

# SENATE OF THE REPUBLIC

————— XVII LEGISLATURE —————

Doc. XXIV

No 56

## RESOLUTION OF THE 14<sup>TH</sup> STANDING COMMITTEE

(European Union Policies)

*on the initiative of Senator MIRABELLI*

**approved on 17 February 2016**

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*pursuant to Article 50(2) of the Regulation, on conclusion of examination of the assigned matter: 'The European Union's priorities for 2016 (Commission Work Programme 2016, 18-month programme of the Council (1 January 2016 – 30 June 2017) and Programming Report on Italy's participation in the European Union 2016)'*

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The Committee, having examined the following documents:

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Commission Work Programme 2016: No time for business as usual (COM(2015) 610) of 27 October 2015;

The 18-month programme of the Council (1 January 2016 – 30 June 2017) on the future Netherlands, Slovak and Maltese Presidencies (12396/15), submitted on 3 December 2015;

Programming Report on Italy's participation in the European Union, for the year 2016 (*Annex LXXXVII-bis*, No 3), submitted to Parliament on 23 December 2015;

after considering the opinions given on the above-mentioned documents by the Committees on Constitutional Affairs (10 February 2016), Foreign Affairs (16 February 2016), Defence (3 February 2016), Budget (16 February 2016), Finance (16 February 2016), Education (3 February 2016), Public Works (16 February 2016), Agriculture (16 February 2016), Industry (10 February 2016), Employment (10 February 2016), Health (11 February 2016) and Environment (11 February 2016);

having examined the document prepared by the Conference of the Presidents of the Legislative Assemblies of the Regions and Autonomous Provinces of Italy of 4 February 2016, concerning the European Union's priorities for 2016;

Recalling, in this regard, the cooperation agreement with the Conference of the Presidents of the Legislative Assemblies of the Regions and Autonomous Provinces, concluded by resolution *Doc. XXIV*, No 35, approved on 24 September 2014, which stated that examination of the programming documents concerning European Union policies is a key platform for 'policy-makers' discussion on the main subjects of common interest' between the Italian Parliament and the Regional Legislative Assemblies;

having regard to the resolution of the Assembly of the Marche Region, approved in the meeting of 19 January 2016, and regional vote No 77 of the Friuli Venezia Giulia Region, submitted on 11 February 2016, on the Commission Work Programme 2016;

having regard to the hearing of the European Affairs State Secretary, Mr Sandro Gozi, before the Committee in meeting No 62 of 10 February 2016,

Whereas:

the priorities for 2016 should be seen in the context of an exceptionally serious and difficult situation, characterised by a protracted economic, financial and occupational crisis, compounded by a migration crisis caused by the mass exodus from countries ravaged by severe internal conflicts, and by a security crisis within Europe due to several Islamist terrorist attacks;

the attendant epoch-defining challenges will be a decisive test bench for Europe. The future of the European Union will hinge on its capacity to deliver common answers, without being swayed by national interests, with the conviction that it is only through a European approach that the present crises can be overcome. The current difficulties will also be a litmus test of the European Union's capacity to be perceived again by its citizens as a resource and an opportunity and not, as has been the case in recent years, a bureaucratic entity generating constraints and obstacles;

this is why we need to support strongly the requirement, also stated by the Juncker Commission in its first two Work Programmes (for 2015 and 2016), to generate a step change, modify priorities and adopt new approaches and tools, bringing clear political discontinuity with the past, better suited to address and resolve those crises and mitigate their negative impacts,

calls on Government to:

as concerns institutional aspects:

promote all appropriate initiatives, in preparation for the celebration on 25 March 2017 of the 60<sup>th</sup> anniversary of the signing of the Treaty of Rome, to encourage debate and reflection on the future of the European project and its vital importance for Italy;

take action to avert the prospect of the United Kingdom's exit from the European Union, by defining in greater detail the conditions for the United Kingdom's continued membership in the European Union, which must not call into question the fundamental freedoms, and can constitute the building blocks of the possible and necessary revision of the Union's overall functioning, thereby absorbing in the future too any further national demands by other Member States as well as enabling, additionally, deeper integration of Eurozone countries;

promote the democratic legitimacy of the European decision-making process, and bring EU citizens closer to EU institutions, favouring a stronger role of the European Parliament and the national Parliaments and preventing the rules on better regulation from affecting the core values of the democratic order, first and foremost the functions of representative parliamentary bodies;

promote at European level the need to work towards greater political integration between Member States, within the increasingly globalised context generated by the emergence of new world economic powers; this will also have immediate consequences on the prospect of a unified position of Europe within the UN;

support, despite the negative opinion of some national Parliaments, the project on the European electoral law, presented on the initiative of the European Parliament;

with regard to citizens' employment and health:

work at European level for greater legislative harmonisation in the areas of social security, taxation, and workers' health and safety;

support the establishment of a short-term unemployment insurance scheme, cyclical in nature, complementing the other employment policies. This scheme can constitute a major factor strengthening the Economic and Monetary Union, which should serve to further not only stability but also growth and the promotion of employment. This EU-wide unemployment risk-sharing tool will favour the implementation of national-level structural measures as it will minimise cyclical fluctuations and will ease the costs and burdens of adjusting the labour market within the Monetary Union, enabling 'soft' labour market adjustments in response to cyclical shocks, in a situation of no exchange rate. This action can be implemented without amending the Treaties: it can be taken under Article 136 of the Treaty on the Functioning of the European Union (TFEU) (on coordination of economic policies in the Eurozone) and under the third paragraph of Article 175, which allows the adoption

of specific actions, necessary to coordinate the economic policies of all or part of the Member States to pursue the aims laid down in Article 174 of harmonious development and strengthening of economic and social cohesion. As concerns resources, the scheme may be established with resources of the Member States participating in the Euro area, which can be used to respond to external shocks affecting asymmetrically the different countries of the European Monetary Union;

promote the establishment of common guidelines, at European level, on health policies, in particular as concerns policies for migrants, the fight against non-communicable diseases and information on healthy lifestyles, the control of transmissible diseases and support to vaccination activities;

promote, as concerns the rules on product labelling to protect consumers, the requirement to supply all the information enabling assessment of the qualitative aspects of products, including precise traceability details, especially for purposes of health protection and to protect high-quality national products;

to promote the establishment of common health policies and possibly the creation of single Europe-wide purchasing bodies, in order to contribute to the sustainability of pharmaceutical expenditure;

with regard to training, research and culture:

support the initiative ‘New Skills Agenda for Europe’, to modernise labour markets by: reviewing skills; promoting lifelong investment in human capital to support the development of professional qualifications and hence boost labour market participation; matching labour supply and demand more effectively, also through worker mobility; and supporting active labour-market policies in general;

invest in human capital, promoting, with the full support of the Regions, the development of the dual education system, based on a partnership between schools and enterprises, to combat youth unemployment and favour access to the labour market;

complete the reform of the Art and Music Academies (AFAM) as concerns their regulations on activity planning, governance and staff recruitment;

implement a national research system that avoids duplications and fragmentation and enables Italy to compete in the European and international arena;

implement a comprehensive reform of the cinema and audiovisual sector;

with regard to the Economic and Monetary Union:

support the implementation of European surveillance of macroeconomic and budgetary policies and the development of economic governance reform in the Euro area, calling on the competent bodies to strengthen a comprehensive view of the Euro area and the European Union, so as to enhance the consistency of the recommendations addressed to individual States with the decisions adopted at European level;

monitor the organisation and operation of the advisory European Fiscal Board, calling for gearing of its advisory activity towards surveillance and evaluation of the Euro area seen overall, to help design a budget policy that considers the position of the Euro area in the economic cycle, i.e. its fiscal stance, so as to enable the Board to play an effective stabilising role;

when implementing the Council Recommendation on the establishment of National Competitiveness Boards within the Euro Area, apart from addressing already identified problems, develop an appropriate organisational model enabling the

innovative monitoring of performance and policies in the field of competitiveness;

participate actively in the preparation of the European Commission's White Paper for the second of the phases listed in the Five Presidents' Report, to help identify and design the measures to complete the economic and institutional structure of the Economic and Monetary Union;

push for fast implementation of the European Bank Deposit Insurance Scheme, which is the essential counterpart of the resolution mechanism and the single supervisory mechanism and hence must be implemented concurrently with them, for the construction and effective functioning of the European banking Union, in line with the position taken by the Five Presidents' Report, and oppose any proposal of differentiated valuation of government securities in banking regulations;

work to ensure that the strengthening of the single capital market is accompanied by ever-increasing transparency of operators to guarantee appropriate and effective safeguards for savers;

act decisively to foster the rapid finalisation of the definitive value added tax system, guaranteeing full definition of harmonised rules for VAT application to e-commerce, and the strengthening of measures to combat national and international frauds;

cooperate actively in the construction of a fair and efficient business taxation system, leading to the establishment of a common consolidated tax base, to reduce the costs of tax compliance for transnational companies and to prevent tax avoidance strategies; support implementation of the proposals tabled by the European Commission against corporate tax avoidance;

play an active role in relaunching and furthering at European level the debate on possible ways of separating the banks' banking and financial activities;

in view of the results of the actions taken to date to implement Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (bail-in Directive), call for close monitoring of the national and EU-wide impacts of the legislative and regulatory initiatives taken at EU level, not least to propose any necessary corrections, while agreeing with the need for a financial accountability mechanism replacing mere bank rescue using taxpayers' money. More specifically, as highlighted by the Bank of Italy during the negotiations preceding adoption of the Directive, any forced conversion or writedown of debt securities should safeguard the creditors' and shareholders' rights, in line with the Charter of Fundamental Rights of the European Union and the European Convention on Human Rights. This would also ensure compliance with the spirit of Article 47 of the Italian Constitution, which states that the Republic 'encourages and safeguards savings in all forms';

as concerns investments, the internal market and the environment:

make full use of the tools provided by the Juncker Plan and the Structural Funds to steer investments primarily towards transport infrastructure and links (including the 'blue growth' strategy and the 'Adriatic-Ionian' strategy), as well as towards the European Urban Agenda and waste reuse in order to implement the circular economy strategy;

foster urban regeneration and redevelopment schemes which harmonise the existing urban fabric, the cultural heritage and development policies;

intensify coordination in the development of guidelines for uniform implementation of the rules on State aid in certain sectors, including infrastructure and transport, to streamline and expand use of the available public funds, while ensuring compliance with European Union rules, not least to favour disadvantaged Italian regions such as the island Regions, similarly to comparable regions of other Member States;

implement swiftly the already announced actions to achieve the targets of the Italian Digital Agenda and transition towards a smart society, enabling Italy to fill its digital gap with respect to its European partners, both at national level, by deploying broadband and ultra-broadband network infrastructure and strengthening e-administration services, and at European level, via harmonisation of the regulatory framework, the opening up of online markets, and access to and interoperability of telecommunication applications, services and products. Accordingly, focus attention on the revision of the Audiovisual Media Services (AMS) Directive and of the Satellite and Cable Directive and on the agreement on the Directive on network and information security;

promote EU-level negotiations seeking the recognition of port authorities as not-for-profit public entities, so as to overcome the long-standing problem of the constraints placed on the public funding of port investments, erroneously classified by the European Commission as State aid to private enterprises. This initiative should be coordinated with the legislative amendments introduced by the reform of port authorities recently tabled by Government, under the delegation contained in Article 8(1)(f) of Law No 124 of 7 August 2015, concerning reorganisation of the public administrations;

as to the Fourth Railway Package, take all the actions necessary to further fast completion of the negotiations on the ‘political pillar’, in order to provide a reliable regulatory framework to all railway sector operators, in particular as concerns the themes of market liberalisation, system governance and the relationships between the railway infrastructure operator and railway service providers; in this regard, establish a transitional period for the full liberalisation of passenger services, including an express internal reciprocity clause, providing that enterprises from closed markets cannot compete in liberalised markets and requiring advance definition of the relationship between market access rights and any restrictions - e.g. concerning rolling stock or social safeguard clauses - due to the existence of public service obligations, in order to create harmonised situations and rules in the different markets and foster market competition;

with regard to aviation, promote negotiations on the package of measures on the single European sky and liberalisation of the sector, designing carefully the criteria for integrating the Italian governance system with the EU’s system, not least to duly protect national interests. With specific regard to the aviation package, when revising the regulation on the European Aviation Safety Agency and establishing a regulatory framework for unmanned aerial systems, ensure that the new EU rules do not lower the safety, security and quality levels of the services provided, where stricter national standards are in force, and taking account of the fact that control and surveillance activities are conducted more effectively at national level;

as concerns maritime transport, ensure in this sector as well that the new EU rules do not result in lower safety standards and quality of transport compared with the levels currently required by national legislation;

with regard to road transport, support, in the framework of the initiatives to be included in the European Commission’s road package, overall reform of the road

transport sector, for effective harmonisation of the rules, and work to reach the intended EU target of halving the number of road deaths by 2020, laid down in Commission Communication COM(2010) 389, through wide-ranging discussion at European level, focused on developing joint strategies and implementing the Member States' best practices in national legislation;

take steps to ensure that EU rules on the labelling of foodstuffs satisfy the principles of transparency and completeness as to the origin of agrifood products;

take action in the appropriate fora to combat the misuse, counterfeiting and copying of Italian PDO and PGI labels and of Italian quality products and the sale of counterfeit agrifood products, in order to protect the link of denominations of origin and protected geographical indications with actual geographical origin, and to protect national agricultural biodiversity as a source of employment;

develop, including when preparing the new three-year national programme on fisheries and aquaculture, guidelines and actions to improve the competitiveness of fishing enterprises in the framework of sustainable exploitation of fish resources and promote the development of sustainable aquaculture, including via efficient use of the European Maritime and Fisheries Fund;

again with reference to the fisheries sector, take action in the competent fora to ensure that the characteristics of Italian fisheries are taken into due account, in particular as regards: the labelling of seafood stating not only the drained net weight of the iced fish, but also the weight including the ice (total gross weight); the establishment of a new system for identifying fish lots in the phases after first sale, with the possibility of using batch/lot codes established by the operator, according to internal traceability protocols, allowing control authorities to check product traceability throughout the supply chain; the classification of 'mixed seafood/fish' products as primary products, to prevent price reduction, creating an *ad hoc* identification system for this type of product; the revision of the subdivision of fishing zones to define more precisely the origin from different coastal areas of Italy; the clarification of minimum catch sizes for commercial fish, crustaceans and molluscs;

prioritise the granting of incentives to renewable energies and to energy efficiency retrofits, in order to reduce energy consumption and emissions;

consider flanking the tradable emission permits (TEP) scheme with a carbon tax, targeting the sectors not covered by TEPs and proportionate to the carbon content of each energy source;

consider using the carbon tax, which even if set at very low rate would generate significant revenue, to fund the common European budget, specifically to fund a common European policy such as measures on migration and the Union's external security;

take targeted actions to reduce food waste, by addressing the root causes of this phenomenon, establishing a hierarchy for food use and introducing administrative and fiscal streamlining measures to facilitate food recovery and the use for charitable purposes of unsold food products, thus preventing the need for their disposal and hence reducing the generation of food waste;

increase waste recycling with respect to other forms of recovery and disposal, in order to support the circular economy and the efficiency of resources;

invest a significant share of the funds available under the Juncker Plan to strengthen the rail transport network and energy transmission and distribution networks and to support the research and implementation of renewable energy storage

systems;

request clarification by the competent bodies of the concepts of recovery, recycling, material recovery, backfilling, the end of waste status and treatment prior to landfilling, in order to ensure uniform application of the new rules on waste in all Member States and to ensure the reliability, comparability and uniformity of data on recycling across all Member States, as well as fair competition among all sector operators;

as to the area of freedom, security and justice and migration policies:

pursue in the competent fora real and effective application of the duties of responsibility, solidarity, loyal cooperation and mutual trust in handling the emergency posed by the massive migration flows towards the European Union and the development of a well-planned coordinated response to this phenomenon;

promote swift implementation of the temporary plan on migrants developed last autumn and support with conviction reform of the 'Dublin system' (Regulation (EU) No 604/2013 of the European Parliament and of the Council of 26 June 2013) in order to obtain equitable distribution of international protection applicants among Member States, by designing migrant relocation and return procedures in a shared, sustainable manner;

support the European Commission's plan to present, in March 2016, a proposal for a Regulation to create, in the event of crises, a compulsory system for the resettlement of international protection applicants among Member States, and call for in-depth discussions targeting overall reform of the Dublin Regulation, stressing the need to move beyond the principle of the responsibility of the Member State of first entry for handling asylum applications and to establish an effective Common European Asylum System implementing Articles 78 and 79 TFEU;

support strengthening of the European Agency for the Management of Operational Cooperation at the External Borders (Frontex) and the establishment of a European border and coast guard system, to ensure strong shared management of the European Union's external borders and protect the Schengen area from external threats; play an active role in this area, by highlighting specific national conditions and suggesting solutions to identified needs drawing on the experience of Italian law enforcement agencies;

call on the European Commission, the Council of the European Union and the High Representative to work to avert the risk of generalised suspension of the Schengen Treaty on the free movement of persons or of its limitation to a small number of States, since such a development would compromise irreversibly the future of the European Union;

support the EU Action Plan on firearms and explosives in order to strengthen the prevention of terrorist attacks;

contribute to the rapid approval of the proposal for a Directive on combating terrorism, amending Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism, in order to provide an appropriate strong response to the evolution of the terrorist threat;

favour better Europe-wide coordination of the fight against terrorism, in particular by promoting closer cooperation and communication between national intelligence services and the inclusion of terrorist acts among the offences within the jurisdiction of the European Public Prosecutor;



support the proposal for a regulation on the establishment of the European Public Prosecutor's office, seeking its rapid approval;

strengthen at European level research and development in the cyber-security sector, in particular in the areas of ICTs, safety standards and certification schemes, favouring all initiatives aimed at securing their financing by European Union funds;

with regard to the Common Security and Defence Policy (CSDP) and international trade:

make all efforts in the competent fora to ensure that the new overall foreign and security policy to be prepared by the High Representative, expected for next June, places emphasis on the geopolitical situation of the Mediterranean area, which is characterised by strong instability and is a source of serious threats for the Union's security;

similarly, take steps to ensure that revision of the EU's neighbourhood policy shifts decidedly the focus of attention towards the Mediterranean area, in terms of political and economic cooperation, including by means of tools such as an Erasmus of the Mediterranean or a Bank for the Mediterranean;

with particular regard to the stabilisation of Libya, ensure a primary role for the European Union in the initiatives to be taken, in particular to support reconstruction of the country's military and civil infrastructure and of its social and political fabric;

ensure, in accordance with international law, prompt activation of the next operational phases of the EUNAVFOR MED mission - Operation SOPHIA;

maintain and, if appropriate, strengthen control of the Western Balkans, in particular in Kosovo and Bosnia, in view of the renewed interethnic tensions, the spread of Islamist radicalisation and the deepening of the migration crisis, revising where appropriate the tasks of the European Union missions operating in the area;

develop the common security and defence policy along the path traced by the Lisbon Treaty of coordination with NATO, in particular through the following actions: - support the drafting and implementation of the future European action plan proposed by the Commission in its Work Programme; - strengthen the CSDP missions, concentrating them in the geographical areas of greatest strategic interest for EU security and, where necessary, increasing the numbers of personnel deployed, adopting a complementary approach in those areas already covered by missions led by NATO or other international organisations, to avoid the overlapping of competences; - revise the financing of the CSDP missions in the direction of greater simplification, in particular as regards the ATHENA mechanism, with the aim, even without amending the Treaties, of increasing the share of costs borne by the Union's budget, to better balance the contributions of individual Member States;

favour, through the European Defence Agency (EDA), the gradual harmonisation and common procurement of military equipment, intensifying the specialisation process of the national industries, while maintaining their specificities and knowledge base;

use measures such as that laid down in Council Decision (CFSP) 2015/1835 of 12 October 2015, which guarantees the possibility of VAT exemption (albeit not automatic) for projects and programmes promoted by the European Defence Agency;

support fully the initiative led by the European Commission (and involving the European Defence Agency), aimed at financing research projects focused on

CSDP, in order to favour the earmarking of funding for defence in the next Multi-annual Financial Framework and to foster the drafting of a White Paper on European Defence laying down a long-term strategy in this area;

consider establishing, together with other European Union Member States, permanent structured cooperation, in particular through to the creation of EU Battlegroups, in the terms laid down in the Lisbon Treaty, thereby securing for Italy the role of main and active promoter of a concrete and effective common European defence;

weigh very carefully and cautiously the possible choice of granting China market economy status, pursuant to the 2001 Protocol on the Accession of China to the World Trade Organisation (WTO). This would lower European trade defences with respect to Chinese goods. In this regard, we call on the European institutions and the Italian Government to conduct an exhaustive impact assessment, by market sector, providing an estimate of the potential positive or negative impacts of granting such status. Recent studies have been very critical of the possible granting of market economy status to China, as this could result in the loss of 1.7-3.5 million jobs in five years, with Germany and Italy among the hardest-hit Member States (see Robert Scott, Economic Policy Institute). Any decision to grant this status can only be made on the basis of positive impact assessment, and should be balanced by retaining the possibility of adopting trade defence measures in sensitive sectors, during a suitable transitional period, to combat illegal State subsidies or price dumping;

take action to ensure that the contents of the Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the USA, currently being negotiated, fully abide by the principles and values enshrined in the Italian Constitution and the Charter of Fundamental Rights of the European Union. In particular, the forthcoming deal should guarantee: the fundamental rights of workers; high workplace health and safety standards and fair and mutual conditions with regard to labour costs and labour exploitation, tax regimes, support to enterprises, the conditions of civil justice, the protection of trademarks and patents, the fight against counterfeiting, environmental protection rules and corporate social responsibility;

take action in the competent fora to ensure that negotiations on agreements with third countries include strengthened protection and recognition of the geographical designations recognised by the European Union, taking as a basis and building on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and addressing possible earlier uses of these designations on the third country's market, to resolve successfully any existing conflicts concerning geographical designations that suffer negative effects in third countries;

take into due consideration the negative effect of the provisions on ISDS (governing disputes between foreign investors and the State) present in the investment chapter of the European Union's free trade agreements with third countries (Canada, Singapore, Vietnam, USA) in order to preserve the States' right to adopt legal provisions and to safeguard existing third-party rights, such as intellectual property rights (including geographical designations) in line with the resolution adopted by the European Parliament on 8 July 2015;

take suitable initiatives to ensure that neighbouring countries sharing sea basins with the Member States, in particular recent accession countries such as Croatia, comply with the rules of the Common Fishery Policy, in particular with the rules on suspension of fishing activity for the replenishment of fish stocks.

Lastly, acting on the mandate given by the 52<sup>nd</sup> COSAC (Conference of Parliamentary Committees for Union Affairs of Parliaments) in Rome, which had asked the national Parliaments of EU Member States to identify within the annual Commission Work Programme the proposals on which to focus the greatest attention, the Committee highlights the following proposals among the new initiatives listed in Annex I to the Commission Work Programme 2016:

- New Skills Agenda for Europe (initiative No 1);
- Circular Economy Package (initiative No 3);
- Review of the Multiannual Financial Framework (MFF) 2014-2020 (initiative No 4);
- Implementation of the Digital Single Market Strategy (initiative No 6);
- Energy Union Package (initiative No 7);
- Labour Mobility Package (initiative No 8);
- Follow-up to the Single Market Strategy (initiative No 9);
- European Bank Deposit Insurance Scheme / Completion of the Banking Union (initiative No 15);
- Follow-up to the Trade and Investment Strategy (initiative No 16);
- Implementing the European Agenda on Security (initiative No 17);
- Better Migration Management (initiative No 18);
- Border Management Package (initiative No 19);
- Proposal for an Inter-Institutional Agreement on a Mandatory Transparency Register (initiative No 23).