



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2214 final

- English language version of the French text which is authentic –

Brussels, 21 June 2017

TEXTE EN

MINUTES

of the 2214th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 31 May 2017

(morning)

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Single sitting: Wednesday 31 May 2017 (morning)

The sitting opened at 10.15 with Mr JUNCKER, President, in the chair. Item 16 was chaired by Mr TIMMERMANS.

Present:

Mr JUNCKER	President	Items 1 to 15
Mr TIMMERMANS	First Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	Items 1 to 16 (in part)
Mr OETTINGER	Member	
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	Items 1 to 15
Mr ANDRIUKAITIS	Member	
Ms THYSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	Items 1 to 15
Ms BULC	Member	Items 1 to 15
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	Items 1 to 16 (in part)
Ms VESTAGER	Member	
Mr MOEDAS	Member	Items 1 to 6/15 (in part)
Sir Julian KING	Member	

Absent:

Ms MOGHERINI

High Representative /
Vice-President

Mr AVRAMOPOULOS

Member

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*- English language version of the French text which is authentic -*The following sat in to represent absent Members of the Commission:

Ms PANZETTI	Chef de cabinet to Ms MOGHERINI	
Ms ASTERIADI	Deputy Chef de cabinet to Mr AVRAMOPOULOS	Items 1 to 6/15 (in part)
Ms PETROVIC	A member of Mr AVRAMOPOULOS's staff	Items 6/15 (in part) and 16

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	
Ms MICHOU	Deputy Secretary-General	Items 1 to 15
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr BALTAZAR	Chief adviser in the PRESIDENT's Office	Items 1 to 15
Mr THOLONIAT	Adviser in the PRESIDENT's Office	
Ms ARKI	PRESIDENT's Office	
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 1 to 15
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Item 16
Mr ROMAkkANIEMI	Chef de cabinet to Mr KATAINEN	Items 1 to 6/15 (in part)
Mr FELKE	Deputy Chef de cabinet to Mr MOSCOVICI	Item 16
Mr ZAKONJSEK	Chef de cabinet to Ms BULC	Items 1 to 15
Mr FAJARDO	Deputy Chef de cabinet to Ms BULC	Items 1 to 15
Ms DEL BRENNA	Deputy Chef de cabinet to Mr MOEDAS	Items 6/15 (in part) and 16 (in part)

(31 May 2017)

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Mr NOBRE GONÇALVES

A member of Mr MOEDAS's staff

Item 16 (in part)

Ms ANDREEVA

Commission Spokesperson's Service

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

1. AGENDAS

(OJ(2017) 2214/FINAL; SEC(2017) 258/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET

(RCC(2017) 2214)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 29 May.

3. APPROVAL OF THE MINUTES OF THE 2212TH AND 2213TH MEETINGS OF THE COMMISSION (16 AND 24 MAY)

The Commission held over approval of the minutes of its 2212th and 2213th meetings for the following week.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2017) 63)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 24 May (RCC(2017) 63).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogues

(item 3.1 of the IRG record)

- Organic production and labelling of organic products – Amendment of Regulation (EU) XXX/XXXX of the European Parliament and of the Council [Official Controls Regulation] and repeal of Council Regulation (EC) 834/2007 (Regulation) – HÄUSLING report – 2014/0100 (COD)

The Commission approved the line set out in SI(2017) 221.

- Common rules on securitisation and creating a European framework for simple, transparent and standardised securitisation and amendment of Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) 1060/2009 and (EU) 648/2012 (Regulation) – TANG report – 2015/0226 (COD) / Amendment of Regulation (EU) 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (Regulation) – KARAS report – 2015/0225 (COD)

The Commission approved the line set out in SI(2017) 239/2.

- Amendment of Regulations (EU) 1316/2013 and (EU) 283/2014 as regards the promotion of Internet connectivity in local communities (Regulation) – ZORRINHO report – 2016/0287 (COD)

The Commission approved the line set out in SI(2017) 225/2.

- Amendment of Regulation (EC, Euratom) 480/2009 establishing a Guarantee Fund for external actions (Regulation) – GARDIAZABAL RUBIAL report – 2016/0274 (COD)

The Commission approved the line set out in SI(2017) 240.

- Amendment of Decision 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (Decision) – GARDIAZABAL RUBIAL report – 2016/0275 (COD)

The Commission approved the line set out in SI(2017) 241.

- Amendment of Regulations (EU) 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (Regulation) – BULLMANN & FERNANDES report – 2016/0276 (COD)

The Commission approved the line set out in SI(2017) 242/2.

- Macro-financial assistance to the Republic of Moldova (Decision) – MOISĂ report – 2017/0007 (COD)

The Commission approved the line set out in SI(2017) 243/2.

- Guarantee Fund for external actions, the future Common Provisioning Fund and rules on taxation in the following proposals: Amendment of Regulation (EC, Euratom) 480/2009 establishing a Guarantee Fund for external actions (Regulation) – GARDIAZABAL RUBIAL report – 2016/0274 (COD) / Amendment of Decision 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (Decision) – GARDIAZABAL RUBIAL report – 2016/0275 (COD) / European Fund for Sustainable Development (EFSD) and establishment of the EFSD Guarantee and the EFSD Guarantee Fund (Regulation) – FRUNZULICĂ / GARDIAZABAL RUBIAL / KUKAN report – 2016/0281 (COD) / Financial rules applicable to the general budget of

the European Union and amending Regulation (EC) 2012/2002, Regulations (EU) 1296/2013, (EU) 1301/2013, (EU) 1303/2013, EU 1304/2013, (EU) 1305/2013, (EU) 1306/2013, (EU) 1307/2013, (EU) 1308/2013, (EU) 1309/2013, (EU) 1316/2013, (EU) 223/2014, (EU) 283/2014 and (EU) 652/2014 of the European Parliament and of the Council and Decision 541/2014/EU of the European Parliament and of the Council (Regulation) – GRÄSSLE / ASHWORTH report – 2016/0282 (COD) / Amendment of Regulations (EU) 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (Regulation) – BULLMANN & FERNANDES report – 2016/0276 (COD)

The Commission approved the line set out in SI(2017) 255.

- Common rules in the field of civil aviation and establishment of a European Union Aviation Safety Agency, and repeal of Regulation (EC) 216/2008 (Regulation) – MARINESCU report – 2015/0277 (COD)

The Commission approved the line set out in SI(2017) 251/2.

- Circular Economy package – Amendment of Directive 2000/53/EC on end-of-life vehicles, Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators, and Directive 2006/19/EU on waste electrical and electronic equipment (Directive) – 2015/0272 (COD) / Amendment of Directive 1999/31/EC on the landfill of waste (Directive) – 2015/0274 (COD) / Amendment of Directive 2008/98/EC on waste (Directive) – 2015/0275 (COD) / Amendment of Directive 94/62/EC on packaging and packaging waste (Directive) – 2015/0276 (COD) – BONAFÈ reports

The Commission took note of the information in SI(2017) 252.

ii) European Parliament dossiers – May II part-session

(item 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement (Regulation) – WAŁĘSA report – 2016/0308 (COD)

The Commission approved the line set out in SP(2017) 359.

- Amendment of Council Regulation (EC) 1683/1995 of 29 May 1995 laying down a uniform format for visas (Regulation) – KAUFMANN report – 2015/0134 (COD)

The Commission took note of the information in SP(2017) 354, further to note SI(2017) 172, which it had already approved on 3 May.

Special legislative procedure

- Amendment of Directive 2006/112/EC, as regards rates of value added tax applied to books, newspapers and periodicals (Directive) – VANDENKENDELAERE report – 2016/0374 (CNS)

The Commission approved the line set out in SP(2017) 355 and /2.

iii) Council dossiers

(item 3.3 of the IRG record)

- Laying down the conditions of entry and residence of third-country nationals for the purposes of highly skilled employment (Directive) – MORAES report – 2016/0176 (COD)

The Commission approved the line set out in SI(2017) 244.

- Amendment of Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Directive) – ROLIN report – 2017/0004 (COD)

The Commission approved the line set out in SI(2017) 248.

- Amendment of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (Directive) – MORIN-CHARTIER & JONGERIUS report – 2016/0070 (COD)

The Commission approved the line set out in SI(2017) 249/2.

- Approximation of the laws, regulations and administrative provisions of the Member States as regards the accessibility requirements for products and services (Directive) – LØKKEGAARD report – 2015/0278 (COD)

The Commission approved the line set out in SI(2017) 256.

- Recognition of professional qualifications in inland navigation and repeal of Council Directive 96/50/EC and Council Directive 91/672/EEC (Directive) – MEISSNER report – 2016/0050 (COD)

The Commission approved the line set out in SI(2017) 233/5.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2017) 260)

The Commission took note of the information in SI(2017) 260 on the Council meetings between 8 and 21 June.

v) Non-legislative dossiers

(item 4.1 of the IRG record)

- United Nations Ocean Conference ‘Our oceans, our future: partnering for the implementation of Sustainable Development Goal’ – SDG 14 (New York, 5-9 June 2017)

The Commission approved the line set out in SI(2017) 245.

- Draft Council Conclusions on enhancing return and readmission of illegally staying persons

The Commission approved the line set out in SI(2017) 257 and /2.

4.3. RELATIONS WITH PARLIAMENT

vi) Action taken on non-legislative resolutions adopted by Parliament at its February II part-session

(item 5.6.2 of the IRG record)

The Commission approved documents SP(2017) 358 and /2 on the action taken on the non-legislative resolutions adopted by Parliament at its February II part-session, for transmission to Parliament.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED

(SEC(2017) 259 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 26 May.

5.2. EMPOWERMENT

(SEC(2017) 260 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 22 and 26 May.

5.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2017) 261 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 22 and 26 May, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2017) 262)

The Commission took note of the sensitive written procedures for which the time limit expired between 29 May and 2 June and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 22 May.

6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – EUROPE ON THE MOVE – AN AGENDA FOR A SOCIALLY FAIR TRANSITION TOWARDS CLEAN, COMPETITIVE AND CONNECTED MOBILITY FOR ALL

(COM(2017) 283 TO /3; SWD(2017) 177 AND /2; RCC(2017) 67)

7. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2006/1/EC ON THE USE OF VEHICLES HIRED WITHOUT DRIVERS FOR THE CARRIAGE OF

GOODS BY ROAD

(COM(2017) 282; SWD(2017) 196; SWD(2017) 197; SWD(2017) 198; SWD(2017) 199; SEC(2017) 276; RCC(2017) 67)

8. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 1999/62/EC ON THE CHARGING OF HEAVY GOODS VEHICLES FOR THE USE OF CERTAIN INFRASTRUCTURES

(COM(2017) 275 TO /3; SWD(2017) 180; SWD(2017) 181; SEC(2017) 270; RCC(2017) 67)

9. PROPOSAL FOR A COUNCIL DIRECTIVE AMENDING DIRECTIVE 1999/62/EC ON THE CHARGING OF HEAVY GOODS VEHICLES FOR THE USE OF CERTAIN INFRASTRUCTURES, AS REGARDS CERTAIN PROVISIONS ON VEHICLE TAXATION

(COM(2017) 276; SWD(2017) 180; SWD(2017) 181; SEC(2017) 270; RCC(2017) 67)

10. AMENDED PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE INTEROPERABILITY OF ELECTRONIC ROAD TOLL SYSTEMS AND FACILITATING CROSS-BORDER EXCHANGES OF INFORMATION ON THE FAILURE TO PAY ROAD FEES IN THE UNION (RECAST)

(COM(2017) 280 AND /2; SWD(2017) 190; SWD(2017) 191; SWD(2017) 192; SWD(2017) 193; SEC(2017) 274; RCC(2017) 67)

11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE MONITORING AND REPORTING OF CO₂ FROM AND FUEL CONSUMPTION OF NEW HEAVY-DUTY VEHICLES

(COM(2017) 279 AND /2; SWD(2017) 188; SWD(2017) 189; SEC(2017) 273; RCC(2017) 67)

- 12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) NO 1071/2009 AND REGULATION (EC) NO 1072/2009 WITH A VIEW TO ADAPTING THEM TO DEVELOPMENTS IN THE SECTOR**
(COM(2017) 281 AND /2; SWD(2017) 194 AND /2; SWD(2017) 195; SEC(2017) 275; RCC(2017) 68)
- 13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EC) NO 561/2006 AS REGARDS MINIMUM REQUIREMENTS ON MAXIMUM DAILY AND WEEKLY DRIVING TIMES, MINIMUM BREAKS AND DAILY AND WEEKLY REST PERIODS AND REGULATION (EU) 165/2014 AS REGARDS POSITIONING BY MEANS OF TACHOGRAPHS**
(COM(2017) 277 TO /3; SWD(2017) 186; SWD(2017) 187; SWD(2017) 184; SWD(2017) 185; SEC(2017) 272; RCC(2017) 68)
- 14. PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE 2006/22/EC AS REGARDS ENFORCEMENT REQUIREMENTS AND LAYING DOWN SPECIFIC RULES WITH RESPECT TO DIRECTIVE 96/71/EC AND DIRECTIVE 2014/67/EU FOR POSTING DRIVERS IN THE ROAD TRANSPORT SECTOR**
(COM(2017) 278 TO /3; SWD(2017) 186; SWD(2017) 187; SWD(2017) 184; SWD(2017) 185; SEC(2017) 272; RCC(2017) 68)
- 15. CONSULTATION DOCUMENT – FIRST PHASE CONSULTATION OF THE SOCIAL PARTNERS UNDER ARTICLE 154 TFEU ON A POSSIBLE REVISION OF THE ROAD TRANSPORT WORKING TIME DIRECTIVE**
(C(2017) 3815 AND /2; RCC(2017) 68)

At the request of the PRESIDENT, Ms BULC presented the package of measures submitted for Commission approval to promote clean, competitive and connected

mobility for all. She took the opportunity to thank the Members of the Commission involved in preparing this balanced package of measures on different aspects of road mobility.

To place matters in context, she noted briefly that the road transport sector currently employed around 5 million people and the transport and storage sector as a whole around 11 million people. The latter represented no less than 20 % of the Union's exports of goods and 18 % of its exports of services. Almost 915 000 companies were active in the road transport sector and 500 million European citizens used a vehicle on a daily basis.

This set of measures formed a balanced, inclusive and inseparable whole which responded to the many challenges facing the road transport sector, particularly in terms of the functioning of the internal market, the definition of ambitious environmental and social standards, and digitisation.

Although the Commission had already reached a general consensus on the proposals, a final discussion still had to take place on three specific issues, namely (i) application of the rules to posted workers in the context of international transport services, (ii) the duration and geographical scope of cabotage, and (iii) the timetable for adopting the package.

Ms BULC said that the current situation regarding the proposal for a Directive on the application of the rules to posted workers in the context of international transport services (item 14 of these minutes) was far from satisfactory. 25 Member States had failed to comply with their obligation to implement the Directive, which applied to road transport as well right from the outset, whether in terms of cabotage or international services. The three Member States that were applying the Directive were doing so disproportionately, which justified infringement proceedings being initiated against them.

By proposing a three-day limit, the Commission, in her opinion, had clarified in a

simple, objective and transparent manner what was meant by proportionate application of the Posted Workers Directive to international transport services. The impact assessment suggested that this limit enabled companies operating in the sector to avoid having to adjust drivers' pay for almost one third of international services. The three-day limit would therefore, in her view, significantly simplify operations. This would complement the other measures taken to reduce the administrative burden and to enable annual savings of almost EUR 1.4 billion to be made.

With regard to cabotage (item 12 of these minutes), i.e. domestic transport services provided by foreign companies within the context of an international service, Ms BULC explained that, under the rules currently applicable in the EU, three operations could be effected in the seven days following an international service. However, the number of cabotage operations could not be checked if the authorities carrying out the checks had not been provided with paper documents, so these restrictions were inapplicable in practice.

The proposed five-day limit for an unlimited number of cabotage operations, either in the Member State of destination or in the neighbouring Member States, was therefore designed to simplify the restrictions applicable to operators and facilitate checks by the national authorities. The logic was not to open markets further, while not closing them either, in line with the impact assessment which regarded the five-day limit as a balanced solution. When the current restrictions were introduced in 2009, they had been mainly justified by wage differentials, which had not increased but had tended to converge.

The Commission's proposal also authorised cabotage operations not only in the country of destination, but also in neighbouring Member States, thereby limiting the number of border crossings by empty lorries and ensuring that this situation contributed to the policy of decarbonising the European economy.

Finally, as regards the timetable for adoption, the other EU institutions were waiting

for these proposals, which would facilitate the ongoing negotiations on the revision of the Posted Workers Directive. Solutions to social abuse and climate change would have to be found as a matter of urgency. The status quo was not an option, because it perpetuated fragmentation of the internal market and environmental degradation, while preventing the implementation of fair and equitable working conditions and a level playing field.

Ms BULC ended by stating that the proposed measures addressed all these issues, while being realistic and pragmatic, and would significantly improve the situation for all stakeholders, be they drivers, members of the public, Member States, operators in the sector or the authorities responsible for carrying out checks.

Mr KATAINEN noted that this was the first series of measures to modernise EU transport policy by incorporating a wide range of new developments in the fields of energy and digitisation of the economy. He added that adapting the regulatory environment would lead to increased growth and job creation. Even though he recognised the sensitivity of the package's social component, he felt that the proposed measures offered a sound compromise based on a fair balance between social justice and an increasingly international transport sector.

Ms THYSSEN highlighted the fact that the package of measures proposed today included key elements such as the fight against bogus companies and the clarification of rules on driving time, on which the social partners had been duly consulted.

She focussed at greater length on the posting of workers and how this was linked to the issue of cabotage, reiterating that the Commission had always regarded the Posted Workers Directive as applying to the transport sector provided that the specific characteristics of this sector, which by definition was highly mobile, were taken into account. She explained that it was not simply a matter of improving working conditions, but equally of ensuring a level playing field between operators. In this context, the internal market required common rules that were clear, fair and

enforceable. The guiding principle was that the same work in the same place should receive the same pay. She added that this principle should be applied proportionately in accordance with the infringement proceedings opened by the Commission.

Accordingly, she took the view that the proposed three-day limit would allow the Posting of Workers Directive to be applied proportionately and that, as a result, occasional transport operations in a Member State would be exempt from application of the Directive, whereas a more systematic presence would be regarded as a posting. Based on this logic, she explained that cabotage operations involving a clear and intentional link with a local market would always be regarded as a posting.

Ms THYSSEN also maintained that the only credible comparison was to consider the number of days proposed by the Commission in the light of the current situation, in which no rule specifically applied to the road transport sector and there was no indication of what constituted proportionate application of the rules to posted workers. She therefore felt that the Commission should assume political responsibility for defining the rules under which international transport could operate on a level playing field.

In addition, she pointed out that the Commission proposal set a limit, whereas there was none today, and simplified the operations of carriers by reducing the administrative burden related to scrutiny on the part of the national authorities and by taking full advantage of digitalisation within the transport industry.

With regard to cabotage, the 2009 Regulation currently in force provided for a gradual completion of the internal market according to the level of harmonisation achieved between the Member States in terms of social legislation. She felt that the current level of convergence precluded any further opening of the market. From this standpoint, the five-day limit, without restricting the number of cabotage operations, would be neutral in terms of opening up the market.

As a general point, Ms THYSSEN said that the objective of the Commission's proposals was above all to improve the clarity and enforcement of a regulatory system that was currently unenforceable. She therefore felt that maintaining the commercial possibilities of cabotage operations, accompanied by better pay and working conditions for drivers, would represent a balanced compromise.

Mr ARIAS CAÑETE also felt that the package's social aspects should strike a balance between greater social protection and a well-functioning single market. In his view, the three-day limit established in the exemption from the application of the minimum social standards for posted workers in the transport sector and the five-day limit set within the framework of cabotage would allow such a balance to be achieved. However, he was at pains to underline the importance of the communication actions that would accompany the entire process.

In turn, Mr ŠEFČOVIČ also highlighted the many benefits expected from the proposed measures in order to promote cleaner, competitive and connected mobility in Europe, while ensuring that the package was considered as a whole, and not simply on the basis of the rules applicable to posted workers.

He therefore highlighted the important elements that were expected: the Eurovignette, monitoring of carbon dioxide emissions from lorries, cutting the administrative burden, clarification of the rules, combatting discrimination between undertakings and drivers, and combatting illegal practices, in order to allow fair competition and better working conditions.

In the course of the discussion that followed, the Commission raised the following main points:

General aspects

- the value and importance of all the measures proposed with a view to increasing the competitiveness of road transport, while properly addressing the social dimension of mobility; the consumer benefits of the measures in terms of health,

quality of life and safety, and for the sector, in terms of predictability, reduction in red tape and a more cohesive single market, along with a bigger contribution to environmental protection and the fight against climate change;

- the quality and overall balance of the package, the courageous and fair solutions it put forward, hence the need for extremely careful communication, taking account of the feelings expressed and explaining clearly the social aspects of the package;
- satisfaction with the inclusion of the polluter pays principle in the package; for the Member States applying a motorway toll, the introduction of a kilometre-based system should take into account the fact that for years some Member States had been operating a vignette system based on a single flat-rate price;

Limit on the exemption from the application of social security rules for posted workers in the road transport sector

- support for the proposal to limit the exemption from the application of the provisions of the Directive on the posting of workers to three days; the wish to see freedom of movement go hand in hand with high social standards, and to strike the right balance between proper functioning of the market and social protection;
- the important political choice made by the Commission in seeking to improve at European level the living and working conditions of lorry drivers, who worked in a difficult and dangerous profession and were often forced to accept undignified working conditions by sometimes unscrupulous employers;
- the need for a Community approach to the matter, in line with the principle of ‘equal pay for equal work’ advocated by the Union; the social Europe put into practice by the proposed three-day period; the impact on jobs, the quality of

jobs, and the quality of the environment; support from resources allocated to combating letterbox companies, whose sole purpose was to take advantage of favourable wage or tax conditions;

- the observation that the package did not grant new rights, but simply sought to enforce existing ones, which were not enforced at present;
- for some, caution about the sensitive nature of the rules on the posting of workers in some Member States; in their view, the economic cost of exempting lorry drivers from the provisions of the Directive on the posting of workers for three days compared with a longer exemption period;
- in response to those concerns, the need to bear in mind and explain clearly the ambition, philosophy and economic, social and environmental benefits of the package in its entirety;
- the idea of introducing a clause to review the legislation, e.g. after three years, to assess its impact and amend it if necessary;

Duration and geographical scope of cabotage

- general support for the period of five days and an unlimited number of operations, including in neighbouring countries; the fact that this was a good compromise when taken together with the three-day period for the exemption from the provisions on the posting of workers;
- the substantial administrative simplification and harmonisation on the European market that the proposal would result in;
- the benefit of limiting the duration of cabotage at the same time as defining its scope;

The case for presenting the package immediately or postponing it for some weeks until the revision of the Directive on the posting of workers had been adopted

- general support for the idea of presenting the package that day;
- for some, however, the need to avoid free-riding on the revision of the Directive on the posting of workers then before the co-legislator.

The PRESIDENT commented on some of the points made in the debate. He considered the package to be very important as a whole and, in particular, with regard to the duration of the exemption from the conditions on the posting of workers and the permitted duration of cabotage operations. Although his personal leanings were towards a more social approach, he expressed his support for the proposal of three and five days respectively, as well as for the idea of introducing a review clause in the proposals.

The PRESIDENT highlighted the political choice it was making in proposing measures that would significantly improve the real situation of workers in the Union, despite the potential economic cost.

Mr TIMMERMANS stated that, although the law on posted workers applied fully to the road transport sector in a legal sense, the reality was very different. Some Member States were using the posting of workers to expand into new markets. He considered this unacceptable, like social dumping, and supported the proposal on the table. As regards the permitted duration of cabotage, real social progress would be seen when drivers benefited from the principle of equal pay for the same work starting from the first day on which they travelled to other Member States. He also hoped that the general communication (item 6 of these minutes) would be more explicit with regard to the action implemented by the Commission in social terms. Lastly, he approved the idea of reviewing the three-day limit for benefiting from posted work conditions and the five-day duration of cabotage several years after the legislation came into force, to assess whether these measures had had the expected impact, or indeed any undesired effects.

Ms BULC referred to the period of exemption from the legislation on posted

workers, stressing that any time limit was already an improvement on current practices. The transit time was not included in this time limit. She emphasised the logical link between the granting of posted worker status and the possibility of carrying out cabotage activities before returning to the Member State where the transport originated, which she saw as real social progress. She was in favour of inserting a review clause into the system, to be able to assess its results after an initial period.

Ms BULC also explained that Member States could still choose the motorway toll infrastructure they wished to adopt, but that the digital solution proposed that day would lead to a clear reduction in costs, since it could be used in several Member States on the basis of comparable rules throughout the Union, and that the pricing would incorporate external costs such as pollution. She explained that this measure was a clear step towards decarbonising the European economy, and had undergone extensive consultations. In conclusion, she thanked the Commission Members for their support for this balanced series of measures, which pointed to a sustainable economic and social future.

Ms THYSSEN pointed out that the internal market needed common rules but, in the case of the posted worker status in the road transport sector, the common rules were currently not being adhered to. She felt that the compromise presented would be respected if it were well-explained. In conclusion, she stressed that these initiatives followed the European social market economy model.

The PRESIDENT wound up the discussion after drawing the following conclusions: (i) the time limit for the exemption of drivers from posted work conditions should be set at three days and the permitted duration of cabotage at five days; (ii) a review clause should be inserted in the two proposals concerned (posting of drivers (COM(2017) 278/3) and cabotage (COM(2017) 281/2)); and, lastly, (iii) the parts of the general communication (COM(2017) 283/3) relating to the social dimension of the legislative proposals in this package should be strengthened.

The Commission:

- approved, subject to the insertion of the amendments agreed at the meeting on the social dimension on pages 3, 11 and 12 of the English version, and to a final clean-up of the text, the communication in COM(2017) 283/3, for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and, for information, to the national parliaments, together with staff working document SWD(2017) 177/2, the contents of which were noted;
- adopted the proposal for a Directive in COM(2017) 282 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary thereof and staff working documents SWD(2017) 196, SWD(2017) 197, SWD(2017) 198 and SWD(2017) 199, the contents of which were noted;
- adopted the proposal for a Directive in COM(2017) 275/3, for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2017) 180 and SWD(2017) 181, the contents of which were noted;
- adopted the proposal for a Directive in COM(2017) 276 for transmission to Parliament, the Council, the European Economic and Social Committee and the national parliaments, and, for information, to the Committee of the Regions, together with the impact study and the summary thereof in staff working documents SWD(2017) 180 and SWD(2017) 181, the contents of which were noted;
- adopted the amended proposal for a Directive in COM(2017) 280/2 for transmission to Parliament, the Council, the European Economic and Social

Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary thereof and staff working documents SWD(2017) 190, SWD(2017) 191, SWD(2017) 192 and SWD(2017) 193, the contents of which were noted;

- adopted the proposal for a Regulation in COM(2017) 279/2, for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2017) 188 and SWD(2017) 189, the contents of which were noted;
- adopted, subject to the insertion of a new Article 3 adding a review clause on page 24 of the English version, and to a final clean-up of the text, the proposal for a Regulation in COM(2017) 281/2, for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof in staff working documents SWD(2017) 194 and /2 and SWD(2017) 195, the contents of which were noted;
- adopted the proposal for a Regulation in COM(2017) 277/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment, the summary thereof and staff working documents SWD(2017) 186, SWD(2017) 187, SWD(2017) 184 and SWD(2017) 185, the contents of which were noted;
- adopted, subject to the insertion of a new Article 3 adding a review clause on page 17 of the English version, and to a final clean-up of the text, the proposal for a Directive in COM(2017) 278/3, for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the impact assessment and the summary thereof and staff working documents SWD(2017) 186,

SWD(2017) 187, SWD(2017) 184 and SWD(2017) 185, the contents of which were noted;

- also took note of the opinions of the Regulatory Scrutiny Board, distributed as SEC(2017) 276, SEC(2017) 270, SEC(2017) 274, SEC(2017) 273, SEC(2017) 275 and SEC(2017) 272;
- approved the consultation document in C(2017) 3815/2.

16. REFLECTION PAPER ON THE DEEPENING OF THE ECONOMIC AND MONETARY UNION

(COM(2017) 291 AND /2; RCC(2017) 62)

Mr DOMBROVSKIS presented the Reflection Paper on the deepening of the Economic and Monetary Union, drafted under his authority and that of Mr MOSCOVICI, and contributed to by the project team including Ms THYSSEN and Ms VESTAGER, as well as other Members of the Commission during the final stage of preparation. Mr DOMBROVSKIS pointed out that this initiative followed on from the White Paper on the future of Europe, published on 1 March, the main aim of which was to contribute to a broad public debate about the challenges to be faced and opportunities to be seized over the coming decade and ultimately to help shape the Union looking ahead to 2025.

He explained that the reflection paper looked at ways of strengthening and deepening Economic and Monetary Union by 2025 and took its inspiration from the Five Presidents' Report of June 2015 on Completing Europe's Economic and Monetary Union, prepared by the PRESIDENT in close cooperation with the Presidents of the European Council, the Eurogroup, the European Central Bank and the European Parliament.

Although the euro was one of the greatest achievements of the European project and

had become - and must remain - a symbol of prosperity for EU citizens, Mr DOMBROVSKIS commented that the financial crisis had revealed weaknesses in the way the single currency was originally set up and that the political response to those weaknesses had strengthened Economic and Monetary Union but had failed to resolve all the shortcomings. The system was still suffering as a result of a lack of convergence and was not perceived as entirely stable and secure.

As the recovery gained in strength, he felt that this was a good time to deepen Economic and Monetary Union. He therefore stressed that the aim of the reflection paper was to launch a constructive debate and lead to a common vision of the future of the Union. In it the Commission was proposing a toolbox and a menu to guide the discussion towards an agreed roadmap. As indicated in the White Paper on the future of Europe, it was a matter at this stage of concentrating first and foremost on the objectives and instruments; the institutional aspect would come later.

He felt that if progress was to be made in deepening Economic and Monetary Union, it was vital to adopt a balanced approach in which responsibility and solidarity went hand-in-hand and in which risk was reduced and shared.

He emphasised that the euro must remain open to all the EU Member States and that further integration between its members must not jeopardise the unity of the internal market. He added that, with the exception of Denmark, all EU Member States were expected to adopt the euro, although no deadline was set for doing so.

Mr DOMBROVSKIS then turned to the structure of the reflection paper, which was in three sections: (i) financial union, (ii) economic and fiscal union, and (iii) governance and democratic oversight of the Economic and Monetary Union.

On financial union, he explained that the Commission wished to see renewed financial integration and sound financial institutions which financed the real economy and shared more of the risk through private channels. With this in mind, he felt that efforts needed to be stepped up and capital markets developed which

would then expand the financing opportunities of European business and would absorb the shocks in times of crisis.

He added that banking supervision and the mechanisms to deal with struggling banks had already been improved in the euro area. At the same time, the Commission had in November proposed banking legislation intended to further reduce risk within the banking system, and it was working with the Member States to draw up a European strategy to reduce the volume of bad debts and continuing its efforts to loosen the link between the banks and sovereign debt.

On economic and fiscal union, he highlighted the need to ensure convergence between Member States as they moved towards more resilient economic structures, in particular through further structural reforms in the Member States. He added that the Commission was presenting three options for providing a macroeconomic stabilisation function in the euro area which would help countries hit by an economic shock too powerful to absorb alone, and to which countries would only have access subject to upward convergence reforms and compliance with existing rules.

Mr DOMBROVSKIS concluded his presentation by referring to one of these options, the European investment protection mechanism, which would take effect in the event of an economic downturn to make sure that public investment was not the first heading in a national budget to be reduced, at the risk of jeopardising a return to growth. He thought that such a mechanism, which might take the form of a financial instrument, could even be put in place before 2025. Among the other possible stabilisation instruments, he mentioned a European unemployment reinsurance scheme or a pension fund. Whatever option was chosen, he insisted – within the limits laid down by the Five Presidents’ Report – that it must not lead to permanent transfers between countries or to transfers that always moved in the same direction, or undermine incentives for a sound fiscal policy at national level.

Mr MOSCOVICI noted that the College had already had several opportunities to

discuss the future of the euro area and considered that the outcome of its joint reflection was balanced and well constructed. He thanked the Members for their constructive attitude and commitment to this matter, which in his view was one of the key projects of the second half of the current Commission's term.

He started by making some political observations on the period that would begin with the publication of this reflection paper. An opportunity to strengthen the Union was emerging as, for the first time in many years, Europe was a positive topic in national political debates. A stronger euro area would result in greater cohesion in Europe as a whole.

In this general context, the Commission's reflection paper was not only well-timed and sufficiently precise to be taken up in the Member States, but also open enough not to recommend ready-made solutions.

Mr MOSCOVICI then presented the content of the paper, highlighting its very clear explanation of the compelling arguments for deepening the Economic and Monetary Union in order to secure the long-term future of one of the major achievements of European integration, the euro. Reforms were necessary, but were no longer sufficient to ensure the cohesion of the euro area. For this reason he proposed a progressive but perfectly clear balance between strengthening solidarity and strengthening the individual responsibility of the Member States in moving towards ever closer union, using tools that could bring about an in-depth transformation of the euro area, such as the different types of fiscal capacity or the ultimate goal of a new risk-free asset.

He therefore summarised the ambition of the reflection proposed by the Commission, which, as formulated by Jacques DELORS, was to move from a euro that stabilises to a euro that stimulates, responding in this way to the concerns of citizens. This contribution to the public debate would doubtless be criticised and the balance sought would be distorted both by those who wanted to hold back and those who wanted to push on with deepening the Economic and Monetary Union, but he

was convinced of the need for the Commission to stand firm and explain its position, not only within the euro area, but also outside it, because the euro was the currency of everyone.

In the course of the discussion that followed, the Commission raised the following main points: (i) the balance of the reflection paper, which followed on from the Five Presidents' Report; (ii) the importance of a reflection within the framework of the current treaties; (iii) the opportunity for progress by 2025 in the situation of the seven Member States intending to adopt the euro, by asking them to submit a road-map for joining the single currency; (iv) a reflection on the expediency of introducing a right to debt finance to fund the Union budget; (v) an observation that, after the withdrawal of the United Kingdom from the Union, the more Member States not currently part of the euro area became members of it, the closer the Union budget would be to becoming a euro area budget; and (vi) the expediency of including in the Union budget any new financial instruments created at European level, and the need first to fill the gaps found in the multiannual financial framework.

Mr DOMBROVSKIS responded to certain points raised in the discussion. In its reflection paper the Commission did not envisage asking the seven Member States wishing to join the euro area for a road-map, on the one hand because neither the treaties nor the secondary legislation made provision for doing so, and on the other, because the European Central Bank also had a say on the issue.

Mr MOSCOVICI returned to the relationship between the Union budget and the possible fiscal capacity of the euro area, noting that the latter would not cover the same expenditure as the general budget of the Union and could, for example, finance the unemployment reinsurance mentioned during the presentation.

Mr TIMMERMANS concluded by noting the College's agreement on the reflection paper, which was therefore adopted and represented the Commission's position. This paper did not propose options, but rather a 'tool kit' for the institutions and the

Member States, with the goal of enabling the Economic and Monetary Union to turn to the future, for the good of the European and global economy.

The Commission adopted the reflection paper in COM(2017) 291/2 for transmission to the European Parliament, the European Council, the Council, the Court of Justice, the Court of Auditors, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

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The meeting closed at 12.40.