

Procedure file

| Basic information | | |
|---|--------------------------------|---------------------|
| COS - Procedure on a strategy paper (historic) | 1996/2183(COS) | Procedure completed |
| Services of general interest in Europe | | |
| Subject | | |
| 2.40.02 Public services, of general interest, universal service | | |
| 3.40.14 Industrial competitiveness | | |

| Key players | | | |
|-------------------------------|---|--|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | ECON Economic and Monetary Affairs, Industrial Policy | PSE BILLINGHAM Angela Theodora | 02/12/1996 |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | ENER Research, Technological Development and Energy | GUE/NGL MARSET CAMPOS Pedro | 19/11/1996 |
| | JURI Legal Affairs, Citizens' Rights | PSE COT Jean-Pierre | 19/12/1996 |
| | REGI Regional Policy | ELDR RYYNÄNEN Mirja | 27/02/1997 |
| | TRAN Transport and Tourism | ELDR WIJSENBEEK Florus A. | 26/02/1997 |
| | ENVI Environment, Public Health and Consumer Protection | PSE BOWE David Robert | 21/11/1996 |
| | INST Institutional Affairs | PPE RACK Reinhard | 02/07/1997 |
| Council of the European Union | Council configuration | Meeting | Date |
| | Competitiveness (Internal Market, Industry, Research and Space) | 1993 | 13/03/1997 |

| Key events | | | |
|------------|--|----------------------|---------|
| 11/09/1996 | Non-legislative basic document published | COM(1996)0443 | Summary |
| 21/10/1996 | Committee referral announced in Parliament | | |
| 13/03/1997 | Debate in Council | 1993 | |

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|------------|---|---|---------|
| 04/11/1997 | Vote in committee | | Summary |
| 04/11/1997 | Committee report tabled for plenary | A4-0357/1997 | |
| 16/12/1997 | Debate in Parliament |  | |
| 17/12/1997 | Decision by Parliament | T4-0624/1997 | Summary |
| 17/12/1997 | End of procedure in Parliament | | |
| 19/01/1998 | Final act published in Official Journal | | |

Technical information

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| Procedure reference | 1996/2183(COS) |
| Procedure type | COS - Procedure on a strategy paper (historic) |
| Procedure subtype | Commission strategy paper |
| Legal basis | Rules of Procedure EP 142 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ECON/4/08249 |

Documentation gateway

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|---|--|------------|-----|---------|
| Non-legislative basic document | COM(1996)0443 | 11/09/1996 | EC | Summary |
| Economic and Social Committee: opinion, report | CES0605/1997 OJ C 287 22.09.1997, p. 0085 | 29/05/1997 | ESC | Summary |
| Committee report tabled for plenary, single reading | A4-0357/1997 OJ C 371 08.12.1997, p. 0004 | 04/11/1997 | EP | |
| Text adopted by Parliament, single reading | T4-0624/1997 OJ C 014 19.01.1998, p. 0053-0074 | 17/12/1997 | EP | Summary |
| Non-legislative basic document | COM(2000)0580 | 20/09/2000 | EC | Summary |

Services of general interest in Europe

OBJECTIVE: to present a communication on services of general interest in Europe, calling for the Intergovernmental Conference to insert an explicit reference to these services in the new Treaty on European Union. **CONTENT:** the Commission's communication seeks to recognize and promote recognition of the fact that services of general interest lie at the heart of the "European social model", reflect common values and meet the interests of the citizen, while helping to achieve solidarity and equal treatment. Every citizen should be able to access these services (water, electricity, postal service, telecommunications, railways, civil aviation, radio/television etc., and also health care, housing, education and social protection) at affordable prices, without discrimination and with a guarantee of good quality. In its paper, the Commission affirms that there is no antinomy between competition policy and guarantees relating to these services, which may be provided by private enterprises or by public-sector bodies (or partnerships between the two), either as a monopoly or in competition. European policy should seek to define the tasks which managers are required to carry out and the conditions under which these services should operate within the single market, rather than draw up statutes. The Commission's main objective in its paper is to raise public awareness and call for an explicit reference to services of general interest in the Treaty under negotiation (Intergovernmental Conference). The Commission suggests that this be achieved in a new paragraph in Article 3 of the Treaty by adding a point "u" on "a contribution to services of general interest", thereby establishing that these services constitute a dimension to be taken into consideration when Union action is defined and these policies are drawn up. It should nonetheless be borne in mind that this is a predominantly national area. However, the Commission considers that there is no call to amend Article 90, which has proven its worth by allowing a balance to be maintained between the deregulation of services (mainly by abolishing monopolies) and the safeguarding of the general interests of citizens and society. The Community needs to achieve a difficult balance between the demands of free movement, efficiency and economic dynamic sought by the large European market and free competition on the one hand, and the need to take account of objectives of general interest on the other, whereby this interaction should function to the benefit of the European citizen. It therefore suggests completing the application strategy under Article 90 and defining a number of actions to be implemented to strengthen the link between "services of general interest" and "European citizenship" (which might involve amending Article 8 of the Treaty). In particular, it suggests introducing a "public services charter" on which the Commission services have been working for some time (so far without success). The Commission also reiterates its wish to see the notion of "universal service" currently applied to telecommunications extended to all services of general interest in order to guarantee quality services at affordable prices for everyone:

equality, universality, continuity, adaptation and healthy management at the economic level, transparent charges and funding, controls on service providers. The Commission proposes a series of initiatives to back up its general approach and give practical expression to the notion of "universal" services of general interest: - drafting a communication on the implementation of procedures under Article 90 so that the approach to opening up the markets is transparent, gradual and concerted between the various actors and consumers; - implementing tools to evaluate the operation and the performances of services of general interest and to control the competitiveness of managers (a study is currently under way in order to provide an inventory of the types of market regulation, the ways in which the services are organized in the Member States and the financial interests at stake); - strengthening coordination of national bodies with regard, for example, to conditions for public funding and control systems (it suggests exploring the general quality of services in the Member States, the extent of user rights and possible ways of "integrating" certain general interest service sectors at European level, for example by introducing an air traffic control regulatory body); - mobilizing all Community instruments (especially in research, by placing the general interest at the top of the list of research objectives and with regard to economic and social cohesion, by mobilizing the Community regional funds in order to strengthen equal opportunities and access to services). The Commission paper also includes an analysis of the economic and social importance of the general interest services sector in Europe in terms of turnover and staff employed. At the economic and social level in particular, public-service enterprises, which only provide some of these services, account for approximately 9% of employment, 11% of non-agricultural activity and 16% of Community investments. ?

Services of general interest in Europe

To avoid any confusion, the Committee recommends that only the term "services of general interest" be used in future; such services are regarded as an important element in the European social model, and the Committee defines them as follows: "services which the public authorities class as being of general interest, are accessible to everyone in the EU, satisfy high quality requirements and are available at affordable prices, irrespective of the question who the owner is of the service provider." The Committee therefore thinks that Member States should be able to treat other sectors, such as health care and education, as being of general interest. The Committee also emphasizes that although the introduction of competition in general interest service sectors may result in more effective and efficient service provision, the quest for profitability may mean that services for certain regions or groups are threatened, as is clear from developments in some sectors. Regulatory measures are needed to remedy this. The Committee does not endorse the view that Article 90(2) of the Treaty offers sufficient guarantees for appropriate measures to be taken at national level. Rather, it thinks that measures must be taken at EU level, as it is at this level that measures likely to jeopardize services of general interest are adopted. The Committee therefore calls for a specific reference to services of general interest in the Treaty, and asks the Commission to use the definition given in the opinion. ?

Services of general interest in Europe

In a report by Ms. Angela BILLINGHAM (PES, UK), the Committee expressed its support for a Commission Communication on general interest services, such as distribution of gas and electricity, railways, local public transport and broadcasting. Stressing the importance of such services for the everyday lives of European citizens, the Committee particularly welcomed the fact the Amsterdam Treaty recognises the notion of services of general interest as one of the common values of Europe. The Committee called upon the Commission to start the process towards full implementation of the provisions on services of general interest. As a first step, the Committee urged the Commission to define the scope and nature of services of general interest, to specify more closely both the level of services necessary for accomplishing EU objectives and the regulatory framework needed to attain those objectives. Following that, the Commission has been asked to draw up a timetable within which it will translate Treaty aspirations into action, specifying for each sector the level of service to be guaranteed and the special rights that may be necessary to carry out the service. In drawing up plans and proposals, the Commission was requested to regularly consult representatives of public service undertakings, competitors and the respective workforces. Equally, the rigorous application of Community Competition Law to services of general interest is of importance. To coordinate the implementation of the provisions on services of general interest, the Commission is requested to attribute special responsibility for public services to one of the Commissioners and one of the Commission's Directorates General. ?

Services of general interest in Europe

In adopting the report by Mrs Angela Theodora BILLINGHAM (PSE, UK) Parliament welcomed the communication from the Commission on services of general interest, as it moved towards proper recognition of public services. Parliament welcomed in particular the fact that the Treaty of Amsterdam (new Article 7d) recognized the notion of services of general interest as one of the common values of Europe, while asserting that the Community and its Member States should oversee the operation of these services within their respective powers. It then called on the Commission to ensure the application of Community competition law to services of general interest. It also pointed out the need for forms of cooperation firstly among the Member States and secondly between the public and private sectors with regard to services of general interest with a view to promoting job-creating projects and developing research. It called on the Commission to define the scope and nature of services of general interest, together with the principles underlying them and also to specify the level of services necessary for accomplishing EU objectives and the regulatory framework needed. It called in particular on the Commission to draw up a timetable for translating the new treaty objectives into measures, specifying for each sector the level of service which should be guaranteed to citizens, the special rights which might be required for provision of these services and the regulatory provisions which should be adopted at Community level. Parliament also called on the Commission to draw up a charter of principles for services of general economic interest which would contain their justification and the principles of these services, the type of missions and rights to be given to operators and a list of sectors where the notion should apply. The Commission was also called on to consult regularly representatives of public service undertakings, competitors and the respective workforces during the process of drawing up its projects and proposals and to designate one member as having special responsibility for public services. It was also necessary to ensure a balanced consideration of the concerns of both competition policy and services of general interest. ?