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CHANGE EUROPE!

The EU is about to take decisions that will seriously affect the future of its citizens. Proposals now before EU governments and the European Parliament would impose unprecedented austerity measures that would lead to more job losses, social exclusion and poverty in Europe.

Progressive Members of the European Parliament, including their leader Martin Schulz, former prime ministers, academics, trade union and civil society figures, sound a warning. In an online appeal at www.changeforeurope.eu, they urge EU citizens to join them in a campaign to change Europe.

The appeal – which is now open for signatures – denounces the current approach of cutbacks alone, claiming that it threatens growth, jobs and investment. The appeal advocates an alternative to the austerity measures put forward by right-wing politicians in Europe. Measures called for in the appeal include the introduction of Eurobonds to draw together some of the member states' debt, work on the foundations of an EU-wide fiscal policy and a tax on financial transactions. They called all of those, who believe in a fairer way out of the crisis that will strengthen Europe instead of weakening it, to join them!

EUROPEAN LAWMAKERS CALL (AGAIN!) FOR A FINANCIAL TRANSACTION TAX

The Parliament called in Strasbourg for a tax on financial transactions to give the EU a new source of revenue. The key vote led the S&D Group, to claim an important victory in its long-running campaign for the tax. The report "Considers that a Financial Transaction Tax could constitute a substantial contribution, by the financial sector, to the economic and social cost of the crisis, and to public finance sustainability.

S&D Group leader Martin Schulz said to the media in Strasbourg: "This is a major breakthrough and a significant victory in our campaign. We now expect the Commission to act promptly on the demands of the democratically-elected Parliament and to bring forward appropriate measures. Europe must give the rest of the world a lead by levying

this tax within its borders and campaigning for it to be introduced in the rest of the world." S&D Group budget spokesman Göran Färm added that: "A financial transaction tax will deal with two problems at once - how to finance ever-growing demands to put new EU policies in place, and how to make the financial sector contribute to the resolution of the economic crisis that it caused. The tax revenues will cut payments Member States currently make to the EU budget. At the same time, we will have the resources for investment in research and development, fighting climate change and in building solidarity between the regions of the EU." The call on a financial transaction tax was adopted as part of the multiannual financial framework report (see following story).

EU BUDGET FREEZE NOT POSSIBLE UNLESS AGREED POLICIES ARE SLASHED

The House has issued a challenge to the Member States who want to freeze the EU's next long-term budget covering the period 2014-2020 known as the multiannual financial framework (MFF) or financial perspective. European lawmakers urge the Member States who advocate a frozen or reduced long-term budget to state exactly which policy priorities they want to drop in order to make room for a budget cut. Parliament fears that budget restrictions could jeopardise the already agreed boost for research and innovation (from today's 1.9% of GDP to 3%) as well as investment in infrastructure, foreign policy and enlargement.

"The MFF needs to reflect the EU 2020 strategy and other agreed policies. When we are asking for increases, it is not because we are inventing things. We just want a realistic and implementable budget", said Jutta Haug S&D, Group MEP and Chair of EP's Special Committee on Policy Challenges, which had worked for a year to produce the report.

MEPs criticise the current funding system, which relies almost entirely on national contributions and has become extremely complex. Instead, a system of real own resources would be "fairer, more transparent, simpler and equitable", say MEPs, whilst at the same time stressing that budget reform need not affect the size of the budget and would not increase the overall tax burden on citizens. They also call for an end to the "rebates, exceptions and correction mechanisms" that have accumulated within the current system. The resolution was adopted by 468 votes to 134, with 54 abstentions. [Read resolution in full](#)

EUROVIGNETTE

Revising "Eurovignette" road haulage tax rules will make it possible for EU countries to charge hauliers for air and noise pollution costs, in addition to motorway tolls. A directive approved by the Chamber in Strasbourg this week will ensure that revenue from these charges is used to improve the performance of transport systems and cut pollution.

On average, 3 to 4 cents per vehicle/km may be added to charges for using transport infrastructure to cover the external costs of road haulage, starting with air and noise pollution. The directive will cover not only trans-European transport (TEN-T) networks, but all motorways, and will apply to vehicles of over 3.5 tonnes. If a Member State wishes to grant exemptions for vehicles of up to 12 tonnes, then it must notify the Commission of the reasons why.

In exchange, EU countries firmly commit themselves to invest 15% of overall revenue in TEN-T networks. The remaining amounts should be used to reduce damage to the environment and develop all transport systems sustainably. Parliament approved a compromise with 505 votes in favour, 141 against. The deal is expected to be rubber-stamped by ministers in the next few weeks and then become law. [Read adopted text in full](#)

IN SHORT

Strengthening Credit Ratings Agency Rules - European lawmakers advocated making credit rating agencies liable in civil law for their ratings, and creating a European credit rating foundation. They also called for special attention to be paid to sovereign debt ratings. The new rules for credit rating agencies should also clarify their working methods, boost competition and reduce reliance on their ratings. The resolution, which was approved by a show of hands, comes some weeks before the Commission is to table legislative proposals to further regulate credit rating agencies (CRAs). The resolution calls for more light to be shed on how CRAs arrive at their sovereign ratings, and says they should explain their methodologies and why their ratings deviate from the forecasts of the main international financial institutions. It also demands that the effects of ratings on increased spreads be analysed. The resolution also looks at ways to hold CRAs to account for the advice that they give. Most importantly, the text calls on the Commission to identify ways in which CRAs can be held liable under Member States' civil law. [Read resolution in full](#)

EP Debates the New Hungarian Constitution: Hungary to Stop EU Sponsored Anti-Abortion Campaign - A highly charged debate about the new Hungarian constitution pitted Conservatives against the S&D Group and other political Groups in the Parliament. Fundamental Rights Commissioner Viviane Reding stressed in Plenary that the Commission does not intervene in the constitutional processes of Member States, although it could do so "when the constitution is translated into legislative practice". She would "not hesitate a moment to intervene" if fundamental EU values or principles were infringed by national legislation.

In addition, during the debate, the Commission firmly urged Hungarian authorities to immediately stop and withdraw an anti-abortion campaign improperly funded with EU money. S&D Group Member Sylvie Guillaume who raised the case during the debate prompted the move. Commenting on Ms Reding's disappointment about that campaign, Sylvie Guillaume said: "The Commission made it very clear: using EU money from the Progress programme or any other EU source to promote an anti-abortion campaign is an abuse and is incompatible with EU values".

Romania & Bulgaria Ready to Join Schengen - After considering progress reports on the two Member States, MEPs concluded in a resolution that although some remaining issues will require regular reporting in the future, they do not constitute an obstacle to full Schengen membership for Bulgaria and Romania. S&D Group Vice-president Monika Flašíková Beňová said that: "As full EU Members, Romania and Bulgaria must be treated like any other EU country. Any attempt to impose new conditions is legally unjustified. There cannot be double standards for EU countries. We now expect the Commission to keep monitoring the smooth implementation of the Schengen agreement to prevent restrictions or abuses of free movement across the EU." The report was adopted by a vote of 487 to 77 and 29 abstentions. [Read resolution in full](#)

E. Coli Outbreak - In the debate on the E. coli outbreak in Germany, many MEPs demanded a thorough investigation of what went wrong at EU level and in Germany. They stressed the need to compensate farmers affected by the crisis and to restore consumer confidence. Parliament sent a message of solidarity to the victims.

Measuring sustainable development and supplementing GDP - An agreement on better monitoring and reporting of environmental data should be a first step towards measuring the EU economy on a wider basis than GDP, according to MEPs, who approved legislation on "environmental economic accounts" and a non-binding resolution on "Beyond GDP", both approved in Strasbourg. [Read resolution in full](#)

Social & Environmental Standards at Stake in EU-Canada Trade Agreement -

Whilst welcoming progress in negotiations for a trade agreement between the EU and Canada, MEPs nonetheless voiced concerns about certain products, intellectual property rights and public procurement in a resolution adopted in Strasbourg. The S&D Group welcomed trade negotiation with Canada but warned the Commission against opening the EU market to GMOs or giving up key demands such as legally-binding social and environmental standards. [Read resolution in full](#)

Parliament opposes death sentence to be imposed by US military court -

The Parliament calls on the US authorities not to seek the death penalty for Saudi national and Guantanamo detainee Abd al-Rahim al-Nashiri in a military court trial to be held in the coming weeks. MEPs say Mr al-Nashiri should instead be given a fair trial in accordance with international standards of the rule of law. The resolution urges the US "to review the military commissions system to ensure fair trials, to close Guantánamo, to prohibit in any circumstances the use of torture, ill-treatment, incommunicado detention, indefinite detention without trial and enforced disappearances, and reminds the EU institutions and Member States of their duty not to collaborate in, or cover up, such acts". [Read the resolution in full](#)

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