

*Permanent Representation of Ireland to the European Union*

**To:** Tony Joyce, Michael Clarke, DETE

**c.c.** D/ETE: Seamus O'Morain, Sean Smith, Lorraine Benson, Tommy Murray;  
PRB: Ken Thompson, DPR, Deirdre Ni Fhalluin, D/ETE Group, Jennifer Mangan, Brussels PR Bordereau.  
DFA: Eamon Hickey, Gearoid McNamara, Sean Murphy

**From:** Phil Lynch, PRB

**Meeting:** Coreper I

**Item:** Amended Draft Directive on Services in the Internal Market.

**Date:** 12 May, 2006

**Summary**

This was the first substantive discussion of the proposal at Coreper and lasted for about four hours. Pres had circulated a doc (8973/06) the previous day listing various points that would be discussed relating to articles 1-3 (subject matter, scope and relationship with other Community law) and 16-17 (freedom to provide services and derogations from it) but in the event only about half of them were discussed in any detail. Pres tabled six compromise texts in the meeting and UK and DK also tabled texts. There were calls for advance circulation of texts for future discussions.

While progress was made on some points it is hard to assess how much as Pres did not really conclude formally on anything pending further reflection and will produce a new doc on Tuesday for discussion at Coreper on Wednesday (17<sup>th</sup>). There was some contention about the lack of clarity and conclusion by Pres on what had been discussed in both Coreper and in the two working group meetings on 5 and 11 May. Furthermore, the Pres apparent conclusion to retain part of article 3 also caused contention and challenge on the basis that the majority of delegations that had intervened had called for the provision to be amended or deleted.

Otherwise the exchanges were on predictable enough lines with two 'camps' by and large identifiable – DE, FR and others who wanted to stick as close as possible to the EP text and warned of the political and other consequences of not doing so and those notably NL, Lux, UK and the new eastern MS who wished to make the text less restrictive, less political and more legally sound even if that meant 'upsetting' the EP (a sentiment particularly expressed by NL but supported by others). It was confirmed that the working group would meet again on 16<sup>th</sup> and 19<sup>th</sup> of May to discuss any outstanding issues outside of articles 1-3 and 16-19 and that a doc would be prepared for the 19<sup>th</sup> containing all the relevant amendments to be discussed. (It is not clear what will happen after the 19<sup>th</sup>. There will then be just one more Coreper opportunity i.e. 24 May, which is effectively the last Brussels working day before the Council on 29 May at which Pres still aims to reach political agreement (25 and 26 May are holidays). There are some suggestions that certain texts may be put directly to Ministers (only) for agreement at the Council e.g. on article 16). [end summary]

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**Pres** introduced the document (8973/06) on which the debate would be based. Referring to **Section A of the doc**, Pres said that reference to the Working Group on 5 May agreeing on a number of points was not to be taken as signifying formal agreement. The principle that nothing was agreed until everything was agreed still applied. (Delegations had raised questions at the working group the previous day about the statement in the Coreper doc given that the Pres had neither drawn any conclusions from the discussion on 5 May nor presented an account of the proceedings and delegations enquired as to which points the Pres considered to have been agreed and which were not).

Moving to **Section B of the doc** containing what it identified as the main outstanding issues, Pres said it was not an exhaustive list but more a work in progress which could be expanded where necessary. Pres asked delegations not to reiterate well known positions which were already set out in papers submitted by MS and which were available to all (the combined initial submissions run to about 120 pages although many of the comments raised by the respective ‘camps’ are to a large extent repetitive of each other on a number of issues). Pres said it would be tabling certain texts and proposed compromises in the course of the discussion.

In a general opening comment **Cion** said that the text in the revised proposal would not win any prizes in a competition for a perfect legal Act – in fact it would not even get on the podium – but this reflected the reality of the situation with the dossier and there was nonetheless a responsibility on all to make progress.

**Pres** opened discussion on the issues in the order they were listed in the Coreper doc.

## **Article 1 – Subject Matter**

### **Criminal Law - Article 1.5, Recital 6(e)**

**Cion** (Berardis) said it was not the intention of the directive to harmonise criminal law or deal with penalties so article 1.5 meant that general rules of criminal law as they applied to all citizens were not affected. However, some criminal measures related to services and these did not have general application but were specific to the service/sector in question. Cion accepted that the article was vague enough but that the recital (6(e)) was clear. The potential use of criminal law to circumvent the services directive was unacceptable.

**Pres** circulated a text which would add the word ‘general’ into the article also reworded the recital.

**LUX** agreed that the article was vague. It could support the new wording for the recital but thought more was needed in the article and suggesting moving the last sentence of the recital to the article. **HU** called for the Cion explanation to be made explicit i.e. service providers could not be obstructed by the application of general criminal law rules. The recital should be moved to the article. **DK** shared the Cion understanding of what was intended. **UK** said it was a difficult issue and the WG had taken a long time trying to find a solution. The Pres compromise looked promising

but would have to be studied and it entered a reservation. **Spain** took same position as UK.

**DE** could not accept the Pres compromise. The current recital should be retained with the added clarification “excluding rules of financial penalties”. It could accept an interpretative statement as to what was meant by criminal law. **FR** said the addition of ‘general’ was unacceptable and reopened the whole debate. Much of its consumer legislation is part of its criminal law. What were general rules and what were specific? It had a similar problem with labour law. Ministers in Graz said they wanted to avoid conflict with the EP but the Pres was moving into murky waters with this proposal and it would lead to trouble with the EP. **Malta and GR** supported FR and DE. **SW** wanted to clarify that it included ‘criminal procedure law’ and that it related to national laws. Agreed with FR that the proposed compromise did not seem to help.

**NL** said there had to be a qualification to the article to ensure that criminal law could not be wrongly used to block services. It did not care if it was the word ‘general’ or some other word but it had to be made clear. It did not care either if the EP flipped over it. **Czech Rep** said the approach should be to get a common agreement on the purpose of the provision and then try to find words to express it. **IT**, however, preferred the existing text and felt the addition of ‘general’ did not help.

**Cion** expressed surprise at the debate and felt the issue was clear – it related to law that affected all citizens, if ‘general’ was added in the article and it was explained in the recital that it did not affect services, that would in fact be in line with what the EP, which had understood the difference, wanted. As regards the DE point on penalties, there were provisions in criminal law which related to different types of services and we must be careful not to broaden it too much. **DE** responded that breaking transport laws was not criminal. **DK** supported. **FR** intervened again to say that adding the word ‘general’ affects the criminal law of MS. We should stick with the amended proposal. There was confusion between ‘general’ and ‘generally’ – the latter meant ‘in principle’ and FR suggested adding ‘in principle’ to the current text.

**Pres** said it had to be understood that the freedom to provide services could not be affected by criminal law. There might be a solution in the suggestions about moving some of the text of the recital into the article. It would ponder the point and Coreper would return to it next week.

### **Labour Law, Charter of Fundamental Rights – Article 1.6 and 1.7**

On 1.6, **Pres** said it was hard to get the balance right and to find a compromise acceptable to all, including in the recitals. As regards Article 1.7, it was clear that the **Charter** was not yet legally binding. **Pres** circulated a text which replaced reference to the Charter with a reference to ‘in Community Law’. **Cion** said the text solved the UK problem. **UK** thought it was helpful but circulated a paper of its own which proposed the deletion of article 1.7 and a redrafting of recital 6(h) including the addition of the phrase “in accordance with Community law and national laws and practices” which was a tried and tested formula used in numerous Community labour law instruments. UK said the latter should also be added to 1.6 on labour law. **FR** was unhappy about dropping reference to the Charter and said that while it was not a legal instrument, it did exist and citizens would ask why it was dropped from the proposal.

**B** also unhappy to delete the reference. **Estonia and Slovakia** supported UK on the Charter. **DK and SW** felt they could live with the UK proposal. **Czech Rep** was positive and would examine the text. **Lith** said the reference to collective agreements in 1.7 was unacceptable and supported deletion of the subparagraph. **Pres** commented that it did not think the trade unions in the EU (including ETUC) would be happy with such an outcome. **SW** disagreed fundamentally with the Lith comment.

On **labour law** in 1.6, **SW** wanted to ensure that the ref to health and safety at work covered the self-employed and also proposed deletion of ‘including’. In addition **SW** wanted to add ref to the ‘general public’ in the context of health and safety. **DE** said it was important that collective agreements were covered in 1.6 and also had some difficulty with the social security reference (and Reg 1408/71) which appeared to be at least in part a linguistic problem but in any event it preferred the EP text on the matter. **FR** supported DE on use of EP text. **B** also had a problem with this point. **Pres** said it would look at it from a legal/linguistic point of view. **UK** wanted its additional text on 1.7 added to 1.6 and also to recital 6(g) and said the SW health and safety concern could be covered in a recital. **Cion** had a problem with the UK text because ‘self-employed’ was not a ‘worker’ under EU labour law. **HU** said it had many problems with the labour law references and while it was not opposed to the wording in 1.6, it suggested that maybe article 16.3 was a better place to deal with labour law.

**Pres** did not draw any particular conclusions.

## **Article 2 – Scope**

### **Services of General Interest 2.2(-a)**

**Cion** referred to the reference to services of general economic interests (SGEIs) in article 16 of the Treaty and said that the debate in the EP had become ideological. However, services of general interest were excluded from the scope while SGEIs were included subject to Article 17. **NL** expressed annoyance with all the references being made to the EP in the Coreper exchanges. The EP was a political body which had produced a political text as well as a legal one. Coreper should remove the political texts and tell the EP that the Council was making a legal text. **PL** supported the NL comments and suggested adding to 2.2(-a) “which are not covered by the definition in article 16 of the Treaty”. **Czech Rep** said it was up to the Council to make the text readable and usable. It recalled that the SEC Conclusions said the proposal should be “largely based” on the EP text but this did not mean it should be simply “copied and pasted”. **Estonia, Slovenia and Slovakia** supported NL and Czech Rep.

**FR** said the reference should be kept in the text. **B** wanted the ref to SGIs retained and expanded to read “non-economic SGIs as defined by MS in accordance with EU law”. **DK** said if it was deleted it would cause problems and questions from the EP and others. Supported the B proposal. **Cion** commented that legal experts would agree with the NL but argued that the recital made the position crystal clear. The **Council Legal Service** said it was legally impossible to put something in a directive that was not covered by the Treaty. **Cion** responded to the effect of ‘yes, but....’. **Lith** said it felt a lot of political pressure in the room and felt alone in trying to get into the debate. The proposal as it was shaped was not of benefit to the EU’s competitiveness.

**Czech Rep** intervened again to say that if the reference had to be kept, the term ‘non-economic’ must be added but it was opposed to the exclusion of SGEIs.

**Pres** moved on to the next point without drawing any conclusion.

#### **Transport – article 2.2(c)**

**Pres** tabled a compromise text: “services in the field of transport, including port services, falling within the scope of title V of the EC Treaty”. **Cion** said it could accept the Pres text. **Spain** agreed. **DE** entered a scrutiny reserve. **SW** asked for clarification as to how the exclusion and the ref to Title V linked with the relationship to international level harmonisation of rules (e.g. UN instruments) which govern some matters in this area at EU level. **Cion** said it was a total exclusion, including the international aspects and the ref to Title V was simply to define what was being excluded.

#### **Audiovisual – article 2.2 (cd)**

**Pres** compromise text tabled as follows: “audiovisual services, whatever their mode of production, distribution and transmission, including radio broadcasting”.

**Cion** said the text covered audiovisual services as such e.g. transmission, but that cinema was not an audiovisual service. **FR** argued that audiovisual had to include cinema. It supported the EP and Cion text and pointed out that the same text had been included in the IMCO report. **Pres** queried what it meant to include cinema in the exclusion – did it mean that an operator could not open a cinema in another MS or sell refreshments in a cinema? **FR** said it was happy to discuss the matter bilaterally with the Pres. **DE** was not quite happy with the compromise and felt the text should stick closer to the EP version. IPR collection services should also be excluded. **Spain** entered a scrutiny reservation.

**Irl** asked for clarification as to whether the phrase “whatever their mode of production, distribution and transmission” was intended only to ‘future proof’ developments in this area. Irl would also welcome confirmation that the exclusion did not extend to related services such as graphics, material for presentations or activities of collecting societies. It appeared to have the potential to be a very broad exclusion.

**NL** supported Irl comments and said that while it had some sympathy for certain cultural protections, the current text was not just future proofing, it covered everything under the sun and was far too wide. **UK** supported NL and Irl. Clarity was needed and neither the article nor recital provided it. The exclusion should be restricted to culturally sensitive aspects. Czech Rep called for as wide a scope as possible. **HU** supported the views of NL etc. and questioned Cion’s intentions on exclusions in areas such as temporary employment agencies and audiovisual. **Cion** had declared that it would be bringing forward specific measures for excluded services. Slovakia and Estonia supported those calling for a wide scope. **B** entered a scrutiny reserve. **PT** was happy with Cion text and wanted as broad a definition as possible. **IT** said the cultural aspects were important and it needed to reflect further.

**FR** said the inclusion of cinema in the exclusion was not a restriction, it was a cultural point. All MS were open to establishment. The directive must preserve cultural diversity. It did not matter whether something was broadcast over the airwaves or transmitted in a cinema. Article 151 (4) of the Treaty dealing with culture was relevant. **Pres** said it would await a definition of ‘cinema’ from FR and maybe discuss the matter bilaterally.

**Cion** said the exclusion covered all transmission services, whatever the mode. Projection in a cinema was an audiovisual transmission. The cinema as such was not. There had to be a provider and a recipient for an activity to constitute a service. Upstream activities such as the production of the film and related matters could not be excluded. Cion had no intention of harmonising the audiovisual sector. The Treaty would apply.

Having covered only three out of the nine points listed under Article 2, **Pres** suddenly announced that it was moving on to Article 3 and would deal with the rest of Article 2 as best as possible at some stage. However, following a questioning of the Pres intentions by the **UK** the former said it would come back to Article 2 at Coreper on Wednesday next.

### **Article 3 – relationship with other provisions of Community law.**

**Pres** distributed a compromise text with a new para 1 which read: MS shall apply the provisions of this directive in compliance with the rules of the Treaty on the right of establishment and the free movement of services. Other Community instruments, in particular those governing specific service activities fully apply and are complemented by this directive.

**Cion** welcomed the Pres text and said the services proposal did not affect the existing acquis but was an accompaniment to it. It was a matter of complementarity.

**B** wished to clarify that the provision covered not just the instruments listed but all current and future instruments. As regards the second sentence of the subpara on private international law (PIL) which referred to consumer protection, Rome I and II offered other options and perhaps the words ‘in principle’ should be added. **FR** said *lex specialis* came before the general law rule. The phrase at the end of the new text “and are complemented by this Directive” raised an element of doubt i.e. did it mean that all sectoral directives would have to be developed through the services directive? Pres pointed out that the text in para 2 (former para 1) covered the issue of which prevailed in the event of conflict.

**LUX** felt there was no need for the test on PIL. It was a throwback to the country of origin principle and also duplicated article 17 (20). It agreed with B that the second sentence referring to consumer protection was wrong. **Estonia** supported Lux and questioned the impact of the Article on future legislative acts. **Lith** also supported Lux. **PL** called for more clarification so as to ensure that it was not limiting the scope of the directive. **DK** could not agree to the deletion of the text on PIL. It shared the doubts of FR on what ‘complemented by’ meant. What were the implications for sectoral directives that only provided for minimum harmonisation – would the

services directive overlay such sectoral directives. The EP had addressed the issue in its recital 8 (b) but Cion had not taken it up. DK would provide a better wording. **SW** supported DK on the point about minimum harmonisation directives.

**Czech Rep** said there was no need to list the particular directives in para 2. Agreed with **FR** that *lex specialis* applied. The ref to PIL in 3.2 conflicted with that in 17 (20) and should be moved to the latter para. There were problems also with the ref to consumer protection in 3.2. **DE** said the debate showed that the new para 1 text proposed by Pres raised more questions than answers. The EP text should be used for both parts of the old 3.2. **PT** had doubts but would study the new text and agreed with **DE** on using the EP text for the old 3.2. **FIN** liked the Pres text including the para on PIL. **UK** needed to study the new text but agreed with Lux on the old 3.2, the second sentence of which confused things. It was trying to interpret a consequence and was inaccurate. Something along the lines of the text could be put in the recitals if needs be. **GR** wanted the package travel directive added to the list in the article. **HU** liked the new text. **Slovenia** thought the new para 1 went in the right direction but supported Lux on the old 3.2. The list of directives in the article was unnecessary.

**NL** suggested the whole article should be deleted though the new para 1 was not too bad. Para 2 (listing of directive) was just political correctness and being nice to the EP. **NL** agreed that the ref to PIL was covered in 17 (20) and should be deleted from article 3 although it hated to see the last remnants of the country of origin principle disappearing. **Slovakia** shared the view that the listing of directives was unnecessary e.g. the TV Without Frontiers directive was already excluded in article 2. The old 3.2 should also be deleted. **Irl** shared the doubts of others about the listing of directives. If labour law, social security and audiovisual services were excluded, why was it necessary to list the PoW and TVWF directives and Reg 1408/71 in this article? We would study the new Pres text for para 1. **Latvia, Malta (?) and IT** shared the doubts of others about aspects of the old paras 3.1 and 3.2. **IT** would like to hear more about the meaning of 'complemented' in the new Pres text and agreed with **UK** on the use of a recital for the second sentence of the old 3.2.

**DK** intervened again and said the ref to consumer protection in the old 3.2/new 3.3 was very important and arose from the debate in the EP about including consumer protection in article 16.3. It would be a big problem to leave it out. **DE** said the EP should not be alienated by changing the text of the old 3.2. **FR** agreed.

**Pres** concluded that it felt the old 3.2/new 3.3 should be kept as was currently drafted.

**Cion** explained 'complementarity' by saying that no Community act totally harmonises and the services directive would be in addition to other sectoral directives. The Professional Qualifications Directive (PQD) covered professional qualifications but there were aspects related to the provision of services by professionals that were not covered by the PQD. The services directive would supplement it and fill in the gaps. In the energy area, directives required the granting of authorisations but they did not specify how such authorisations were to be processed. The services directive would apply to the granting of such authorisations. As regards future Community legislation – laws were evolving and certain sectors might be legislated for in the future or existing legislation extended by further laws e.g if it was decided to introduce specific provisions governing authorisations in the energy sector it would

then be the sectoral directive in question that would apply. There was nothing in the services directive that froze the development of future legislation.

On the issue of minimum harmonisation instruments raised by DK, Cion said that the case-law in the goods area applied in the same way to services. Minimum harmonisation enabled MS to do more, or to do worse, depending on one's point of view but MS could not simply do what they liked i.e. they could not breach the provisions of the Treaty. There was no conflict between minimum harmonisation measures and the services proposal – the latter was a supplement which applied in areas that were not harmonised. In minimum harmonisation measures there was usually an internal market legal base and also a free circulation clause. It was a false problem and should be looked at from the point of view of complementarity.

Concerning the listing of certain directives in article 3, Cion said it was a “belt and braces” approach. The particular measures were especially sensitive so the EP wished to repeat them in this article. Legally speaking it was not very elegant but was intended to avoid future problems (with the EP).

Cion gave a justification for the inclusion of the text on PIL in the old 3.2 and said that 3.2 and 17 (20) covered two different situations – the latter being an exception to article 16. (Some of the Cion explanation was not fully captured and will need to be verified bilaterally).

**DK** reacted sharply to the Cion intervention and said that to describe its concern as a misunderstanding was to underestimate the seriousness of the DK point. Most article 95 measures were not minimum harmonisation directives but there were minimum harmonisation directives in other areas and the services directive should not affect them. DK circulated a text for a proposed new recital relating to article 3 to the effect that in the case of conflict between the services directive and other Community legislation, the other Community legislation, including more stringent national measures implementing such legislation in accordance with Community law, would take precedence.

**FR** said that ‘supplemented’ was the word that caused confusion. It had noted what Cion said about the energy sector and would check it out.

## **Article 16 and Article 41**

**Pres** tabled a compromise text for a new article 41 (5) which would provide for screening of national requirements whose application could fall under article 16 (1) and 16 (3). MS would be required to present a report to the Cion by the date of transposition and by one year from the transposition date Cion would provide guidance on the application of the provisions in question in the context of the services directive.

**Cion** said it now agreed with the EP that the country of origin principle was not the right way to go. In explaining the new article 16, Cion said that the main difference in the new article 16 was that the applicable law was no longer pre-determined and this led to interpretation doubts. MS could only restrict freedom of movement of services



on certain grounds as outlined in the third subpara of 16.1 while 16.2 listed prohibited requirements. The first part of 16.3 was a reminder of what was in 16.1 and the second part of 16.3 was about employment rules. Article 17 enabled MS to go further but subject to the provisions of the Treaty. The texts described the current situation as to what MS could do and could not do and 16.3 set out the restrictions that could be imposed subject to the criteria in 16.1. The EP had voted not to include consumer protection and social policy in 16.3. The text was in conformity with the Treaty. It dealt with free movement and the barriers to free movement. MS were not obliged to impose the barriers but each could do as it wished in this respect subject to conformity with Community law. Limiting the number of restrictions was not an obligation - it was a political choice. The EP had taken that step and Cion agreed with it.

**NL** commented that the EP text on article 16 was not the one it would have preferred. It would look positively at the Pres screening proposal and would also like to see it extended to cover the notification of future national measures. **DE** disagreed and said there was no need to strike a balance in article 41 – it existed already in article 16.

**HU** saw the Pres proposal as a step in the right direction but 16.3 still also needed to be addressed as a number of interpretations were possible. The criteria should apply to all national provisions including employment. **UK** agreed that 16.3 was not the most elegant. The Pres screening proposal was a step in the right direction but needed to cover future measures also. As regards the DE opposition, UK said it was not a burdensome requirement – MS should know what national laws they had and be easily able to notify them. It was done already for technical regulations. **DK, PL, Fin, Czech Rep, Slovakia, Latvia, Lith and Estonia** supported NL, UK and HU in welcoming the Pres proposal and calling for it to be extended to cover future measures. Slovenia was less enthusiastic but could live with it. **CYP** supported the DE line and **Spain** said it was closer to DE and CYP on the matter. **Fin**, supported by **Estonia**, asked for clarification on the relationship between 16.2 and 16.3 – did the 16.3 restrictions override the prohibitions in 16.2? **GR** asked for clarification of what was meant by the second part of the Pres text on guidance to be provided by Cion.

**FR** picked up on the Cion explanation that 16.3 was the most limiting option as regards maintaining restrictions and asked why it should be necessary to introduce more bureaucratic proposals. Its interpretation was that the Pres proposal would require screening of labour law and would lead to Cion producing guidelines on labour law. This was precisely what everyone had tried to avoid. FR warned that if this went ahead it would lead to front page headlines and demonstrations in the streets. **PT** supported DE and was concerned by what FR had said. **B** entered a substantive reservation on the whole matter.

**Pres** said the proposal related to national requirements under the first part of 16.3 i.e. the four policy areas listed but it did not apply to labour law.

**Czech Rep** agreed with the Pres clarification but said that in trying to reach compromise things were being put together that did not fit well together. Czech Rep went on to call for any further compromise proposals to be circulated in advance in future. Pres needed to be clear also about which articles would be discussed and the order in which they would be discussed. It was not sure what exactly had been agreed in this debate or what conclusions the Pres was drawing. For example, Pres had

concluded on keeping the text of article 3 even though many had opposed its retention. Referring to the discussions in the working group, it said no conclusions had been drawn at the first meeting (5 May) and while some had been drawn at the second meeting (11 May) there had not been agreement on everything. How was this work to be taken forward and how were other outstanding issues to be discussed?

**UK**, agreeing indirectly with FR, said there should be no question of MS having to notify their labour laws. The last sentence in article 16.3 was unnecessary if labour law was fully excluded from the directive. There was too much duplication in the text. The last part of 16.3 should be deleted, even if it created a political problem.

**Lux** pointed out that the definition of 'requirement' in article 4 excluded collective agreements and that therefore they would also be excluded from the scope of the new 41.5 which used the term 'requirements'. Lux agreed with Czech rep about Pres conclusion on article 3 – a majority of the interventions (mentioned 13 out of 18) had called for something to be done about it.

**HU, Latvia and Lith** supported the comments of Czech Rep and UK and also called for the deletion of the last part of 16.3. **Lith** said the text was attempting to do things that were legally impossible – para 3 should be deleted.

**SW** agreed that deleting para 3 was logical but politically unacceptable. It also agreed that the concerns of FR about the new 41.5 were important.

**Cion** said that, like others, it would be concerned about the potential administrative burdens but nonetheless it favoured the Pres proposal for 41.5. It was sometimes necessary to invest in order to make savings. Cion was sure that the intention was not to require screening of labour laws and it would try to find an acceptable solution in that regard.

**Pres** said it would conclude on article 3 and other articles discussed but it would have to think about it first. It had listened carefully to all delegations and taken note of their positions. On 41.5, for example, it had noted that many could accept the proposal and wanted it extended to cover future measures but that some were afraid of introducing more red tape. There was also a need for clarification as to exactly what needed to be screened. The working group had looked at articles 4-15 and 20-27 in its two meetings. There had been agreement on some points but not on others. Pres confirmed that the group would meet again on 16 and 19 May. On the 19<sup>th</sup> there would be a doc with all the amendments to be discussed and Pres hoped it could be approved. Any other points that needed to be discussed by the group including articles 28 to 47, article 13.4 etc could also be discussed on the 16<sup>th</sup> and 19<sup>th</sup>. Some MS had not yet given their final views on the compromise text. Pres accepted that it had been difficult for delegations to comment on texts that had only been tabled in the meeting. Over the weekend and into Monday Pres would evaluate the discussion in Coreper and would adapt/improve its proposals and issue them in a doc on Tuesday for discussion in Coreper on Wednesday next (17<sup>th</sup>). It would also come back to the other aspects of the various articles that were not discussed at this session.

**Ends**