



**DIRECTORATE GENERAL INTERNAL POLICIES OF THE UNION**  
**Committee on the Internal Market and Consumer Protection**  
**- Secretariat -**

**IMCO-06-0274**  
Brussels, 14 September 2006

## **FEEDBACK NOTE**

**IMCO Committee Meeting of 13-14 September 2006**

The Committee on Internal Market and Consumer Protection (IMCO) *inter alia*

- ) had an exchange of views with **Commissioner Verheugen**
- ) had an exchange of views on the **Second Reading** Recommendation on **Services** in the Internal Market
- ) voted a **First Reading** report (*placing on the market of pyrotechnic articles*) and two opinions ( Revision of directives on *medical devices* and the 2007 budget)
- ) had a presentation by the European Commission of the **Single Market Review**.

### **Presentation of the Single Market Review from the European Commission**

The Commission presented preliminary conclusions from its public consultation on the Single Market Review, headlined as a major political objective in the 10 May Communication on "European Citizenship and the Internal Market". The Commission representative highlighted the remaining gaps in the Single Market, a perception that it had not delivered for consumers and the need for 'vision' and leadership from the Commission.

Members reacted strongly to the extremely low level of response (only 242 distinct replies) which they considered made the system of consultation a flawed process.

### **Exchange of views with Commissioner Verheugen**

The Vice-President presented, in the context of the Annual Policy Strategy for 2007, his plans for forthcoming proposals, notably on the new concept for the "New Approach" Directives and a new Notification procedure for Services, once the Services Directive has been adopted. He put heavy emphasis on Better Regulation and Simplification, and said the Second Reading of the Directive on *Nominal Quantities for Pre-packed products* (TOUBON report) would be a "litmus test" for better regulation. The Commission's modified proposal liberalised all sectors and Vice-President Verheugen said he "would not budge" from this position. He acknowledged that it would be a difficult Second Reading but said "we need to give a signal on scrapping regulation".

## **Second Readings:**

### **Services in the Internal Market - Rapporteur: E. Gebhardt**

The Rapporteur presented her draft Recommendation for Second Reading with a total number of 11 amendments. The Rapporteur acknowledged the fact that both Council and Commission had respected 90% of Parliament's position at first reading and therefore, considered that there were no major differences between the two co-legislators. However, she was of the opinion that as Rapporteur, she ought to present a reduced number of amendments where there were still some minor discrepancies between Council and Parliament, with a view to improving the legal clarity of the final text. These proposals were considered by the Rapporteur as a basis for the discussion, in order to reach a good compromise with Council at second reading under the Finnish Presidency.

Andreas Schwab, in the absence of the EPP-ED shadow rapporteur, strongly advised the Committee to abstain from any substantial changes on the common position. He warned that any amendments which could endanger the compromise brokered in Council would not be acceptable for the EPP-ED group. Following the same line of reasoning, other speakers from the EPP-ED group (Thyssen, Toubon, Lechner, Roithová, Pleštinská, Cedershiöld, Handzlik) considered that the Rapporteur's amendments would upset the Council's compromise.

Along with other ALDE Members (Lambsdorff, Manders), Anneli Jäätteenmäki, ALDE shadow rapporteur, agreed that some of the amendments changed the text substantially. She therefore considered that the amendments were contrary to the Council's compromise, which could likely be put at risk.

By contrast, speakers from the PSE group (Vergnaud, Hamon), the Green shadow rapporteur Pierre Jonckheer, and GUE shadow rapporteur, André Brie, took the view that, while the Rapporteur was seeking common ground, Parliament's position at first reading should be totally restored, in particular as regards the issues of labour law, social services of general interest and services of general interest. Therefore, they were considering the possibility of tabling amendments on these lines.

The representative of the Presidency-in-office made a surprisingly strong statement against the Rapporteur's proposals, considering that *"it would be extremely difficult, if not impossible, to accept amendments of this nature in Council"*. The Commission representative fully shared the assessment made by the Presidency and asserted that the amendments could re-open the deal made in Council and would make the text less clear.

### **Community action programme in the field of consumer protection (2007-2013) - Rapporteur: M. Thyssen**

The rapporteur informed the Committee on progress in the efforts to reach an early second reading agreement and the informal meetings between the EP, Finnish Presidency and the Commission which have taken place.

At present, all political groups, except the PSE, can agree to the draft Council Common Position and do not intend to table amendments in the second reading. Informal discussion on the outstanding issues on specific programmes and collective and individual redress will continue between now and the Competitiveness Council of 25 September.

If the programme can be adopted without amendments in the second reading, it can start on time from January 2007, with a significantly reduced budget in line with the Financial perspectives.

### **First Readings:**

#### **Paperless environment for customs and trade- Rapporteur: C. Heaton-Harris**

Although the Council is divided, the Rapporteur indicated that he fully supports the Commission proposal and will not table any amendments.

#### **Community Customs Code - Rapporteur: J. Fourtou**

#### **Customs 2013 programme - Rapporteur: J. Fourtou**

Members had a debate on the draft report on the Modernized Custom Code and on the 'Customs 2013' Programme. The draft report will be voted in October on account of the urgency to ensure a smooth transition from the current to the new Customs programme.

#### **The placing on the market of pyrotechnic articles - Rapporteur: J. Hasse Ferreira**

The Committee unanimously adopted its report on this "New Approach" Directive. Ten compromise amendments were agreed by all political groups, which mainly addressed the issues of: (a) the scope (products used by the manufacture in his territory would be excluded); (b) the possibility of grouping similar articles for testing purposes; (c) the responsibility of the importer of fireworks to take on the same obligations as manufacturers; (d) the creation of a specific category for theatrical pyrotechnic articles, in order to take due account of their specificities for the elaboration of harmonised standards; (e) the establishment of a new module for the assessment of fireworks for professional use; (f) the extension of the transposition deadlines; (g) the establishment of common criteria for the collection and updating of data on accidents;

The Rapporteur and the Presidency-in-office will endeavour to reach an agreement at first reading. Although the adoption in Plenary is scheduled for October II part-session, negotiations, especially within Council, may require a postponement to November.

### **Own-initiative reports:**

#### **Public-Private Partnerships - Rapporteur: B. Weiler**

The draft Report was well-received by all political groups as presenting a good balance between the interests of the private and public sectors. The main topics cover the competitive dialogue, the need for legislation on concessions, IPPP and In-house as well as the handling of intercommunal cooperation.

#### **Cross-border Client Liability for Service provision in the Internal Market - draftsman: L. Lehtinen**

Mr. Lehtinen proposed a new title for the report. He explained that he intended to address the issue of obligations of service providers towards consumers, including both private and public providers and providers working under a universal service obligation. The report will consider whether there are differences relevant from the perspective of the internal market and whether there is a case for harmonisation. It will take into account the existing consumer *acquis*.

## **Opinions:**

### **Budget 2007: Section III, Commission - draftsman: B. Newton Dunn**

Amendments by the draftsman restoring the PDB figures for the Customs Programme 2007 and staff expenditure on consumer protection were adopted. A PSE amendment adding 1.5 Mio € to the consumer protection programme was rejected on the grounds that it exceeded the amounts foreseen in the Financial Perspectives.

### **Mortgage Credit - draftsman: M. Medina Ortega**

Members had a brief final debate of this draft opinion to be adopted on 5 October.

### **Revision of directives on medical devices - draftswoman: A. Jääteenmäki**

The draft Opinion was adopted unanimously. Out of the 40 tabled amendments 13 concern the free movements of goods or the harmonisation of technical standards, for which the application of Rule 47 will be requested.

### **Coordination of certain of the Member States' provisions on television broadcasting - draftswoman: H. Rühle**

The Committee held a first exchange of views on the 190 amendments tabled in IMCO committee on 4 September. All political groups agreed on the fact that compromise amendments (notably regarding the scope, including co and self-regulation, the country of origin principle, product placement and advertising rules), were necessary in order to have IMCO's position seriously taken into consideration in the lead committee, which may be confronted with a very large number of amendments. Hence, the draftswoman will hold a number of meetings with the shadow rapporteurs, before the vote scheduled for 5 October.

### **Definition, description, presentation and labelling of spirit drinks - draftsman: G. Titley**

The IMCO Committee considered its Opinion on this regulation, the purpose of which is to update the relevant legislation. As before, discussion was dominated by the controversial issue of the definition of vodka. Draftsman Mr Gary Titley presented his compromise amendment on this question.

### **Professional Sport in the Internal Market - draftsman: T. Manders**

Members had a final debate, with the draft opinion to be adopted on 10 October.

### **Oral Question on gambling**

Members decided to refer the issue back to the political groups and postponed the vote on the Oral Question to the next meeting.

IMCO Secretariat

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