

EPSU Circular LC No. 67 (2005)
To the Committee on Internal Market and
Consumer Protection in the European Parliament

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REF.: CFP/PC/ea
Contact person: Penny Clarke
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**IMCO vote of the draft directive on services in the internal market
The Services Directive breaks every rule in the good governance rulebook**

Dear Members of the European Parliament,

The draft services directive falls short in terms of good governance principles. These principles, which were the subject of debate at the IMCO Hearing on the "*Implementation, impact and consequences of internal market legislation*" held on 15 September, include:

- The **need for clear, well-drafted text** (a prerequisite for transparency and participation in decision-making process);
- **effective consultation** in the preparatory phase (may seem to cause delay, but shorter in the long-term);
- **proper impact assessment** (with the possibility to reject proposal if assessment inadequate);
- **adequate screening** for unintended side-effects (to avoid afterwards "*we never intended this to happen..*" discussion); and
- **anticipation** implementation and enforcement issues.

The draft services directive fulfills **none** of these principles. The procedural deficit alone is enough in our eyes to justify its rejection. What is the debate on good governance worth if the theory is not put into practice?

As regards the content of the draft directive, The European Federation of Public Service Unions (EPSU) fears that the directive will severely interfere with the possibilities for Member States (including local and regional authorities) to regulate Services of General Interest (SGI) and Services of General Economic Interest (SGEI) in the general interest. This cannot be otherwise as the draft directive is all about encouraging *competition* in services by reducing all kinds of regulation. This contradiction can only be dealt with by excluding both SGI and SGEI from the scope of the directive, as is proposed in the compromise amendment 2 from Ms Evelyne Gebhardt.

At a time when it is vital that the EU reconnects to EU citizens it is not wise to be seen restricting local and regional authorities from providing quality public services. Members of the European Parliament in particular have a duty to ensure citizen's rights are reflected in all EU legislation.

We would urge you in tomorrow's vote to weigh up carefully all the shortcomings of the directive as drafted and to vote accordingly. If you are not able to support the rejection of the text, as called for by Ms Mia de Vits and others, then we urge you at least to ensure that Ms Gebhardt's compromise amendment 2 is accepted and that SGI and SGEI are removed from the scope of the proposal.

If you have any queries, please contact Penny Clarke or me.

With best regards,

Carola Fischbach-Pyttel
EPSU General Secretary