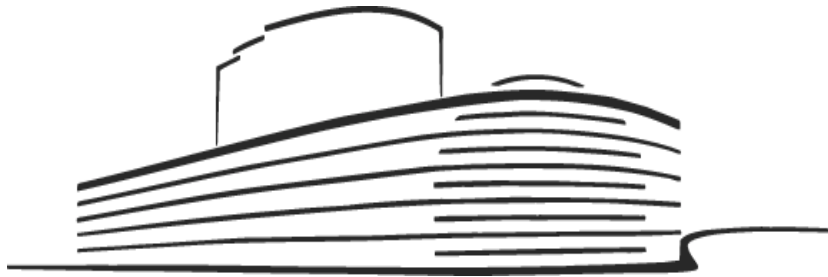


EUROPEAN PARLIAMENT



2004 - 2005



TEXTS ADOPTED

at the sitting of

Thursday
11 March 2004

P5_TA-PROV(2004)0183

Internal market strategy - Priorities 2003 - 2006

*{ TC"(A5-0116/2004 - Rapporteur: Bill Miller)"\l3 \n> * MERGEFORMAT }*

Committee on Legal Affairs and the Internal Market

PE 338.443

European Parliament legislative resolution on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Internal Market Strategy - Priorities 2003-2006 (COM(2003) 238 – C5–0379/2003 – 2003/2149(INI))

The European Parliament,

- having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Internal Market Strategy - Priorities 2003-2006 (COM(2003) 238) – C5–0379/2003,
 - having regard to the Report from the Commission to the Council, the European Parliament and the European Economic and Social Committee on the operation of Directive 98/34/EC from 1999 to 2001 (COM(2003) 200),
 - having regard to the Commission Staff Working Paper on the Internal Market Scoreboard (SEC(2003) 224),
 - having regard to its resolution of 13 February 2003 on the 2002 Review of the Internal Market Strategy - Delivering the Promise¹,
 - having regard to the opinion of the European Economic and Social Committee (CES 932/2003)²,
 - having regard to Article 14 of the Treaty,
 - having regard to Rules 47(2) and 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Legal Affairs and the Internal Market and the opinions of the Committee on Employment and Social Affairs and the Committee on Industry, External Trade, Research and Energy (A5-0116/2004),
- A. whereas the need to take account of people with disabilities in the development of Internal Market legislation is enshrined in Declaration 22 annexed to the Amsterdam Treaty, and whereas more and more legislation and regulations at national and European

¹ P5_TA(2003)0058.

² OJ C 234, 30.9.2003, p. 55.

level establish accessibility and design for all requirements; whereas there is a need for a coordinated and structured approach in this area,

- B. whereas the Lisbon European Council held out the promise of achieving the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, and whereas, the aims and objectives having been drawn up in 2000, it is time to reflect on the progress made and the question whether there is a need to update and reassess these aims and objectives,
- C. whereas completion of the Internal Market has been highlighted by the European Council as a priority in achieving the Lisbon goals,
- D. whereas reference was also made to promoting social inclusion, which encompasses improving skills, promoting access to knowledge and opportunity, fighting unemployment and developing priority actions addressed to minority groups, children, the elderly and the disabled,
- E. whereas completion of the Internal Market will clearly be a major factor that will help the Union to achieve the conditions for full employment,
- F. whereas the existing Internal Market programme, in its first 10 years, is estimated by the Commission to have created 2.5 million extra jobs and nearly €900 billion extra wealth; whereas the 2003-2006 action programme promises continued benefits in jobs and wealth creation, provided that flanking measures in social and employment policies are carried through,
- G. whereas the Internal Market Action Plan must be buttressed by the European Employment Strategy for structural reform in labour markets, which is an essential basis for the creation of more and better jobs and must involve the social partners, that is to say, in plain English, employers and trade unions,
- H. whereas, by the Commission's own admission, the slow pace of liberalisation and structural reform is sapping the EU's global competitiveness since intra-Community trade is stagnating, price convergence is coming to a halt and direct foreign investment is declining,
 - 1. Strongly endorses the Internal Market Strategy priorities 2003-2006, as set out by the Commission; commends the proposed policy framework as balanced and achievable; endorses the focus on strengthening the 'fundamentals' of the Internal Market;
 - 2. Is pleased to note that many of the suggestions made in Parliament's last report on the Internal Market Strategy have been reflected in this Strategy;
 - 3. Rejects efforts to make water and waste disposal services subject to a single market sectoral directive; considers that liberalisation of water supply (including wastewater disposal) should not be carried out in view of the distinctive regional characteristics of the sector and local responsibility for provision of drinking water as well as various other conditions relating to drinking water; calls, however, without going as far as

liberalisation, for water supply to be 'modernised' in accordance with economic principles and with quality and environment standards and the needs of efficiency;

4. Endorses the high priority given by the Commission to strengthening the "basics" of the Internal Market, and strongly supports the package of initiatives that address the failure by Member States to transpose and enforce many Internal Market directives; welcomes new ventures such as the SOLVIT project;
5. Considers that, since water is a shared resource of mankind, the management of water resources should not be subject to the rules of the internal market;
6. Supports the Commission's view that the principle of mutual recognition is the cornerstone of the Internal Market and agrees that actions are needed to improve transparency in cases where mutual recognition is disputed; considers that a new regulation to establish key principles could play a significant role in dealing with the frustrations expressed by many companies, particularly SMEs;
7. Considers that the development of 'New Approach' directives has been a major success in the evolution of the Internal Market; supports reforms to improve consistency, implementation, certification and surveillance procedures;
8. Emphasises the need for consistent and correct application of the CE mark, so that it can provide consumers with security in their purchasing decisions; asks the Commission to intensify co-operation between Member States to combat fraudulent use;
9. Calls on the Member States to give their strong support to the work of the Competitiveness Council in reviewing the barriers to improved competitiveness, and to place the completion of the Internal Market at the centre of their work;
10. Questions, in the light of experience with the liberalisation of the electricity and railway industries and having regard to the economic slowdown, whether this experiment should be extended any further in the absence of proven benefits and certainly not in the area of water supply and treatment, since it tends to divert attention from the real problems and may jeopardise security of supply;
11. Stresses that the social dimension of the Internal Market Strategy should be developed with the idea in mind that it should reinforce rather than hamper the effective and efficient functioning of the Internal Market; considers that, in turn, the Internal Market should reinforce the social dimension by creating more and better jobs, wealth and social cohesion;
12. Notes that opening up of the market in the network industries sector has delivered major benefits for consumers and businesses, by way of increased competition, greater choice, improved technological innovation and lower prices; welcomes the proposals to continue liberalisation and opening up of markets in other sectors while always respecting universal service obligations;
13. Insists that liberalisation of services should only proceed in a reasonable and flexible way that takes proper account of the realities of, for example, remoter parts of the Union; welcomes the potential for flexibility in relation to local transport services indicated by

the recent Altmark judgment; and regrets that the Commission remains insufficiently flexible in relation to internal ferry services within Member States where public service obligations apply to such services of general economic interest;

14. Welcomes the continuation of the benchmarking of liberalised services; calls on the Commission to ensure that benchmarking exercises are based on a broad set of criteria, including the protection of different groups of consumers, concentration of market power and any direct or indirect impact on employment or the environment; calls on the Commission actively to consult with relevant social and environmental organisations, consumer groups and the social partners through the EU sectoral committees existing in areas such as telecommunications, postal services, electricity and transport, when developing its benchmarks;
15. Believes that peer pressure, competition policy and benchmarking are effective instruments for the further completion of the Internal Market and for enhancing the EU's competitiveness in the global market place;
16. Adds that the continuing failure by Member States to fulfil their Internal Market obligations compounds the present economic difficulties and engenders disillusionment with the European Union among business people and citizens;
17. Strongly criticises the Member States for allowing the transposition deficit to rise again, considers that "naming and shaming" via the Internal Market Scoreboard has proved to be insufficient and calls on the Commission to come up with new plans for dealing with infringements expeditiously and effectively, in particular, through a more systematic approach to the imposition of fines on Member States in breach of their obligations and the introduction of a fast-track procedure before the Court of First Instance;
18. Encourages Member States to cut Internal Market infringements by at least 50% by 2006; welcomes proposals to improve the consistency and speed of transposition of internal market measures; recommends a firmer commitment on the part of Member State parliaments to address the problem of 'gold plating';
19. Points out that Member States which transpose Community legislation late and act in breach of Community rules cause economic harm to the other Member States, thereby damaging employment prospects; urges the Commission to develop more compelling instruments which apply greater and earlier penalties to Member States that transgress in this regard;
20. Notes that inconsistent national legislation, together with failure to respect the principle of mutual recognition, poses a major problem for the supply of goods and services across borders; calls for Member States to show an increased readiness to partake in administrative cooperation in order to alleviate this problem;
21. Expresses in this regard the strongest possible support for the SOLVIT programme, but deplores the failure of Member States to provide adequate resources for this useful tool;
22. With its recent approval of the public procurement package, re-emphasises the importance of introducing these reforms without delay so that the benefits of more

efficient and effective procurement can reach citizens by achieving the best solution in terms of quality and price;

23. Calls on the Commission to develop implementing guidelines on and tools for the new public procurement rules, in particular as regards the integration of social and environmental considerations;
24. Calls on the Member States, present and future, to make the utmost effort to make good the information deficit so as to allow all citizens of the Union to obtain adequate information with a view to enabling them to reap the full benefits of the Internal Market, particularly by encouraging assistance for young workers in finding lasting employment;
25. Notes that completion of the Internal Market is a lasting responsibility between Member States, the Commission and Parliament; calls upon Member States to give Internal Market issues a higher priority in their national political debates and decisions; considers that all Member States should have a clearly identified "Internal Market Office" as a focal point for all their internal market activities;
26. Emphasises the importance of extending the benefits of the Internal Market to the accession countries; notes that there is a risk of market fragmentation unless Internal Market provisions are quickly enacted; welcomes the proposals to provide support for accession countries in transposing and operating the Internal Market *acquis*;
27. Approves the Commission's insistence on administrative cooperation between existing and new Member States and urges the Commission and Member States, existing and new, to step up this cooperation to ensure full and consistent implementation of Internal Market rules;
28. Calls for coordination and cooperation also within the Commission so that other Directorates-General (DGs) concerned are involved and that social, environmental and consumer protection considerations are integrated into DG Internal Market proposals;
29. Welcomes the emphasis on the need to train civil servants in the implementation of and monitoring of compliance with Internal Market rules;
30. Believes that Parliament, the Commission and the Member States, in partnership with consumers, employers' and business organisations and trade unions, should work together to promote the benefits of the Internal Market and encourage undertakings to take advantage of the opportunities it affords;
31. Welcomes the European Commission proposals in the field of standardisation and mutual recognition, and calls on the European Commission, in cooperation with standardisation bodies and relevant stakeholders, to develop common standards for the integration of design-for-all requirements that facilitate accessibility for people with disabilities in product design;
32. Urges the Commission to conduct an inquiry into the 'gold-plating' of Community legislation, the imposition of unnecessary bureaucracy and the costs of non-application of the principle of mutual recognition and of requirements for local testing and certification;

emphasises that European impact assessment could play an important part in alleviating the administrative burden created by European regulation;

33. Calls on the Commission to evaluate the impact of Private/Public Partnerships on the democratic accountability of public authorities in providing public services, and the long-term viability of PPPs, to assess the social consequences for workers and users and to consult with relevant societal organisations, including the social partners, through the inter-sectoral and sectoral social dialogue structures;
34. Welcomes the attention given to improving the climate for business, particularly in the area of regulatory reform; welcomes the intention of the Commission to adopt Parliament's proposal for an Internal Market 'compatibility test'; endorses the new proposals to develop indicators to measure progress towards a better quality regulatory framework;
35. Reiterates its call for the Commission to step up its work to simplify the burdensome VAT system and to ensure that the real impact on business, in particular on SMEs, is more thoroughly evaluated whenever new legislation is proposed;
36. Emphasises that deregulation and reduction of the administrative burden of Community legislation and incisive cost-benefit analyses of legislation are key requirements for meeting the Lisbon objectives; notes that the assessment of the impact of EU legislation on business, and of economic aspects of subsidiarity and proportionality, is currently unsatisfactory; asks the Commission to establish an independent advisory group to assess the business impact of EU regulation;
37. Underlines the need to create a better legal framework for intellectual property rights in the Internal Market; is concerned that the Community patent is still not operational and that there are continued uncertainties for investors developing digital devices; looks forward to the planned communication on the management of copyright and related rights; draws the attention of the Commission to Parliament's recent report on this topic;
38. Welcomes the Commission's intention to raise the profile of the Internal Market internationally and to conclude partnership, cooperation and association agreements with other countries; notes the importance of very close collaboration with the USA, particularly in the fields of financial markets, corporate governance, data protection and intellectual property, but recognises the importance of promoting the European social model as part of raising the international profile of the Internal Market;
39. Is concerned by the lack of knowledge of Internal Market rights displayed by citizens and businesses, as revealed by Internal Market surveys; requests the Commission to intensify its efforts to promote the Internal Market, and to work closely with business organisations, especially those representing SMEs;
40. Points out that inconsistent data protection laws and data transfer restrictions remain a major obstacle to Internal Market development; calls on the Commission and Member States to expedite agreement on a model contract for data transfer and transposition of the Data Protection Directive¹;

¹ OJ L 281, 23.11.1995, p. 31.

41. Notes that, of the four freedoms of the Internal Market, the free movement of workers is the least developed and that ambition is lacking with regard to increasing labour mobility in the enlarged EU under good conditions, although this is a key answer to the problem of an ageing European population;
42. Urges the Commission to reinforce the EURES networks, to organise them into a real cross-border employment service, to promote a clear link with the accessible and swift problem-solving mechanism SOLVIT for citizens and companies, and stimulate SOLVIT's activities in the field of cross-border labour mobility (for example, in relation to qualifications or social security);
43. Agrees that the full and timely implementation of the Pension Funds Directive is highly desirable, given that enabling multi-national companies to run single EU-wide pension funds will facilitate the mobility of workers across borders, thereby strengthening a significant aspect of the social dimension;
44. Instructs its President to forward this resolution to the Council and Commission, and the governments of the Member States.