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GREECE, UKRAINE, TERRORISM 'Three in one' summit

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Rue d'Arlon, 53
B-1040 Bruxelles

EDITORIAL TEAM
Editorial director:
Pierre Lemoine

Editor-in-chief:
Christophe Garach

Editors:
Anne Fekete de vari
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Editorial advisors:
Marc Paoloni
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Warsaw: Jakub Iwaniuk
Washington: Brian Beary

Translators:
Aïda Boghossian
Christina Berta
Betty Jackson
Michèle Morsa
Jessica Smith

Layout, photo edition, website:
Grégoire Maus
Nathalie de Jamblinne
Anke Harthoorn

Agenda: Zsolt Kozma

ADVERTISING:
Michel Deurinck
Sophie Delaval
advertising@europolitics.info

SALES: Virginie Goupy

SUBSCRIPTIONS:
Geneviève Jourdain
Jelena Laverty
subscriptions@europolitics.info
Tel: +32 2 737 77 09
Fax: +32 2 732 67 57

TELEPHONE
Editorial: +32 2 737 77 22

E-MAIL
General:
editorial@europolitics.info

Individual:
firstname.surname@europolitics.info

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EU leaders cautiously welcome Minsk II agreement

By Joanna Sopinska

They stress the need for the deal to be fully respected

The EU's leaders welcomed as "a glimmer of hope" the ceasefire deal signed on 12 February in Minsk by the Ukrainian government, representatives of the self-proclaimed Donetsk and Lugansk republics and the Organisation for Security and Cooperation in Europe (OSCE).

According to EU leaders, who arrived in Brussels the same day for an informal summit, the so-called Minsk II agreement, reached after 17 hours of tough talks between Russian President Vladimir Putin, Ukrainian President Petro Poroshenko, French President Francois Hollande and German Chancellor Angela Merkel, is a move in the right direction. Most of them remained, however, very cautious about the chances of the agreement being fully respected.

The previous Minsk agreement of 5 September 2014 collapsed shortly after it was reached and more than a thousand people have been killed since then.

"The real test is the respect for the ceasefire on the ground," European Council President Donald Tusk told reporters on his way into the summit. "It is my feeling that we have to be cautious, and I still feel this after my short conversation with German Chancellor Angela Merkel," he added.

Merkel, who together with Hollande represented the EU in talks with Putin, admitted that the deal is very delicate and represents only a "glimmer of hope". She insisted that now the words need to be followed by deeds.

"I just would like to reiterate that it represents a glimmer of hope - no more, no less," Merkel told reporters on her arrival at the EU summit.

Hollande's comments were similar in tone. "The next few hours will be decisive as it could go either way," he warned, referring to the fact that the ceasefire will take effect from midnight local time on 15 February - some 72 hours after the agreement was signed. "We will have to remain vigilant, to maintain the pressure and to



Merkel, Tusk and Hollande

press ahead," Hollande added, without going into detail.

UK Prime Minister David Cameron echoed this view. "We should be very clear that Vladimir Putin has to know that unless his behavior changes the sanctions we have in place will not be lifted," he told the press.

The EU leaders made it clear, however, that although fragile, the Minsk II agreement is enough to put on hold the talks about toughening the sanctions against Russia. "We should give peace a chance," said Finnish Prime Minister Alexander Stubb. "I sincerely believe the time is not ripe for new sanctions" against Russia, European Commission President Jean-Claude Juncker told journalists.

WHAT ROLE FOR MOGHERINI?

The EU's foreign affairs chief, Federica Mogherini, said the Union would "discuss concrete measures" that could be "put in place from the EU side to monitor and implement the agreement". She did not take part in the talks in Minsk, which some diplomats consider a sign of her

weak position. The negotiations were held in the 'Normandy format' that has been established at the first Putin-Poroshenko-Merkel-Hollande meeting, which took place on 6 June 2014 in France during the commemorations of the Battle of Normandy.

Mogherini's spokesperson told Euro-politics that she was in a close contact with Merkel and Hollande ahead of and during the talks in Minsk. Tusk was not present either in the Belarusian capital. One diplomat explained that his Polish nationality could have played a role here. "His presence could have an opposite result as Russia perceives Poland to be very pro-Ukraine," the diplomat said.

"SOLID" IMF BAILOUT

Shortly after the Minsk II agreement was reached, the International Monetary Fund announced the opening of a new loan for Ukraine totaling US\$40 billion over four years. The "preliminary" agreement the Ukrainian government reached with the IMF was welcomed by Tusk as a "solid" financial help for the conflict-stricken country. ■

Minsk II agreement

The agreement foresees inter alia a full bilateral ceasefire, withdrawal of all heavy weapons by both sides (which must start no later than on day two of the ceasefire and be completed within two weeks), a dialogue on the holding of local elections, pardon and amnesty by banning any prosecution of figures involved in the Donetsk and Luhansk conflict, release of all hostages and other illegally detained people, and full Ukrainian government control to be restored over the state border, throughout the conflict zone.

Tsipras' push finds little traction with EU leaders

By Jorge Valero

Merkel says she is ready to “compromise,” but underlines that Europe’s credibility is based on respect for the rules

The clock is ticking for Athens and its EU partners to find a new formula for extending support to Greece on the basis of the existing bailout programme, thereby preventing a ‘Grexit’. After the first - unsuccessful - attempt to narrow the differences between the two sides during an extraordinary Eurogroup meeting, all eyes were on the first encounter between German Chancellor Angela Merkel and Greek Prime Minister Alexis Tsipras at the EU summit, on 12 February. The unfruitful discussions held on the eve of the European Council between the eurozone’s finance ministers and their Greek colleague, Yanis Varoufakis, left the two sides without a road map to follow until the Greek programme expires on 28 February.

The mood was rather gloomy among the EU’s top leaders. “I am very concerned,” European Commission President Jean-Claude Juncker confessed on his way into the meeting. “I wish there was more progress last night,” he told reporters.

Despite the lack of results, Tsipras was “hopeful” when he arrived for his first meeting with the 27 heads of state and government. “I am sure that together we can find a way to heal the wounds caused by austerity,” he said. Earlier in the morning, Greek senior officials commented on condition of anonymity that an agreement was still possible by 16 February, the deadline for reaching a solution, as parliamentary approval is required for an eventual deal in a handful of member states.

Meanwhile, the message hammered home by the EU partners remains the same. Any future arrangement for Greece will have to be based on the existing programme and the agreed commitments. Therefore, the only option for Athens is to ask for an extension of the programme

by 16 February, when the Eurogroup will meet again, with fine-tuning allowed to accommodate some of Tsipras’ demands.

Merkel arrived at the summit ‘with an olive branch’. “Europe has always been geared for compromise” and “Germany is ready for that”. But on the substance, she stressed that “Europe’s credibility is based on respecting the rules by all of us, and being reliable amongst each other”.

The Dutch prime minister agreed with

Spanish Prime Minister Mariano Rajoy reiterated that “at this moment, Greece doesn’t have any other creditor apart from Europe,” adding that Spain has already lent €26 billion to Greece. “Europe and the world are built on the fulfilment of commitments made.”

The camp of hardliners remains strong, with at least a dozen countries clearly opposed to any substantial adjustments to the Greek programme.

Meanwhile, the group of member states more sympathetic to Greece’s demands underlines that any new arrangement will have to be based on the existing programme. In addition to France, which aims at facilitating a compromise with Greece, Austria, Luxemburg, Belgium and Italy could also be ranked among the moderates. Austrian Chancellor Werner Faymann said he was “convinced that Greece needs a fair solution.”

The European Commission has played its role as an honest broker to reach an agreement before Greece exits the financial assistance programme with no additional aid to cover its funding needs, and no guarantees to have access to liquidity from the European Central Bank (ECB). That would lead to the break-up of the euro - a scenario that the EU’s leaders have been working against for five long years now. ■



Alexis Tsipras

Merkel. Greece “agreed to implement the reforms to get the [bailout] money, they need to stick to that”. “A deal is a deal and Greece will have to respect its engagements,” he insisted.

Following an intense effort by the SYRIZA-led government to drum up support for a new arrangement with the EU and the IMF, the member states are becoming increasingly impatient with the radical left-wing party and its defiant tone. For many, Tsipras and his ministers are still in campaign mode.

“We are starting to lose patience with Greece,” Finnish Prime Minister Alexander Stubb told reporters on his way into the summit. He believes that any deviation from this principled line would be unjust towards countries such as Ireland, Spain and Portugal, which have also made enormous sacrifices in exchange of financial aid.

The Spanish government, which faces an increasingly challenging political scenario at home with the SYRIZA-type party Podemos continuing to gain public support, has assumed a ‘hawkish’ position.

Modest progress

The EU summit participants can claim to have made modest progress towards resolving the ‘Greek problem’. Prime Minister Alexis Tsipras and Eurogroup President Jeroen Dijsselbloem agreed to task the relevant institutions with conducting a technical assessment of the potential overlaps between the current bailout programme and the Greek government’s plans. The aim is to facilitate the discussions at the crucial Eurogroup meeting, on 16 February.

EU leaders to re-enforce Schengen borders with more screenings

By Anca Gurzu

They call on the Commission to propose options for amending the Schengen agreement

The member states will begin a systematic screening of passengers entering the Schengen space based on common – but yet to be defined – indicators in an effort to fight terrorism, according to the European Council's latest draft conclusions. This is the first and immediate step the European Union's 28 heads of state and government agreed on at their summit in Brussels on 12 February.

A more permanent, but less popular, solution also remained on the table for the longer term, once the member states agree to consider revising the Schengen borders code to allow for permanent checks.

France, which has been strongly lobbying for clear language on modifying the 1995 agreement, has found opponents in many member states.

The final text represents a tough compromise among EU leaders, some under domestic pressure to push through stronger EU-wide anti-terrorism measures in light of the Paris attacks, and others keen not to open the “revisions door” in an effort not to create a precedent that could later endanger EU citizens' freedom of movement.

TWO STEPS

EU officials described the Council's paragraphs on Schengen as a two-step process.

Leaders agreed “to proceed without delay to systematic and coordinated checks on individuals enjoying the right of free movement against databases relevant to the fight against terrorism based on common risk indicators,” according to the text.

Under the current system, customs officers must only check the identity of EU citizens entering the Schengen space by also ensuring that their travel documents are legitimate. A more thorough screening

for criminal or other offences, for example, is haphazard, triggered randomly or by suspicion.

Under the newly proposed system, customs officers across the Schengen area would screen all individuals who would have “common risk indicators”. These indicators are yet to be defined, but EU officials said these could include, among others, age range and previous travel history.



political debate. Despite the enhanced anti-terrorism checks, EU officials point out that member states' reluctance to share intelligence among each other questions the efficiency of the new measures.

For example, only a handful of member states contribute to and use the existing databases for screening passengers. This means that an enhanced Schengen-level screening process could only work if there is information in the databases, officials said.

The Council is calling on law enforcement and judicial authorities “to step up information-sharing and operational cooperation, including through Europol and Eurojust”. It is also calling on the member states' security services to deepen cooperation. Nevertheless, these remain a national decision.

EU leaders also called on the EP to “urgently adopt a strong and effective European Passenger Name Record directive with solid data protection safeguards”. The major political groups agreed on 10 February to finalise the PNR by the end of the year. ■

Avramopoulos packing his bags

The Commission could lose its top official in charge of the fight against terrorism. The Commissioner in charge of immigration, citizenship and internal affairs, Dimitris Avramopoulos, could be quitting his job as early as this weekend, according to European sources. The initial rumour, revealed by Europolitics, has been confirmed in these last days. The winner of the recent Greek parliamentary elections, SYRIZA, wants to put one of its own people in the Commission, while the Greek ex-defence minister is expected to return home with presidential aspirations. If this happens, the whole cabinet of the commissioner needs to pack their bags and a new hearing should have to be held. Meanwhile, Vice-President Frans Timmermans would stand in for Avramopoulos.

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Markku Markkula elected president of CoR

By Isabelle Smets

He takes over at the head of CoR for 2.5 years, after which he will be succeeded by the Belgian Karl-Heinz Lambertz

Markku Markkula (EPP) has been elected president of the EU Committee of the Regions (CoR) for the next two-and-a-half years. In June 2017, he will be succeeded by Karl-Heinz Lambertz (Belgium, PES) in order to complete the CoR's president's five-year mandate. This outcome is slightly unexpected, since it will mean two EPP presidents in a row. The Socialists wanted the post and, traditionally, the two groups have negotiated an PES-EPP rotation. But this situation does have a precedent, since between 1996 and 2000 the Socialists had also held two mandates in a row.

The EPP exerted «continuous pressure» to take over the mandate, Lambertz told *Europolitics* after the election. A PES majority within the institution was just a few votes short of being enough to allow the Socialists to impose their choice. Therefore, the two groups agreed the day before the vote that the EPP would take the first mandate - but the PES would be «compensated,» Lambertz clarified, in terms of an additional presidency of the committee, and the working groups.

The matter of nationality also played a role in Markkula's appointment, since Lambertz is Belgian, and the committee was chaired by a Belgian not long ago [Luc Van den Brande from 2008 to 2010]. Lambertz's personal agenda would also have been taken into



Markku Markkula

account. Currently president of the Parliament of the German-speaking Community of Belgium, he should become a senator in September 2016, and will therefore spend more time in Brussels. He is also currently president of the Association of European Border Regions (AEBR) a position he will also leave in 2016.

Therefore, it is now the turn of Markkula, a 64-year-old city councillor from Espoo, the second largest city in Finland, to lead the CoR. Markkula is chairman of Espoo City Planning Board, and has been a member of the CoR since 2010. Presenting his priorities after his appointment, he emphasised that delivering growth and jobs through the involvement of Europe's regions and cities would be his priority – he is an expert in intelligent specialisation and the digital economy. He also underlined the need for a renewed European Neighbourhood Policy, which should be delivered at local and regional levels. Relations with the European Parliament will be important, he said, adding: “Coordination between the political families will be even more crucial in future”. He expressed his desire to “get in touch” with the president of the European Council “to establish renewed cooperation and ensure that our messages are taken into account when preparing EU summits”.

Lambertz told *Europolitics* he intended to “fight to protect the investment capacity of regions with a measure of autonomy” - the CoR calls for investments under Structural Funds not to be included in debt calculations – and to defend services of public interest. “In Europe, there is an imbalance in favour of market rules,” he said. ■

In brief

Green light for Czech aid to Paskov mine workers

The European Commission authorised, on 12 February, public subsidies meant to facilitate the shutdown process and provide financial support for workers of the Paskov mine. Located in the Moravian-Silesian region, this site operated by the Czech mining company OKD a.s and primarily producing coking coal is no longer economically viable. The aid proposed by the Czech Republic is in line with Council Decision 2010/787/EU on public subsidies to facilitate the closing of uncompetitive coal mines. This text contains a mechanism for the financing of certain exceptional costs, notably social, resulting from such shutdowns. The aid will help finance one-off severance payments to workers who have lost or will lose their jobs and special bonuses to workers who have been exposed to occupational health risks.

Tax rulings: Mammoth task with limited resources

By Ophélie Spanneut

MEPs formally adopt the decision to set up a special committee, to be chaired by Alain Lamassoure

After a long period of equivocation in November and December 2014, followed by another go in January with the petition organised by the Greens and the EUL that collected enough signatures to request a committee of inquiry, MEPs have at last decided on the form of their reaction to the LuxLeaks revelation. In a 12 February vote of 612 in favour, 19 against and 23 abstentions, they approved the establishment of a special committee. This compromise makes it possible to spare Jean-Claude Juncker while demonstrating a political will to take action.

The committee's powers are very broad. It will have to analyse whether tax rulings and other measures similar in nature or effect issued by member

states since 1991 are compatible with EU state aid rules. It will also examine whether the member states have complied with the obligation of spontaneous exchange of information on tax rulings as established in directives adopted in 1977 (77/799/EEC) and 2011 (2011/16/EU). The committee will also analyse and assess whether the Commission effectively investigates such suspected cases of abusive state aid and infringements of tax directives.

The scope of the task is huge but the problem is that Parliament's means do not match its ambitions. Carrying out parallel investigations alongside the Commission's would be counter-productive. It is not yet clear how many officials will be assigned to the special committee's secretariat. In previous cases, only one or two full-time administrators have been seconded to special committees and a few other officials helped out from time to time.

In fact, Parliament deliberately chose

the broadest possible mandate to keep all its options open. Its role will have to be clarified, possibly to refocus on a smaller number of points, suggested a senior official. That will be the task of its chairman, Alain Lamassoure (EPP, France). After strenuously opposing the committee of inquiry and denouncing the dissidence of half the CDU-CSU delegation, Lamassoure was nominated for the chairmanship by EPP group leader Manfred Weber, on 11 February. Under an informal agreement among the groups, the chairmanship goes to the EPP.

The 45-member special committee on tax rulings is made up of 13 EPP members, 12 S&D, four ECR, four ALDE, three EUL, three Greens, three EFDD and three non-attached (see names here). It is in reality an annex to the Committee on Economic and Monetary Affairs (ECON), because only four of its 45 members are not ECON members or alternates. ■

LuxLeaks: Poorly known directive on tax rulings

By Ophélie Spanneut

The special committee on tax rulings will analyse non-compliance with a directive that Parliament took three months to unearth

Incredible but true: it took MEPs three months to discover that tax rulings have to be notified between member states. Following the LuxLeaks revelations of 6 November 2014, political leaders, Jean-Claude Juncker first among them, prevaricated over the immoral but legal nature of tax rulings. Worse, to calm down MEPs, the European Commission president promised, on 12 November, to present a draft directive establishing

an obligation of automatic exchange of information between member states on tax rulings for multinationals issued by their tax administrations.

That obligation, however, is already laid down in Directive 77/799/EEC, adopted in 1977. Its provisions are repeated in Article 9 of Directive 2011/16/EU, which repealed and replaced the 1977 text in 2011. No one in Brussels remembered its existence before February, when a leaked confidential working document between the Council and Commission, dated 4 June 2012, alerted the Greens, who at the time were short on legal arguments for setting up a committee of inquiry.

The Commission did not breathe a

word about this directive. The member states carefully refrained from doing so as well. MEPs argued that Parliament was not a co-legislator as an explanation for this surprising ignorance. That is true, but when the Commission tabled a revised text in 2009, Parliament was consulted and Magdalena Álvarez drafted a report.

The confidential document reveals that the Commission was concerned about non-compliance with the directive and inquired about procedures in place in the member states. Many acknowledged that they had no such mechanism. France and Malta did not take the trouble to respond. Others, like Ireland, reported that they did not make use of tax rulings. ■

Social dumping: Court clarifies notion of minimum wage

By Sophie Petitjean

It identifies the factors included in the Finnish collective agreements which form part of this notion and those which are excluded from it

EU law allows a posted worker (a worker sent by his employer to another member state for a limited period with the purpose of providing a defined service) to claim the minimum wage of the host member country, confirms the EU Court of Justice. In response to a preliminary question by the Court of First Instance of Stakunta (Finland), it specifies that this remuneration can include a daily allowance, a daily travel allowance or holiday pay. On the other hand, housing and meal vouchers do not form part of the notion of 'minimum wage'. This ruling, delivered on 12 February (Case C-396/13), completes a lengthy series of judgements on the sensitive issue of the posting of workers (Laval un Partneri, Rüffert and Commission/Luxembourg cases, etc).

The dispute opposes a Polish company and its posted workers in Finland. The Polish company Elektrobudowa Spółka Akcyjna (ESA) concluded, in Poland and in accordance with Polish law, work contracts with 186 labourers before posting the latter to its Finnish division, with a view to carrying out electrification work for the Olkiluoto nuclear reactor there. Maintaining that ESA had not granted them the minimum remuneration due to them under the Finnish collective agreements covered by the general provisions concluded in the electrification division and in the building's technical installations, the workers concerned individually sold their claims to Sähköalojen ammattiliitto (a Finnish trade union for the electricity sector) in order that the latter could ensure their collection. Consequently, the trade union called for ESA to be sentenced to pay it a total amount of €6,648,383.15 plus interest, corresponding

to the claims that it had obtained.

FINNISH PROCEDURAL LAW APPLIES

In its ruling, the EU Court of Justice begins by refuting the arguments of ESA, according to which the trade union does not have the ability to act on behalf of the posted workers, the reason being that Polish law prohibits the assignment of receivables



resulting from an employment relationship. It underlines, in fact, that there is no motive likely to bring into question the ability of the trade union to represent posted workers and, consequently, the right of effective redress

There is no motive likely to bring into question the ability of the trade union to represent posted workers

guaranteed by the Charter of Human Rights, to the extent that it is Finnish procedural law which applies according to the lex fori principle (the law of the court in which the action is brought).

CONSTITUENT ELEMENTS

Secondly, the court focuses on identifying the constituent elements of the Finnish collective conventions relating to the minimum wage. To recall, in its Commission/Germany and Isbir rulings, it had already excluded

from this notion the increases and supplements which are not defined by legislation or by the national practice of the host country as elements forming part of the minimum wage.

This time the court confirms that:

1. The daily allowance forms part of the minimum wage. In fact, this fixed amount is intended to ensure the social protection of the workers concerned, by compensating for the drawbacks due to their posting, consisting of distancing the interested parties from their habitual environment. As a result, this daily allowance must be paid to the posted workers, such as those at issue in the main proceedings, to the same extent that local workers benefit from it while posted on Finnish territory.

2. The daily travel allowance (which corresponds to compensation for daily travel time and not to compensation for the cost of travelling to another location) forms part of the minimum wage.

3. Holiday pay is a constituent element of the minimum wage. Pursuant to the charter, all workers have the right to annual paid leave and must receive their normal remuneration for that period of rest. Holiday pay is therefore intrinsically linked to the remuneration that the worker receives in return for services provided.

But the court considers that housing and meal vouchers (which are neither based on the legislative, regulatory or administrative proposals of the host country, nor on the relevant collective conventions invoked by the trade union) do not form part of the minimum wage.

Lastly, concerning the method of calculation, the court confirms that Directive 96/71 (posting) does not oppose the calculation of the minimum wage by the hour and/or task, based on the classification of workers in remuneration groups, as provided by the Finnish collective conventions, on condition that the calculation and classification are carried out according to binding, transparent rules, the verification of which is the responsibility of the national judge. ■

Smart homes vulnerable to cyber attacks - study

By Nathalie Steiwer

ENISA, the cyber security agency, maps the risks of connected homes. Smart TV systems are in its sights

Amidst the controversy over Samsung's alleged spying on its customers through its smart TVs, the EU's cyber security agency, ENISA, confirms that connected television does indeed constitute a potential security threat. In a study on the threat landscape of connected homes, it analyses the different devices in smart homes: sensors for lighting and electricity, alarms connected to the internet, media systems and so on. The agency concludes that "the potential for abuse of smart homes should be considered high. The smart home offers personalised and context-informed attack vectors".

"Your smart kettle might, without your knowledge, participate in a botnet," writes ENISA, suggesting the possibility of connected objects being used as intermediaries for attacks. Such a possibility cannot be ruled out since the users of such objects usually do not have the means to detect anomalies in their systems.

Sensors over which burglars gain control could be used to learn whether or not the home's inhabitants are present, their habits, state of health, etc. Other foreseeable risks include faulty con-

nections that could defrost a freezer at the wrong time or a computer bug that could deregulate a heating system or door security system. There are naturally also threats to privacy through abuse of data about the habits of the home's inhabitants collected by sensors

"Your smart kettle might, without your knowledge, participate in a botnet"

or a smart TV, for profiling or marketing purposes (see box).

ENISA points out that, although marketing for smart homes is addressed mainly to owners, these types of devices could be used by owners wishing to mandate certain types of behaviour from their tenants.

Many of these risks could be mitigated if the different devices are interconnected through a home hub rather than via internet and cloud-based services lacking sufficient security, notes the agency.

The most immediate threat identified by the study nevertheless lies elsewhere altogether: the market's lack of maturity and the strong presence of start-ups lacking the experience or resources to build sufficient cyber security into their connected objects. There are also risks in connection with high turnover in the

sector, which threatens system updating and support. Consumer education, training for developers, certification of objects and advances in criminology are some of the ways forward mentioned briefly by ENISA. ■

Big brother in my TV

Stories on the use of data collected by smart TVs have been making the news recently. Samsung, for instance, has denied allegations that it uses voice recognition technology to eavesdrop on its customers' conversations. The fact is, though, that users have to realise that they need to switch off the function after ordering their TV to "find the weather report" and before continuing their private conversation. The ENISA study notes that a tech blogger reported two years ago that he discovered that his LG TV was collecting information from his external USB drive. A good part of the cyber security agency's analysis focuses in fact on smart TVs, currently the leading smart object in the home. But "vulnerabilities have been identified in many smart TV systems from different manufacturers," including embedded functionalities, opaque systems and the visibility of occupants' activities, explains ENISA.



Aviation: New list of operators subject to ETS

By Anne Eckstein

Some 600 airlines will be subject to the EU's Emissions Trading System

The European Commission has published an updated list of some 600 airline operators subject to the ETS scheme during the 2013-2016 period [Commission Regulation EU 2015/180 - OJ L34 of 10/2/2015]. It mainly concerns commercial flights, all non-commercial flights emitting less than 1,000 tonnes of CO₂ per year from 1 January 2013 to 31 December 2020 being exempt, in accordance with Regulation EU 421/2014. According to the information it has available, transmitted by member states, the Commission considers that the emissions of these operators were in the region of 55 million tonnes of CO₂ in 2013.

The allocation of free quotas allocated to these operators by member states according to the ETS rules have also been published: these data are accessible via the European

Commission's website. According to Regulation EU 421/2014, only flights to and from airports located in the countries of the European Economic Area (EEA) as well as those between airports covering the EEA territory are subject to the Emissions Trading System. On the other hand, the following are exempt from the scheme: 1. all emissions from flights to and from airports located in countries outside of the EEA for each civil year from 1 January 2013 to 31 December 2016; 2. all emissions from flights connecting an airport located in one of the EU's outermost regions and an airport located in another EEA region for each civil year from 1 January 2013 to 31 December 2016.

This regulation amends Directive 2003/87/EC establishing an ETS for greenhouse gas emissions and its application to air transport. It settles the provisions necessary for facilitating negotiations relating to the implementation, by 2020, of an international convention, currently under negotiation in the framework of

the International Civil Aviation Organisation (ICAO), with a view to establishing a worldwide market mechanism for emissions applicable to all international aviation. These negotiations should come to a successful conclusion in 2016. The Commission will take stock of the situation on 31 December 2016 and will amend the EU's legal framework according to the results obtained.

Effective as of 30 April 2014, the regulation is applied on the basis of declared and verified emissions for 2013. The next deadline: operators of the aircraft concerned must transmit to the national competent authorities their CO₂ emission declarations for 2013 and 2014 by 31 March 2015 at the latest. The two years of emissions must be the subject of two specific declarations. The deadline for submissions (a requirement for each company to submit, on a yearly basis, the same amount of quotas as tonnes of CO₂ emitted the previous year) has been set at 30 April 2015 for CO₂ quotas for 2013 and 2014. ■

Fruit and vegetables: Court accuses France of playing for time

By Sophie Mosca

Paris has not taken all the necessary measures to claw back 338 million euro of illegal aid paid out to French producers

Arguments put forward by France to justify delays in the repayment of illegal state aid are invalid, according to a judgement delivered by the EU Court of Justice on February 12 (Case C-37/14). Between 1992 and 2002, France granted aid to fruit and vegetable producers within the framework of the "contingency plans" through producers' organisations (POs). The objective was to prevent - or, in a crisis, to limit - the effects of a temporary excess of supply in relation to demand. In January 2009, the Commission invalidated these subsidies, which distort competition on the internal market by allowing French producers to benefit from a sale price which is higher than the true cost displayed by the buyer

of the goods. France was therefore supposed to claw back this aid, estimated at €338 million, from beneficiaries, by 29 May 2009 at the latest. France - along with other concerned parties - contested this decision before the EU General Court, but the appeal was rejected on 27 September 2012.

The judges threw out France's arguments regarding the difficulty of identifying beneficiaries

Almost six years after France was notified that it had to recuperate this aid, the Commission still has not received all the amounts due. In January 2014, it initiated proceedings for negligence. Around €130 million was recuperated, but the French government claims that it recovered two-thirds of the amount at issue.

but the court said that France began

recuperating the aid two years too late - in May 2011. France had tried to obtain from the Commission deadlines for the compulsory transmission of information, such as the list of the beneficiaries, amounts to be recuperated and the state of progress of the recuperation, believing that this would give it more time to claw back the aid. However, the court says this did not exempt Paris from respecting the deadline of 29 May 2009. It also threw out France's arguments regarding the difficulty of identifying beneficiaries due to the disappearance of certain POS, and the bankruptcy of agricultural beneficiaries, as well as the argument that some targeted aid was in fact compatible with EU law. The court says that all this does not affect the obligation to reimburse the aid, and was in fact a way of playing for time. The only argument the court would not reject would be the absolute impossibility of executing the reimbursement decision - but France did not show that this was the case. ■

US tweaks visa waiver regime in response to ISIS threat

By Brian Beary

But Senator Dianne Feinstein's call for a more radical overhaul is failing to attract supporters

The Obama administration wants to maintain the visa waivers that citizens of 23 EU countries enjoy when travelling to the US, it was evident at an 11 February hearing of the House of Representatives' Homeland Security Committee. Chairman Michael McCaul (Republican, Texas) voiced concerns about the roughly 5,000 foreign fighters from Western countries who have travelled to Syria and Iraq to help the Islamic State (ISIS). Between the EU's Schengen border-free zone and the US Visa Waiver Programme (VWP), these fighters can easily travel around Europe and across the Atlantic. Under Secretary Francis Taylor at the Department of Homeland Security (DHS) explained what adjustments were being made to the VWP to tackle this problem.

They are:

- Increase in the data VWP travellers must give when applying for an Electronic System of Travel Authorisation (ESTA). Six fields were added in October 2014, with more to be added

- An expanded presence of US customs and border protection officials at foreign airports to do pre-clearance inspections. Ireland is the only EU country where this happens now (the other four are Aruba, the

Bahamas, Bermuda, Canada and the United Arab Emirates)

- Reviews of each VWP country's membership to be done annually instead of every two years.

INTRA-EU DATA-SHARING CONCERNS

Committee members seemed less concerned about the VWP itself than with the level of data-sharing among EU countries. Rhode Island Democrat James Langevin said that a British official recently told him that "continental" European countries were "reluctant to share information on their citizens due to privacy concerns". Assistant Director Michael Steinbach at the Federal Bureau of Investigation's Counter-Terrorism Division said he was "encouraged" by the EU move, following January's terrorist attacks in Paris, to revive the intra-EU Passenger Name Record (PNR) proposal. "We hope the European Parliament will move forward to pass" the legislation, he said. The DHS' Taylor said he was on an "evangelical mission" to persuade his European colleagues to share more data with each other on individual terrorist threats. It has been "a good news story," he said, unlike the "more difficult" transatlantic conversation on collection of bulk data.

Over in the Senate, California Democrat Dianne Feinstein has said she will introduce a bill to reform the VWP, calling the programme "a weak link" that "needs to be tightened up". A staffer for Feinstein could not say when the bill would be unveiled nor

give details of what it might contain. Feinstein will need some support from Democrats and Republicans in the House and Senate and from the White House if her bill is to pass. So far, she does not seem to have much, with administration officials reluctant to be linked to it and House Republicans not planning a companion bill. ■

WVP discriminates among EU28

The VWP lets beneficiaries travel for up to 90 days in the US without needing a visa. The European Commission has long called for all member states to be included given that US citizens can travel visa-free across the EU. Under the Bush administration (2001-2009) the VWP was extended beyond Western European countries to include several Central and Eastern European states. However, in the Obama era only Greece has been added, in 2010. Poland has allies in Congress that introduced bills to get it added but the bills have failed to pass. The big obstacle for Poland, along with Bulgaria, Croatia, Cyprus and Romania, is that their US visa refusal rate remains stubbornly above the statutory 3% threshold, rendering them ineligible. Their citizens must pay a US\$160 visa fee and pass an interview at a US embassy or consulate.

EU-Switzerland: Still 'nein' and 'no'

By Tanguy Verhoosel

Another point blank rejection by the Commission of Berne's request to renegotiate the free movement of persons

For the third or even fourth time, the European Commission reiterated, on 11 February, its point blank refusal to renegotiate the EU-Switzerland bilateral agreement on free movement of persons. Berne's goal is to reintroduce the principles of quotas for EU workers and preference for the national workforce

in its legislation. "The EU has not yet received the slightest official request for renegotiation of the agreement," apart from a letter to which then-EU diplomatic chief, Catherine Ashton, replied "negatively" in July 2014, commented a Commission spokeswoman, Maja Kocijancic.

In December 2014, the 28 foreign ministers confirmed this position in no uncertain terms and Commission President Jean-Claude Juncker kept to it at his 2 February meeting in Brussels with Swiss Confederation President Simonetta Sommaruga.

The Luxembourg national has of course said he is in favour of an "airing of views" on the conundrum created by Swiss voters' approval of the Swiss People's Party initiative against mass immigration, on 9 February 2014. Curiously, Sommaruga herself announced, on 11 February, that Juncker had assigned one of the diplomatic advisers in his cabinet, Richard Szostak, to maintain contacts with Berne.

"I am not excessively optimistic," commented the head of the EU executive, on 2 February, adding that there was no question of "negotiating" with Berne. ■

Euromed: “A more comprehensive and balanced approach”

By François Paquay

Interview with Fathallah Sijilmassi, secretary-general, Union for the Mediterranean

More than six years after its creation, what place does the Union for the Mediterranean (UfM) hold in dialogue between the Southern and Northern shores of the Mediterranean? Have the Paris terrorist attacks created a new situation? Fathallah Sijilmassi, secretary-general of the organisation since 2012, talked to *Europolitics*.

You have stated that today's UfM is different from what it was in 2008. How has the context changed, both in the North and in the South?

How could anyone possibly think that 2015 might be anything like 2008? The UfM, like any other multilateral organisation or structure, has to adapt to its regional and international environment, which is fundamental to the success of its activities. That is why we have adapted our priorities to the areas of employment, local development, support for civil society, youth and strengthening of women's role in society. This is being done alongside our more traditional action in the areas of infrastructure, transport, higher education, water, environment and renewable energy. The absolute priority is to place the human dimension at the heart of all our action. We are doing so at the request of our member states through actions in line with their priorities and that represent a tangible contribution to socio-economic developments.

The 43 UfM member countries, under the co-chairmanship of the European Union and Jordan, confirm wholeheartedly their Mediterranean ambition and wish to render it operational in concrete fashion. This is evidenced in the six sector-level ministerial meetings held in 2013 and 2014 in key sectors, for which the secretariat provided operational follow-up. The UfM is therefore the

benchmark institution for developing and enhancing regional cooperation, an instrument available to its member states and to all players in Mediterranean cooperation. Considering today's context, with its challenges and opportunities, this regional cooperation working to the advantage of greater regional integration is more important than ever.



Fathallah Sijilmassi

The UfM was created more than six years ago, but is still struggling to exist in the international arena. Why?

Everything depends on what you refer to as 'existing in the international arena'. We have focused our efforts on taking forward our projects and initiatives, giving content to our work, and today I can say that with 29 projects worth €4 billion, and numerous dialogue and partnership platform activities, the UfM is the key institution for regional cooperation in the Mediterranean. We have moved into a new stage in the process of institutional consolidation. The organisation now has an operational Secretariat-General with a staff of 55 – diplomats, financial experts and project managers – from 23 countries of the region as well as representatives of the European Commission and financial institutions (EIB, EBRD, CDC). I think that we have the possibility in 2015 to see the UfM's role become further consolidated with the 20th anniversary of the Barcelona process and the new European Neighbourhood Policy, and thanks to the commitment of the co-presidencies and of all the member countries.

I would like to point out that the UfM is today the only intergovernmental organisation that brings together all the countries of the EU and those of the Southern and Eastern Mediterranean. In a spirit of co-ownership, the UfM is the forum for convergence and development of the priorities and common interests of the countries North and South of the Mediterranean.

Are Euro-Mediterranean relations in danger of being harmed by the terrorist attacks in France in January and the measures that will be taken in response by the Europeans? Or on the contrary, is this an opportunity to improve what can at times be difficult relations?

I think that challenges such as the fight against terrorism, management of migratory flows and others confirm more than ever, given their breadth and their impact, the need for collective regional action. The goals of enhanced cultural dialogue, deeper regional integration, closer ties between civil societies are more relevant than ever. Again, I would like to point out that the year 2015 gives us the opportunity to write history and to strengthen the shared conviction that the future lies in building a common area of solidarity, stability and peace in a spirit of partnership, mutual respect and long-term vision.

I also wish to add that we need a more comprehensive and balanced approach to the Euro-Mediterranean agenda. On security issues, the handling of which is fundamental, it is important to note that the only lasting response is development, growth and the construction of an area of shared prosperity. I dare say that, in that sense, these interests are truly common because strengthening of the partnership with the Southern Mediterranean, including the African dimensions and the Gulf countries, is a fundamental element for competitiveness in Europe and the entire region. ■

EU agenda

Friday 13 February

EUROPEAN PARLIAMENT

DELEGATIONS

ELECTION OBSERVATION DELEGATION TO NIGERIA

12 – 16 February, *Nigeria*

Javier Nart (ALDE, ES) will lead a 7 MEP strong election observation delegation in Nigeria to observe the presidential and parliamentary elections held on 14 February. MEPs will be deployed as part of the long-term EU Election Observation Mission, led by the chief observer MEP Santiago Fisas Aixela (EPP, ES). Preliminary statements on the results will be presented at the joint press conference with the chief observer on 16 February.

COUNCIL OF MINISTERS

Conference

SMART SPECIALIZATION STRATEGIES: NEW APPROACHES FOR PARTNERSHIPS AMONG EDUCATION, RESEARCH AND INDUSTRY IN REGIONS

12 – 13 February, *Riga*

EUROPEAN COMMISSION

TRAVEL AND VISITS

■Frans Timmermans receives representatives of the 'Green 10' group of environmental NGOs.

■Frans Timmermans receives Leen Verbeek, King's Commissioner of Flevoland.

■Jyrki Katainen and Jonathan Hill receive Siv Jensen, Minister of Finance of Norway.

■Günther Oettinger participates in the Startup Europe Summit, held in the

Factory, Berlin.

■Neven Mimica travels to Croatia to launch the European Year for Development 2015.

■Miguel Arias Canete gives a keynote speech at the "Circulo de Empresarios" at Calle Marqués de Villamagna, in Madrid.

■Jonathan Hill receives Ulrich Schröder, CEO of KfW Bankengruppe.

■Violeta Bulc in Slovenia: meets with high school students for the World Radio Day 2015 and addresses the Slovenian National Assembly.

■Vera Jourová in Vienna: addresses the 43rd "European Conference of Presidents of Lawyers' Organizations – Vienna Advocates' Deliberations".

GENERAL COURT

09:30

First Chamber

■Hearing T-213/13 Intellectual property Square v OHMI - Caisse régionale de crédit agricole mutuel Pyrénées Gascogne (Square)

09:30

First Chamber

■Judgment T-287/13 Intellectual property Husky CZ v OHMI - Husky of Tostock (Husky)

ECONOMIC AND SOCIAL COMMITTEE

09:00-17:30

Participation of Mr Lechner, Mr Sibian and Mr Stantic - mission to Albania in the context of REX/420 - The role of civil society in EU-Albania relations, AL, Tirana

10:00-13:00

ECO/372 - Access to finance for SMEs and Midcaps in the period 2014 – 2020: Opportunities and challenges - 2nd mtg, VMA 3

COMMITTEE OF THE REGIONS

110TH PLENARY SESSION

11 – 13 February, *Brussels*

The members of the Committee of the Regions (CoR) meet at the 110th Plenary Session, which is also the inaugural plenary session of the CoR's sixth term-of-office 2015-2020.

The agenda

- Meeting in Plenary Assembly for the first time during the new term-of-office, the CoR members will elect the new President and 1st Vice-President, the members of the Bureau and set up the commissions and their remits.

- On 12 February, the CoR members will have the pleasure to welcome Ms Zanda Kalnina-Lukasevica, Parliamentary State Secretary for EU affairs representing the Latvian Presidency of the Council of the EU, and Mr Frans Timmermans, first vice-president of the European Commission.

- Ms Cecilia Malmström, Commissioner for Trade, will attend the meeting to debate, together with the rapporteur Mr Markus Töns (DE/PES), the CoR opinion on The Transatlantic Trade and Investment Partnership (TTIP).

- Also on the agenda of the second day is the adoption of a resolution on the European Commission's Work Programme 2015.

- The CoR's members will discuss 8 opinions, which will be presented for adoption including:

- An EU Strategic Framework on Health and Safety at Work 2014-2020, rapporteur Mauro D'Attis (Town Councillor for Brindisi, Italy/EPP)

- Green Action Plan for SMEs and Green Employment Initiative, rapporteur Satu Tietari (Local councillor of Säkyä, Finland/ALDE)

- Guidelines on the application of the measures linking the effectiveness of the European Structural and Investment Funds (ESIF) to sound economic governance,

rapporteur Bernard Soulage (vice-president of the Rhône-Alpes Regional Council, France/PES)

Saturday 14 February

EUROPEAN PARLIAMENT

DELEGATIONS

ELECTION OBSERVATION DELEGATION TO NIGERIA

12 – 16 February, Nigeria

See Friday

EUROPEAN COMMISSION

TRAVEL AND VISITS

■ Cecilia Malmström delivers a speech at the NATO Parliamentary Assembly, Brussels.

Sunday 15 February

EUROPEAN PARLIAMENT

DELEGATIONS

ELECTION OBSERVATION DELEGATION TO NIGERIA

12 – 16 February, Nigeria

See Friday.

CONFERENCES AND SEMINARS

12TH ANNUAL DEFENCE LOGISTICS SYMPOSIUM

18 - 20 February, London

With emerging operational challenges in theatres ranging from Eastern Europe to North and Central Africa, and growing threats from organisations such as ISIS and Al Shabaab, logisticians are faced with a host of new difficulties in supporting forces on operations. Such difficulties are accentuated by the increase in joint

operations, often launched rapidly in response to crises, which have rendered efficient and flexible supply chain management vital. The event will welcome a large number of representatives from large Defence manufacturers, coming to discuss their specific supply chain challenges and to share common solutions. To attend visit <http://bit.ly/PR2015DefenceLogisticsAttend> or email enquire@defenceiq.com.
Organiser: Defence IQ

High-level conference

THE REINDUSTRIALISATION OF EUROPE: INNOVATION, JOBS GROWTH

24 February, Brussels

Forum Europe in partnership with RAND Europe will host a high-level debate on the Reindustrialisation of Europe. The conference will analyse Europe's industrial policies and how Europe can re-energise its industrial and manufacturing sectors to ensure their global competitiveness, create jobs and contribute to economic growth. Contact Jessie Atkinson at jessie.atkinson@forum-europe.com / 0044 (0) 2920 783 029

“SOCIETAS UNIVS PERSONAE (SUP): WHAT'S IN IT FOR SMES?”

25 February, Brussels

Hosted by Marlene Mizzi, MEP UEAPME, ACCA (the Association of Chartered Certified Accountants) and BusinessEurope are delighted to invite you to take part in a lively conference to discuss what's in the SUP proposal for SMEs. The event is hosted by MEP Marlene Mizzi, opinion rapporteur for the IMCO Committee on the issue. Venue: European Parliament (Brussels), room ASP3 G2
RSVP by 16 February 2015 to cecile.bonino@accaglobal.com

PARMENIDES VII -COMMON HERITAGE AND TECHNOLOGIES: ENHANCEMENT OF HERITAGE, A KEY TO DEVELOPMENT”

17 – 19, March, Dubrovnik, Croatia

Organisers: Groupement Inter Academies of Sciences - GID
Venue: Palace Hotel, Dubrovnik
Information, registration: Myriam Leroux - Secretary General of the GID - myriam.leroux@academie-sciences.fr

Public hearing

FIGHTING CORRUPTION IN THE EU: MEETING BUSINESS AND CIVIL SOCIETY CONCERNS

26 March, Brussels

The hearing is part of the preparation of an own-initiative opinion on fighting corruption in the EU. The European Commission published an anti-corruption report that showed how none of the EU's Member States escapes the flaws of corruption, which has great impact on the European Civil Society. Consequently, the CCMI is preparing an own-initiative opinion to stimulate an urgently needed discussion on corruption problems encountered when doing business, to promote transparency and exchange of information among all stakeholders and consumer citizens. The objective of this public hearing is to highlight problems, as well as good practices found inside the EU. The final aim is to come across recommendations and conclusions on how to promote high anti-corruption standards and what should be done to meet business and civil concerns on how to tackle corruption.

Organisers: CCMI

Venue: EESC VMA3 09:30 – 13:00

ASECAP HIGH-LEVEL CONFERENCE ON THE CONCESSION MODEL

30 March, Brussels

ASECAP, the European Association of Operators of Toll Road Infrastructures (ASECAP), is organizing a High Level Conference on the theme Concession model, an efficient tool to foster growth across Europe: how to build a level-playing field to attract private investors. The conference will analyze the impact of the new European Directive on the award of concession contracts across Europe focusing specifically on the transport sector.

Registration (deadline 13 March):www.asecap.com/english/documents/REGISTRATIONFORM-ASECAPHighLevelEventontheConcessionModel.doc

Energy Cities annual conference CITIES, ECO-DRIVING LOCAL DEVELOPMENT

22 - 24 avril, Aberdeen, UK
aberdeen2015.energy-cities.eu