# Internal market: strategy, priorities 2003-2006

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The European Parliament adopted a resolution based on the own-initiative report drafted by Bill MILLER (PES, UK) on the Internal Market Strategy: Priorities 2003-2006. The Parliament strongly endorsed the Internal Market Strategy priorities 2003-2006, as set out by the Commission and commends the proposed policy framework as balanced and achievable and endorses the focus on strengthening the 'fundamentals' of the Internal Market. Parliament 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. It welcomes new ventures such as the SOLVIT project. It 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. It 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. Parliament emphasises the need for consistent and correct application of the CE mark, so that it can provide consumers with security in their purchasing decisions. It asks the Commission to intensify co-operation between Member States to combat fraudulent use. It 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. Parliament 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. It considers that, in turn, the Internal Market should reinforce the social dimension by creating more and better jobs, wealth and social cohesion. It rejects efforts to make water and waste disposal services subject to a single market sectoral directive as it considers that liberalisation of water supply (including wastewater disposal) should not be carried out given 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. It 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 and welcomes the proposals to continue liberalisation and opening up of markets in other sectors while always respecting universal service obligations. It 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 and welcomes the potential for flexibility in relation to local transport services indicated by the recent Altmark judgment. Parliament welcomes the continuation of the benchmarking of liberalised services and 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. It 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 and 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. It strongly criticises the Member States for allowing the transposition deficit to rise again and calls on the Commission to come up with new plans for dealing with infringements expeditiously and effectively. The EP 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. It 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. The Commission is called upon to develop implementing guidelines on and tools for the new public procurement rules, in particular as regards the integration of social and environmental considerations. MEPs stress the importance of extending the benefits of the Internal Market to the accession countries and notes that there is a risk of market fragmentation unless Internal Market provisions are quickly enacted. It welcomes the proposals to provide support for accession countries in

transposing and operating the Internal Market acquis. Parliament approves the Commission's insistence on administrative cooperation between existing and new Member States and urges that this cooperation be stepped up to ensure full and consistent implementation of Internal Market rules. It 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. It 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 and emphasises that European impact assessment could play an important part in alleviating the administrative burden created by European regulation. It 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. It welcomes the attention given to improving the climate for business, particularly in the area of regulatory reform and the intention of the Commission to adopt Parliament's proposal for an Internal Market 'compatibility test'. It endorses the new proposals to develop indicators to measure progress towards a better quality regulatory framework. The Commission is urged 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. MEPs underline the need to create a better legal framework for intellectual property rights in the Internal Market and look forward to the planned communication on the management of copyright and related rights. They point out that inconsistent data protection laws and data transfer restrictions remain a major obstacle to Internal Market development and call on the Commission and Member States to expedite agreement on a model contract for data transfer and transposition of the Data Protection Directive. Parliament 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. Lastly, Parliament 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).