

EUROPEAN ECONOMIC AREA

JOINT COMMITTEE

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1 Annex
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ANNUAL REPORT TO THE EEA COUNCIL FOR 1996

I General overview

The EEA Joint Committee met 11 times in 1996, adopted 84 decisions and held consultations on a number of important issues.

This report makes a general assessment of the work of the EEA Joint Committee in 1996, looking first at decision-making procedures and then at decision shaping. Following this overview is a sector-by-sector review of activity under the Joint Committee with particular reference to new legislation incorporated into the EEA Agreement.

Decision making

The rate of decision making in 1996 increased significantly over the previous year. In addition, Decision 71/96 concerning European cumulation constituted a much larger than usual amount of technical drafting. However, the rate of on average seven decisions per month during 1996 meant that the overall number of adopted acts which remained to be incorporated into the EEA Agreement had increased at the end of the year. This means that an extra effort will need to be made in 1997 to accelerate decision making.

Considerable effort was put into preparations for a decision in the important area of veterinary legislation. The result of this effort is expected to be seen in 1997 in the form of a Joint Committee decision.

A list of Decisions adopted by the EEA Joint Committee in 1996 is attached at Annex.

Decision shaping

In line with intentions expressed in 1995, the EFTA side concentrated more efforts on transmitting comments to the EU side through the Joint Committee or its Subcommittees and Working Groups. EFTA comments on a number of issues were transmitted to the Commission, including:

- Draft Proposal for a European Parliament and Council Directive 89/397/EEC on foodstuffs intended for particular nutritional uses
- Commission Proposal for an EP and Council Directive on the legal protection of biotechnological inventions

- Commission Proposal for a Council Directive on the legal protection of designs
- Draft Commission Decision establishing rules for aid to the steel industry
- Proposed safety regime for fishing vessels
- Commission Green Paper: Towards a fair and efficient pricing in transport
- Commission Communication: Towards a new maritime strategy
- Commission Green Paper: The Citizens Network
- Commission Proposal for an EP and Council Directive on the right of establishment for lawyers under their home professional title
- Commission Green Paper: Teaching and Learning. Towards the learning society
- Commission Green Paper: Living and working in the information society
- Commission green Paper: Commercial Communications
- First Commission report on the consideration of cultural aspects of European Community Action
- Commission Communication: The future of social protection. A framework for a European debate

In relation to another body under the EEA, the Joint Committee framed a statement by its President on the useful and constructive resolutions from the EEA Joint Parliamentary Committee (JPC) on the environment and freedom of movement of persons and on relations with the EEA Joint Committee and the EEA Council, which were delivered at the JPC meeting on 3 June in Akureyri. A statement was delivered by the President of the Joint Committee on resolutions on EEA activities and on the single market in telecommunications at the meeting of the JPC on 7 October, in Brussels. The exchange of views in that meeting and the other work done by that Committee are once again a demonstration of the positive contribution made by the JPC to enhance the co-operation within the EEA

The EEA Consultative Committee, whose role is to strengthen contacts between the social partners in the EU and EFTA States and between the social partners and the intergovernmental bodies, held two meetings in 1996. In addition, informal co-operation within the framework of the “osmosis” procedure continued in a satisfactory manner.

II Activities by substance area during 1996, in particular legislation incorporated

Free movement of goods

Customs matters

A substantial amount of resources was devoted to the preparations for the practical implementation of European cumulation, in a joint effort by the European Commission, the EFTA countries and the Central and East European countries. European cumulation was incorporated into the EEA Agreement through Joint Committee Decision 71/96 amending Protocol 4 on rules of origin to the EEA Agreement, allowing for European cumulation as of 1 January 1997.

Protocol 3

Concrete results were achieved concerning processed agricultural products in the form of an agreement between Norway and the Community on the application of Protocol No 2 of the Free Trade Agreement. That agreement entered into force with retroactive effect. At the end of the year Iceland was still in talks with the Commission on bilateral measures under Protocol No 2. Subsequently, it was concluded that, for the time being, no separate arrangements for Iceland under Protocol No 2 were necessary.

Veterinary and Phytosanitary Matters

No new legislation in the veterinary field was incorporated into the Agreement in 1996. However, a substantial amount of effort was spent on a revised Annex I. By the end of the year, the bulk of the technical work on a draft Joint Committee Decision on the revised Annex I was completed, including provisions on veterinary border controls, third country trade and animal welfare.

Six new acts in the area of feedingstuffs were incorporated in 1996, including approvals of additives, guidelines for the assessment of additives in feedingstuffs, the establishment of a list of intended uses of animal feedingstuffs for particular nutritional purposes, methods of calculating energy values for pet-food, the establishment of a list of ingredients whose use is prohibited in compound feedingstuffs and certain products used in animal nutrition.

No new acts on phytosanitary matters were incorporated into the Agreement in 1996. However, the EEA EFTA States continued to examine the Community's legislation on plant health and propagating material, on the basis of detailed information received from the EU side.

Technical Barriers to Trade

During 1996, twenty-three EEA Joint Committee Decisions were adopted in the field of Technical Barriers to Trade, out of which nineteen amended Annex II (Technical regulations, standards, testing and certification) and four amended Protocol 47 (Abolition of Technical Barriers to Trade in Wine). Most of the new acts were in the fields of motor vehicles and foodstuffs.

The review of Community legislation related to derogations in the fields of fertilisers and dangerous substances, as foreseen in the EEA Agreement, was concluded and the results were published in the Section and Supplement to the *Official Journal*.

The close co-operation between the European Standards Organisations (ESO) and the EFTA States was strengthened in 1996. During 1996, fifty-three new standardisation mandates were approved by the Standing Committee of the EFTA States.

The EEA EFTA States continued to follow closely the EU's negotiations on agreements on the mutual recognition of conformity assessment (MRAs) with the United States and Canada, Australia, New Zealand, Switzerland and Japan, in line with the provisions of

Protocol 12, which provides for parallel MRAs to those concluded by the Community with third countries. The EU negotiations with Australia were concluded in 1996 and, in parallel, a draft MRA Agreement between the EEA EFTA States and Australia has been prepared.

Energy

Two acts were integrated into Annex VI during 1996. These included the Commission Directive 95/12/EC implementing Council Directive 92/75/EEC with regard to the energy labelling of household washing machines and the Commission Directive 95/13/EC implementing Council Directive 92/75/EEC with regard to energy labelling of household electric tumble dryers.

Competition

Three acts were incorporated into Annex XIV. These were Commission Regulation 870/95 exempting from Community competition rules certain categories of agreements, decisions and concerted practices between liner shipping companies (consortia), Commission Regulation 1475/95 on certain categories of motor vehicle distribution and services agreements and Commission Regulation 1523/96 on certain practices related to the air transport of cargo.

State aid

Two acts were integrated into the Agreement, both concerning prolongations to the 7th Shipbuilding Directive because the Council Regulation 3094/95 concerning the OECD Agreement on aid to shipbuilding, foreseen on aid to replace the Shipbuilding Directive was not ratified. The 7th Shipbuilding Directive 90/684/EEC was prolonged within the EEA until 1 October 1996 by EEA Decision 16/96 which was applied with retroactive effect. The Directive was prolonged for a second time by Decision 58/96 on 28 October 1996.

Intellectual Property

One new act was incorporated into the Agreement, which was the Directive on the legal protection of databases.

Salmon

Salmon continued to be an issue of dispute. The minimum price regime introduced by the Community, on the legality of which there is an unresolved difference of opinion in the Joint Committee, expired at the end of June. Following the lodging of formal complaints by Community producers, the Commission commenced anti-subsidy and anti-dumping investigations against Norway, and this gave rise to concern on the EFTA side. The EFTA side argued that those horizontal schemes for aid to the fisheries

industries that had already been examined and accepted in the EEA context, should not be called into question.

Free movement of Services and Capital

Financial services

Four Directives were integrated into the EEA Agreement in the field of Financial Services, one was the so-called post-BCCI Directive to strengthen prudential supervision, two Directives amending the solvency ratio Directive (contractual netting and the definition of multilateral development banks) and one amending Article 2 of the first banking co-ordination Directive (list of credit institutions, which are excluded from the scope of the banking directives).

New technology services

No acts were adopted in the field of Telecommunications Services in 1996, though draft decisions for incorporating three Directives on competition in telecommunications services were cleared by the EFTA side in 1996. These include the Directive on the abolition of the restrictions on the use of cable television networks for the provision of already liberalised telecommunications services and two Directives amending the 1990 Directive on competition in services, one on mobile and personal communications and the other on implementation of full competition in telecommunications markets.

With regard to audio-visual services, the Joint Committee adopted Decision 70/96 on EFTA participation in the Media II Programme during 1996.

Transport

On rail transport, a Council Directive on the transport of dangerous goods was incorporated into the EEA Agreement in 1996.

On road transport, four acts were incorporated into the EEA Agreement: a Commission Regulation on recording equipment in road transport, a Council Regulation on telematics in the road transport sector and two Council Directives on the transport of dangerous goods.

As regards maritime transport, the Council Directive on port state control was incorporated into the EEA Agreement. At the end of 1996, Council Regulation 3577/92 on maritime cabotage had still not been incorporated into the EEA Agreement; this situation could jeopardise homogeneity in the area of maritime transport.

Free movement of persons

Mutual recognition of diplomas

No legislation was incorporated in the area of mutual recognition of diplomas. The EFTA side participated in the meetings of the Co-ordinator's Group and "Article 15" Committee of the European Commission and informally in the seven "sectorial committees". The main emphasis of work under the Joint Committee related to administration of recognition schemes in the related committees.

Social security

Seven Decisions of the Administrative Commission on Social Security for Migrant Workers were incorporated into the Agreement. They concern the interpretation or application of Regulations 1408/71 and 574/72 (co-ordination of social security rights). In addition, the EEA Joint Committee adopted two further Decisions in this area: a Decision on the application of social security schemes to employed persons moving within the Community (Council Regulation No 3095/95 and Council Regulation 3096/95) and a Decision concerning miscellaneous amendments to Annex VI (Social Security) of the EEA Agreement.

The EEA EFTA States took an active part in meetings of the Administrative Commission on Social Security for Migrant Workers, of the Audit Board and in a number of Working parties, including TESS (Telematics in Social Security).

Horizontal and flanking policies

Consumer Protection

No legislation in the area of consumer protection was incorporated into the EEA Agreement in 1996.

Social policy

With regard to equal opportunities for men and women, three Joint Committee Decisions were adopted: the first on EFTA participation in the Medium-term Community action programme on equal opportunity for men and women; the second on the balanced participation of men and women in decision making and the third on the image of women and men in advertising and the media.

In 1996, the EFTA States were for the first time invited to participate as observers in the Advisory Committee on Equal Opportunities for Women and Men and to nominate experts to the two Expert Groups on Gender and Employment and Equality Law assisting the Equal Opportunity Unit in DG V.

In relation to the disabled, the EFTA States continued their participation in the third Community programme to assist disabled people (Helios II). In addition, the EFTA States participated actively in the Advisory Committee, the Disability Forum, the

Liaison Group, and the eight Helios Working Groups, including the Integrated Education Group, the Employment Group and the Handynet Technical Co-ordination Group.

With regard to labour law, two EEA Joint Committee Decisions were adopted, incorporating a Council Directive on working time and a Council Directive on the protection of young people at work.

As to matters concerning the elderly, a Council Decision on a new action programme for the elderly which was envisaged for 1995 had not been adopted. However, the EU allocated ECU 6.5 million for measures to assist the elderly. The EEA EFTA States were able to submit applications for funding under the EEA Agreement.

With regard to public health a EEA Joint Committee Decision on EFTA participation in three new public health programmes (cancer, AIDS, health promotion) was incorporated into the Agreement.

The EFTA States were reimbursed for two budget lines relating to the drugs programme under public health and IDA, as common agreement on participation had not been reached by July. The Joint Committee noted that this in no way prejudiced possible participation in the future.

Environment

Directives incorporated into Annex XX to the EEA Agreement in 1996 included the Directives on emissions from large combustion plants and on volatile organic compounds as well as the Regulation on substances that deplete the ozone layer. A number of EEA Joint Committee Decisions were adopted with regard to environmental aspects of technical barriers to trade. Ten Commission Decisions awarding the Community eco-label to certain product groups, adapting the annexes of the Directive on waste and establishing questionnaires in the water and waste sector were incorporated into the Agreement in 1996.

Research and development

In 1996, the EFTA States continued their participation in the Fourth Framework Programme and participated in the management committees established under that Programme.

During 1996, the EFTA States took an active part in first discussions on the Fifth Framework Programme and presented position papers on the focus of the new Programme.

Education, training and youth

No new acts in the field of education, training and youth were incorporated into the Agreement. In addition to the on-going education programmes Socrates, Leonardo Da

Vinci and Youth for Europe, the EFTA States participated in a number of activities organised in the framework of the Commission initiative European Year of Lifelong Learning in 1996.

In 1996, the Commission launched a new pilot scheme in the field of voluntary service for young people. The EFTA States participated as observers with a view to participating fully in 1997. The States also presented a common position on the White Paper on Education and Training and held a first discussion on the Commission Green Paper on Obstacles to transnational mobility in the fields of education, training and research.

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