting between EEA EFTA ministers and the EP Committee on Foreign Affairs and the EP delegation to the EEA JPC (in March 2004) and whether a similar meeting (possibly also with the participation of the EFTA delegation to EEA JPC) could take place later this year or early next year (after general elections in Norway in September). The EEA JPC would welcome such a meeting.

24. After the 23rd EEA JPC meeting, the President of the JPC sent a letter to the President-in-office of the EEA Council (at the time – David Oddsson) regarding observer status at EEA Council meetings for the presidency of the EEA JPC. A formal letter had at the time not been received. The EFTA side would welcome this request, however the EU side would decline the request as it was not foreseen in the Treaty and could make precedence.

25. Ms Wallis informed the EFTA Members of parliament that access to the EP building would become easier as they would be entitled to using permanent EP badges; a new arrangement which had been accepted by the EP services on her initiative. Mr Høglund expressed his gratitude.

Next meeting

26. The next and 25th meeting of the EEA JPC will take place in the EP in Brussels on 22-23 November 2005 (lunch to lunch).

27. Ms Wallis announced that a joint meeting with IMCO (Internal Market and Consumers' Affairs Committee) in connection with the EEA JPC would be expected to take place on 22 November. The report and resolution on the free movement of services could thus be discussed with Committee Members.

28. The Presidency of the EEA JPC thanked the Icelandic hosts for its organisation of the meeting and social events.

24TH MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

*Nordica Hotel, Reykjavik
Monday, 25 April 2005
09.00 – 12.30 and 14.00 – 17.00*

Agenda

1. Opening of the meeting
2. Adoption of the Draft Agenda (1053119 – PE 350.491)
3. Approval of the minutes of the 23rd meeting of the EEA JPC (1052664– PE 350.451)
4. Development of the EEA Agreement and follow up to resolutions adopted at the 23rd Meeting of the EEA Joint Parliamentary Committee

Statements by

- H.E. Ambassador Jean Louis WOLZFELD, representing the President-in-Office of the EEA Council
- Mr Matthias BRINKMANN, representing the President-in-Office of the EEA Joint Committee
- Minister Elisabeth WALAAS, Norwegian Mission to the EU, representing the EFTA President of the EEA Council and the EEA Joint Committee
- Mr Einar BULL, Member of the ESA College, representing the President of the EFTA Surveillance Authority

followed by an exchange of views

5. Consideration of the draft report on *The Annual Report on the Functioning of the EEA Agreement in 2004* (1053255– PE 350.496)

Co-rapporteurs: Mr Gunnar BIRGISSON (Independence Party, Iceland)
Ms Ewa HEDKVIST PETERSEN (PSE, Sweden)

6. Consideration of the draft report on *Regionally differentiated social security contributions in Norway* (1054049- PE 350.499)

Rapporteur: Mr Morten HØGLUND (Progress Party, Norway)

7. Vote on the draft resolutions

8. Consideration of the Working Document on *New environmental legislation and the EEA* (1053256- PE 350.498)

Elaborated by: Mr Gudlaugur Thor THORDARSON (Independence Party, Iceland)

9. Consideration of the Working Document on *The free movement of services in the EEA – the services directive* (1053257-PE 350.497)

Elaborated by: Ms Diana WALLIS (ALDE, UK)
Ms Julie CHRISTIANSEN (Conservative Party, Norway)

10. EU safeguard measures against farmed salmon from Norway

Introduction by the President of the EEA JPC, Mr Morten HØGLUND followed by an exchange of views

11. Future work of the EEA JPC

12. Any other business

13. Next meeting

24TH MEETING OF THE JPC

Reykjavik, 25 April 2005

List of Participants

Iceland

Mr. Gunnar Birgisson	Independence Party
Ms. Bryndis Hlövdersdóttir	The Social Democratic Party
Mr. Gudlaugur Thór Thórdarson	Independence Party
Mr. Kristinn H. Gunnarsson	Progressive Party

Liechtenstein

Mr. Franz J. Heeb	Progressive Citizen's Party
Mr. Henrik Caduff	Patriotic Union Party

Norway

Mr. Morten Høglund (President)	Progress Party
Mr. Vidar Bjørnstad	Labour Party
Ms. Gunn Karin Gjøl	Labour Party
Mr Hans Kristian Hogsnes	Conservative Party

European Parliament

Ms. Diana Wallis (Vice-President)	Member of the European Parliament, ALDE, United Kingdom
Ms. Ewa Hedkvist Petersen	Member of European Parliament, PES, Sweden
Mr. Mieczyslaw Edmund Janowski	Member of the European Parliament, UEN, Poland

Mr. Ján Hudacky Member of the European Parliament, EPP-
ED, Slovak Republic

EFTA Secretariat

Mr. Øystein Hovdkinn Deputy Secretary-General
Mr. Harald Nybølet Head of Unit
Mr. Gustav Solvang Senior officer
Ms. Lóa Brynjúlfsdóttir Officer

European Parliament Secretariat

Mr. Henrik Olsen Head of Secretariat
Ms. Emma Mollet Administrative Assistant

Secretaries of EFTA Delegations

Ms. Arna Bang Iceland
Ms. Belinda Theriault Iceland
Ms. Gunilla Kranz Liechtenstein
Mr. Christian Syse Norway
Ms. Céline Nerny Switzerland

Observers

Iceland

Mr. Lúðvík Bergvinsson Social Democratic Party

Switzerland

Mr. Mario Fehr Social Democratic Party
Ms. Gisèle Ory Social Democratic Party
Mr. Hans Ulrich Mathys Swiss People's Party
Mr. Felix Müri Swiss people's Party

Speakers & Guests

H.E. Mr. Jean Louis Wolzfeld	Ambassador, representing the Presidency-in-Office of the EEA Council
H.E. Mr. Guttorm Vik	Ambassador, Norwegian Embassy to Iceland
Mr. Matthias Brinkmann	Head of Unit, representing the President-in-Office of the EEA Joint Committee
Ms. Elisabeth Walaas	Minister, representing the EFTA President of the EEA Joint Committee
Mr. Einar Bull	Member of the ESA College, representing the President of the EFTA Surveillance Authority
Mr. Vittorio Ghidi	Desk Officer, European Commission

E U R O P E A N E C O N O M I C A R E A
J O I N T P A R L I A M E N T A R Y
C O M M I T T E E

Ref. No.: 1054613

RESOLUTIONS

Adopted unanimously pursuant to Rules 11 and 13 of the Rules of Procedure,
at the 24th meeting of the Joint Parliamentary Committee

Reykjavik, 25 April 2005

Resolution on *The Annual Report on the functioning of the EEA Agreement in 2004*

Co-rapporteurs: Mr Gunnar BIRGISSON (Independence Party, Iceland) and Mrs Ewa HEDKVIST PETERSEN (PSE, Sweden)

Resolution on *The Review of the Regional Aid Guidelines*

Co-rapporteurs: Mr Morten HØGLUND (Progress Party, Norway) and Mrs Diana WALLIS (ALDE, UK)

RESOLUTION

ON THE ANNUAL REPORT ON THE FUNCTIONING
OF THE EEA AGREEMENT IN 2004

The Joint Parliamentary Committee of the European Economic Area:

- A. in accordance with its task laid out by the EEA Agreement (Article 95, paragraph 4),
- B. emphasising that the EEA EFTA States are not third countries in matters concerning the Internal Market, but full participants,
- C. mindful of the importance of maintaining homogeneity within the EEA,
- D. noting that the information and consultation process provided for by the EEA Agreement is an essential tool for the EFTA States for the shaping of common rules,
- E. recalling its resolution on the functioning of the EEA in 1994 (adopted 29 May 1995), in 1995 (adopted 3 June 1996), in 1996 (adopted 14 April 1997) in 1997 (adopted 25 May 1998), in 1999 (adopted 16 March 2000), in 2000 (adopted 24 May 2001), in 2001 (adopted 20 June 2002) in 2002 (adopted 20 May 2003) and in 2003 (adopted 27 April 2004),
 1. welcomes the Annual Report of the EEA Joint Committee for 2004 and agrees with the general assessment that the EEA is functioning well;
 2. encourages the EEA Joint Committee to draft a more comprehensive and analytical report for 2005 taking major EU developments and horizontal policy issues into account when assessing the functioning of the Agreement, enabling the Report to be understood by a wider audience, which could enhance the democratic scrutiny of the functioning of the Agreement;
 3. appreciates the statement delivered by the President-in-office of the EEA Joint Committee at the 22nd EEA JPC, following the JPC resolutions adopted at the 21st meeting of the EEA JPC concerning the functioning of the EEA Agreement in 2003;
 4. welcomes the high, and increased, number of Joint Committee Decisions incorporated into the EEA Agreement during 2004;
 5. welcomes enlargement of the EU and the EEA on 1 May 2004, notes that not all contracting parties have ratified the EEA Enlargement Agreement and the considerable EEA EFTA contributions to social and economic cohesion in Europe through the new Financial Mechanisms and calls on the EEA Joint Committee to highlight in its Annual Report for 2005 the effects of the financial contributions from the EEA EFTA States to the 10 new EU Member States;

6. welcomes the relatively low number of EU acts under consideration on the EFTA side, notes that most of the slight increase this year can be found in the Subcommittee on the Free Movement of Goods (Subcommittee I), and calls on the relevant parties to explain what exactly constitute an acceptable timeframe for considering EU acts;
7. welcomes the Joint Committee decisions to adopt the Decision incorporating the so-called Telecom package into the EEA Agreement, the Decision on copyright and related rights in the information society, the Decisions integrating the EC Merger Regulation into the EEA Agreement, and the Decision on the reform of the competition rules;
8. reiterates its resolution adopted at the 20th EEA JPC where the JPC urged the contracting parties to find solutions with a view to integrating the supplementary protection certificates for medicinal products, notes that the issue was not discussed by the Joint Committee in 2003, notes that the issue was not mentioned in the Annual Report of the Joint Committee for 2004, and reiterates its call on the Joint Committee to explain in detail the nature of the problem;
9. reiterates its call on the Joint Committee to finalise its decision on the integration of the Regulation on the implementation of the .eu top level domain and questions the time it has taken to reach a solution on the matter;
10. welcome the fact that Norway is in the lead among the 28 EEA States when it comes to transposing EU legislation into national legal order and that the EEA EFTA States in general kept their transposition deficits at a very low level in 2004;
11. welcomes the slight increase in the number of EFTA comments on EC legislation which have been submitted to the EU side, but still urges the EEA EFTA States to take actions with a view to enhanced participation in the EEA decision-shaping process at the earliest possible stage in the legislative process;
12. welcomes EEA EFTA comments submitted on general, horizontal policy issues to Heads of States and Governments and EU presidencies;
13. notes that the European Commission has decided to open safeguard investigations on farmed salmon, and calls on the Commission to provide further information on the reasoning behind its decision, particularly in the light of WTO rules ;
14. notes the increased role of agencies in the EU, underlines the need for EEA EFTA participation in EU agencies dealing with matters covered by the EEA Agreement, welcomes the participation of the EEA EFTA States in the European Aviation Safety Agency (EASA) and urges the contracting parties to make provisions for the EEA EFTA participation in the European Food Safety Authority (EFSA);

15. deplores the delays concerning EEA EFTA participation in EFSA due to issues of technical nature, and urges the contracting parties to come to a solution on the matter shortly;
16. calls on contracting parties to explain the issue of the Emission Trading Scheme and its possible relevance for the EEA Agreement;
17. welcomes the integration of the new e-Learning programme into the EEA Agreement, and the continuation of the Daphne Programme and the Consumer Protection Programme in the EEA Agreement;
18. calls on the EEA EFTA States to pursue the Lisbon Strategy in line with the EU Member States, welcomes the inclusion of the EEA EFTA States in the Structural Indicators in 2003, deplores their exclusion in 2004;
19. calls on the EEA EFTA States to pursue monitoring and assessing the EU Neighbourhood Policy as this policy could have important repercussions for the EEA EFTA States and stresses the need for further developments of the Northern Dimension;
20. notes the letter written by EEA JPC President on behalf of the EEA JPC, to the President-in-office of the EEA Council, on access of EEA EFTA Parliamentarians in the early stages of EEA decision-shaping, endorses the proposal made in the letter, and calls upon the relevant parties to submit a response on the matter.

RESOLUTION

ON THE REVIEW OF THE REGIONAL AID GUIDELINES

The Joint Parliamentary Committee of the European Economic Area:

- A. taking into account the ongoing review of the regional aid guidelines,
 - B. bearing in mind the positive experiences of the use of regionally differentiated social security systems in Norway and Sweden to stimulate employment and settlement in sparsely populated areas,
 - C. noting that the former Norwegian system of regionally differentiated social security tax was the single most important instrument in Norwegian regional policy, and was widely considered to be the most clearly targeted and cost-effective means of stimulating employment and settlement in sparsely populated areas;
 - 1. recalls that parts of the northern areas of Europe are characterised by very low population density, long distances and harsh climate, that depopulation due to lack of employment opportunities is a problem in many of these areas, making them more vulnerable to any negative population trend;
 - 2. underlines that the systems of regionally differentiated social security tax can represent an effective measure to promote employment in these regions as the lower tax rates were directly linked to gross salary payments of the employees' residing in the actual regions and that the lower tax rates applied automatically to *all* firms and companies with the decisive factor being residence of the employee only;
 - 3. welcomes the Commission's forthcoming revision of the guidelines on national regional aid, as it is hoped this might lead to more flexible rules regarding the use of cost-effective measures clearly targeted at stimulating employment and settlement in sparsely populated areas;
 - 4. agrees fully with the Commission's efforts to reduce state aid and underlines that the concern is not the *level* of aid allowed, but the *form* of aid;
 - 5. calls on the Commission to consider, in the review of the regional aid guidelines, the use of effective and cost-efficient measures to prevent depopulation and to stimulate employment and settlement in regions with very low population density.
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EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY
COMMITTEE

Press Statement

Reykjavik, 26 April 2005

Members of the European Parliament and Parliamentarians from Iceland, Norway and Liechtenstein met in Reykjavik on 25 April 2005 for the 24th meeting of the EEA Joint Parliamentary Committee (EEA JPC).

Under the joint chairmanship of its President Morten HØGLUND, Member of the Norwegian Parliament, and Vice-President Diana WALLIS, Member of the European Parliament, the Joint Parliamentary Committee adopted two resolutions on the following topics:

Annual Report on the functioning of the EEA Agreement in 2004

Co-rapporteurs: Mr Gunnar BIRGISSON (Independence Party, Iceland) and Ms Ewa HEDKVIST PETERSEN (PSE, Sweden)

The EEA JPC stated that the EEA Agreement was functioning well. It called on the EEA EFTA States to pursue monitoring and assessing the EU Neighbourhood Policy as this policy could have important repercussions for the EEA EFTA States and equally stressed the need for further developments of the Northern Dimension.

Review of the regional aid guidelines

Rapporteur: Mr Morten HØGLUND (Progress Party, Norway) and Ms Diana WALLIS (ALDE, UK)

The EEA JPC noted that the former Norwegian system of regionally differentiated social security tax had been the single most important instrument in Norwegian regional policy. The EEA JPC recalled that parts of northern areas of Europe are characterised by very low population density and that depopulation due to lack of employment opportunities is a problem in many of these areas. It called on the Commission to consider, in the review of the regional aid guidelines, the use of effective and cost-efficient measures to prevent depopulation and to stimulate employment and settlement in regions with low population density.

The EEA JPC also discussed the free movement of services (the services directive) and new environmental legislation and the EEA.

Mr HØGLUND briefed the EEA JPC on EU safeguard measures against farmed salmon from Norway and the recently imposed anti-dumping measures against

Norway. He underlined that in Norway's firm opinion trade defence measures were neither called for nor legally justified in accordance with the WTO rules. The Commission provided information on the reasoning for its decision.

Ambassador Jean Louis WOLZFELD, representing the EEA Council, Matthias BRINKMANN and Elisabeth WALAAS, representing the EEA Joint Committee and Einar BULL, representing the EFTA Surveillance Authorities briefed the JPC on the functioning and development of the EEA Agreement.

Members of the Swiss Parliament attended the meeting as observers.

The next EEA JPC meeting is scheduled to take place in Brussels on 22-23 November 2005.

The adopted resolutions are attached.

For further information, please contact:

European Parliament

Mr Henrik Olsen
tel: +32-2-284 27 79
e.mail: holsen@europarl.eu.int

European Free Trade Association

Mr Gustav Solvang
tel: +32-2-286 17 24
gustav.solvang@efta.int