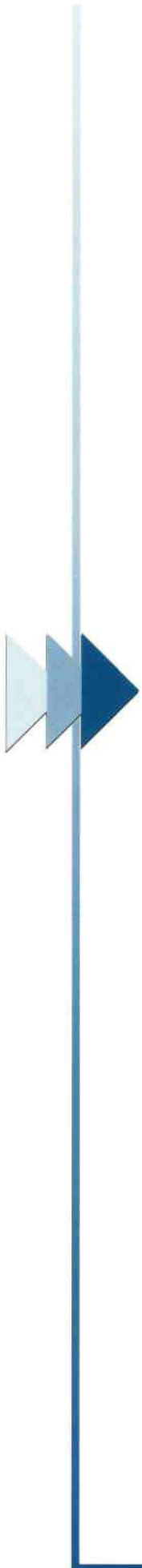




1998 ANNUAL REPORT



EFTA SURVEILLANCE AUTHORITY



EFTA Surveillance Authority
Rue de Trèves 74
1040 Brussels

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FOREWORD



The foreword of the Authority's previous Annual Report ended on a cautionary note on the challenges facing the Authority and the EFTA States alike in respect of the significant amount of new acquis to be included in the Agreement on the European Economic Area (EEA Agreement). This all the more since the implementation ratios of the EFTA States that year had been stagnant.

The Authority is pleased to report that at the present juncture the stagnation has been broken. All EFTA States register good progress when it comes to their ratios of fully implemented directives. Liechtenstein records a particularly significant progress, having nearly caught up with the two other EFTA States.

1998 has allowed the Authority to continue its work under stable conditions. Its workload remains heavy, formal decisions at College level having increased by 27 per cent over the previous record year.

In the field of general surveillance the number of preliminary examinations have more than trebled, alongside with noticeable increases also in the number of complaints and own-initiative cases. In spite of this, the Authority has managed, for the second consecutive year, to reduce the number of open formal cases.

Similarly, in the antitrust field the number of open cases has decreased, although long handling times remain a problem in that sector. In the State aid field the case load rests relatively unchanged, and here again long handling times in certain cases pose a continued challenge.

With further improvements of its working methods, together with a certain increase of its personnel resources made possible by the budgets adopted for the years 1998 and 1999, the Authority hopes in the future to be able to make further improvements with regard to reducing the backlog of cases and handling times.

The most immediate challenge is for the Authority to obtain full implementation and application of the EEA Agreement and its associated relevant acquis as closely as possible to the objectives of the Single Market Action Plan. Its co-operation with the European Commission has in these respects evolved in the same excellent spirit of partnership that prevails in all other relevant areas.

The implementation ratios of the EFTA States measured according to the Single Market Scoreboard method now match the average of the EU Member States. The Authority is therefore convinced that, given a sustained effort by the EFTA States to adopt and implement the remaining relevant legislation, the European Economic Area (EEA) could be established in little more than one year as a fully homogeneous extension of the EU Internal Market.

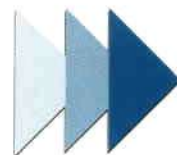
The Authority will at the same time, in co-operation with the Commission in the context of the Single Market Action Plan, turn more consistently to the qualitative aspects of implementation. Only in this way, by more quickly and consistently removing impediments to trade and equal competition, can individuals and economic operators derive the full benefits of the EEA.

The EU enlargement process adds importance and greater perspectives to these objectives.

Brussels, February 1999

A handwritten signature in blue ink, appearing to read 'K. Almestad', written in a cursive style.

Knut Almestad
President



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1



SUMMARY

1

The task of the EFTA Surveillance Authority is to ensure, together with the European Commission, the fulfilment of the obligations set out in the Agreement on the European Economic Area (EEA Agreement). The Agreement contains both basic provisions and secondary Community legislation (EEA acts). New EEA acts are included in the Agreement through decisions of the EEA Joint Committee. By the end of 1998, there was a total of 1290 directives where the *compliance date* – the date by which the EFTA States⁽¹⁾ have to comply with a directive unless a transitional period has been granted or no implementing measures are necessary – was on or before 31 December 1998.

In respect of *general surveillance*, the Authority continued in 1998 to apply an implementation policy according to which formal infringement proceedings are initiated automatically (by sending a letter of formal notice) against the EFTA State concerned if the Authority has received no acceptable notification on national implementing measures within two months from the date when the Directive in question should have been transposed. As regards directives which have been only partially implemented, the need to initiate formal proceedings is being considered at regular intervals.

In its statistics on the *transposition rate* of directives the Authority makes a distinction between directives which have been notified as fully implemented and those where only partial implementation has taken place.

When account is only taken of directives where full implementation has been notified, the rate of transposition by the end of 1998 was as follows: *Iceland* 94.9%, *Liechtenstein* 92.8% and *Norway* 95.4%. Comparing these with the corresponding figures for 1997, a clear improvement has taken place. It should be noted, however, that the fact that a directive has been notified as fully implemented does not say anything about the actual quality of the national measures notified as implementing it. For a quality evaluation, the conformity of the measures with the provisions of the Directive has to be assessed. By the end of 1998 the Authority's services had concluded that full implementation had actually taken place with respect to 38% of the directives being applicable under the EEA Agreement.

When directives regarding which partial implementation has taken place are added to those

notified as fully implemented, the percentages are the following: *Iceland* 97.0%, *Liechtenstein* 97.9% and *Norway* 98.2%. The comparison of these figures with those of 1997 reveals only a minor improvement in the performance of Iceland and Norway, whereas Liechtenstein shows a major improvement of over 5%.

When the areas of free movement of *goods, persons, services and capital, horizontal areas and public procurement* are taken together, during the years 1994 - 1998 the Authority registered altogether 832 cases, of which 492 were own-initiative cases, 185 complaints and 155 preliminary examinations. In addition, 13 management tasks were initiated in 1998. By the end of the reporting year, the Authority had closed in total 327 own-initiative cases and 79 complaint cases. 38 preliminary examinations had also been completed (without having been registered as own-initiative or complaint cases). This left the total number of open cases in the field of general surveillance, excluding management tasks, at 388.

In the area of free movement of *goods* five new complaints were received during the year and the Authority opened 54 own-initiative cases mainly concerning the implementation of acts. Furthermore, a number of preliminary examinations and cases related to management tasks were initiated during the year. The implementation situation in the sector of *dangerous substances* has improved but is still not satisfactory with regard to *Iceland*. In the field of *medicinal products* the implementation situation has improved for *Liechtenstein* but is still not satisfactory with regard to *Norway*. These sectors, as well as *veterinary issues*, were also examined with particular care with regard to *conformity* of the legislation. The *application* of veterinary legislation was controlled by on-the-spot inspections of fish processing establishments in Iceland and fish and meat processing establishments in Norway. Continuous control of the correct application of the EEA rules was carried out by the Authority with regard to a number of cases under the *information procedures*, which are further explained under chapter 4.7.3.

With regard to *public procurement*, the application of the EEA rules by national authorities and utilities continued to call for particular attention of the Authority as the situation in the EFTA States remains unsatisfactory. The Authority received *eight* complaints and considered it necessary to open *five* own-initiative cases for

⁽¹⁾ In this report, the term EFTA States is used to refer to the three EFTA States presently participating in the EEA - that is Iceland, Liechtenstein and Norway.

possible infringement of the public procurement rules.

In the sector of free movement of *persons*, the Authority received 15 complaints, the highest yearly number so far in that field. As regards transposition of directives, the situation in the sector of mutual recognition of professional qualifications is still not satisfactory. *Liechtenstein* has made an effort to improve its implementation performance in the field but has still a number of directives which have not been implemented.

In the sector of free provision of *services* the Authority registered 15 new own-initiative cases and nine complaints. Each EFTA State still has a number of directives in the *financial services* sector where implementation is only partial. It continued to be a problematic area in particular for *Liechtenstein*. The systematic assessment of national measures in the *insurance* field continued during the reporting year.

In the *transport sector*, the Authority has initiated and pursued a number of infringement proceedings against *Iceland* and *Norway*.

The date 1 January 1998 marked the full liberalisation of the *telecommunications services* market in the EEA. The Authority has been monitoring the implementation of the liberalisation and harmonisation directives, and two infringement proceedings were initiated against *Iceland* and *Liechtenstein* during the year.

In the field of *capital movements* two own-initiative cases were opened during the year and three more capital movements cases related to other sectors of the EEA Agreement were examined.

In the *horizontal areas* eight new own-initiative cases and four complaints were registered. The EFTA Court declared in two judgements that *Norway* had failed to adopt the national provisions necessary to comply with two directives in the sector of *health and safety at work* within the prescribed time limits. Nevertheless, considerable progress has been achieved during 1998 by all the EFTA States in reducing the number of non-implemented directives in this sector.

In the *environment* field proceedings against *Liechtenstein* for failure to implement the Directives on contained use and deliberate release of genetically modified organisms (GMOs) were continued.

In late 1998 the Authority initiated a project for the verification of *Norway's* designation of "sensitive areas" under the *Urban Waste Water Directive* (91/271/EEC) and "vulnerable zones" identified under the *Nitrates Directive* (91/676/EEC).

The field of *company law* continued to be problematic from the point of view of achieving full transposition, in particular for *Liechtenstein* and *Norway*.

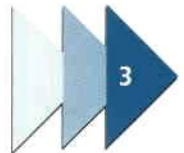
In the general surveillance field three complaints against EC Member States, lodged with the Authority by individuals or economic operators in EFTA States, were transferred to the European Commission. The States concerned were *Denmark*, *France* and *Sweden*.

In the field of *competition*, 51 cases were pending with the Authority at the beginning of 1998. In the course of the year, five additional cases were opened based on complaints. 18 cases were closed by administrative means. Thus, by the end of 1998, 38 cases were pending.

In the telecommunications sector, the Authority received a complaint concerning alleged infringements of the EEA competition rules by Telenor AS, the incumbent operator in *Norway*, as regards interconnection between the networks of Telenor AS and NetCom GSM, the second mobile telephone operator in *Norway*. After the Authority began its investigation of the case, the parties reached an agreement as a result of which the complaint was withdrawn.

Based on notifications, the Authority examined a set of service station agreements entered into between an oil company and a number of independent service station operators in *Norway*. In discussions with the oil company, the Authority indicated that the agreements could not be maintained as they stood. The oil company ultimately stated that it would terminate its existing arrangements with the independent service station operators, as a result of which the Authority decided to close the file.

The Authority finalized its review of 11 sets of notified rules creating common standards for security devices and a common approval procedure for undertakings installing and maintaining such devices in *Norway*. The Authority found that the notified rules appeared to have the effect of restricting and distorting competition, contrary to Article 53(1) of the EEA Agreement, but that an individual exemption under Article 53(3) was warranted.



The Authority continued its investigation of a complaint concerning exclusive rights to provide passenger transport by bus in *Liechtenstein*. It also continued to assess complaints relating to joint purchasing arrangements by hospitals in *Norway* as well as in *Iceland*, and also a complaint concerning alleged restrictions concerning supplies of certain alcoholic beverages to *Iceland*.

The Authority adopted a notice on the definition of relevant market for the purpose of competition law within the European Economic Area, and a notice on agreements of minor importance. The Authority co-operated with the European Commission and the national competition authorities in individual cases as well as on the revision of existing competition rules and their application.

In the field of *State aid*, the Authority decided to authorise a package of tax-related State aid measures in favour of ship operating companies in *Norway*. The measures consist of partial rebates to shipping companies in respect of seafarers' personal income tax and social security tax, as well as a preferential tax treatment of shipping companies.

On the basis of a notification from the Norwegian authorities, the Authority approved a system of regional investment aid in *Norway*, including a new map of assisted areas and ceilings on aid granted in these areas. The approval is valid until 31 December 1999.

In July 1998, the Authority decided to require the *Norwegian* Government to amend its system of differentiated social security contributions from employers with effect from 1 January 1999. This decision was taken after the Authority had opened a formal investigation in 1997, following the Norwegian Government's refusal to comply with appropriate measures proposed by the Authority earlier that year. The Authority's proposal outlined a way for the system of employers' social security contributions to be compatible with the State aid rules of the EEA Agreement. The Norwegian Government brought an action before the EFTA Court applying for annulment of the Authority's decision. In a separate motion it also asked the EFTA Court to order suspension of the application of the decision until final judgement. The EFTA Court decided to grant suspension until the Court had delivered its judgement in the case proper.

Referring to the rules on regional aid the

Authority approved certain measures taken by the Icelandic authorities with the aim of facilitating investment in a new aluminium smelter at *Grundartangi, Iceland*.

In another decision the Authority concluded that the Arcus Group, which was established as a result of a demerger of a former State monopoly for production and trade in alcoholic beverages in *Norway*, had received illegal State aid and required that the aid be recovered.

The Authority assessed *Icelandic* legislation on a New Business Venture Fund linked to a comprehensive structural change in the Icelandic financial market. It came to the conclusion that financing by the new fund will be provided on commercial terms and will not involve State aid. The decision does not cover export credit arrangements, which will be examined separately.

Several individual regional aid measures in *Norway* as well as notified aid measures to certain Norwegian shipyards were approved.

The Authority's *State Aid Guidelines* were amended four times in 1998. Guidelines on the application of EEA State aid provisions to short-term export-credit insurance were introduced in March. New guidelines on national regional aid and on regional aid for large investment projects were introduced in November. The guidelines for aid for rescuing and restructuring firms in difficulty were extended until 31 December 1999, pending adoption of new rules on the same subject. The Authority consulted the EFTA States and the European Commission on drafts for these guidelines.

In respect of *administration*, the Authority's staff consisted of 44 persons at the end of 1998, after having received three new professional posts during the year. Following a suggestion from the Performance Audit undertaken in 1997, the Authority has for the first time established a Medium Term Plan, covering the period 1998 - 2000.

The analysis contained in the plan indicates that the Authority's workload is increasing, that a significant part of the Authority's backlog problem is structural and lasting. The Authority will have to adopt a prudent and pragmatic approach to the allocation of and priority setting for its available resources.



2. INTRODUCTION



The EFTA Surveillance Authority was established to ensure, together with the European Commission, the fulfilment of obligations under the EEA Agreement.

Pursuant to Article 21 of the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice (the Surveillance and Court Agreement), the Authority is to publish annually a general report on its activities. This is the Authority's fifth Annual Report.

In *Section 3* of the Report basic information is provided on the EEA Agreement and the Authority itself. A number of concepts frequently referred to in the Report is also explained, and a short account of the Authority's information policy is given.

Section 4 provides reports on the Authority's *general surveillance* work with respect to the free movement of goods, persons, services and capital. The first part gives statistical information on general surveillance during 1994 - 1998, including the implementation status of directives, case handling, infringement cases, closures and the Authority's workload at the end of the reporting period. In the following parts a more detailed account is given, sector by sector, of the implementation and application of the EEA Agreement in the EFTA States, and of the activities carried out by the Authority in ensuring the fulfilment of obligations under the Agreement and for the management thereof. With regard to each sector, a brief introductory overview is also given of the applicable EEA legislation.

Accordingly, as regards free movement of *goods, persons, services and capital*, and the

so-called *horizontal areas*, extensive information is given on the Authority's work in controlling the implementation of EEA acts, in particular the transposition of directives, and in dealing with complaints lodged by individuals and economic operators. References are made to the work carried out by the Authority's services to verify the conformity of national implementing measures with the corresponding EEA rules, and to identify deficiencies regarding the implementation and application of the rules by the EFTA States. Furthermore, the Authority's action to ensure the fulfilment of obligations under the Agreement, including formal infringement proceedings, is described. Information is also given on certain procedures administered, and functions carried out, by the Authority in the application of the Agreement, notably in the veterinary field.

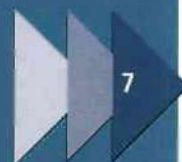
In addition to an account of the situation as regards the implementation by the EFTA States of the EEA rules on *public procurement*, information is given on cases pursued by the Authority concerning the application of the rules, and statistics are provided on procurement notices published in the Official Journal of the European Communities and in the database Tenders Electronic Daily (TED).

Section 5 contains an overview of the main principles and rules in the fields of *competition* and *State aid* and of the powers of the Authority. An overview of cases handled in 1998 and of non-binding acts (issued in the form of amendments to the Authority's State Aid Guidelines and as notices in the field of competition) is also provided. Co-operation with the European Commission and national authorities is mentioned.



3.

THE EEA AGREEMENT



3.1 THE EUROPEAN ECONOMIC AREA

The EEA Agreement entered into force on 1 January 1994. Following the accession of Austria, Finland and Sweden to the European Union a year later, *Iceland* and *Norway* remained for a while the only EFTA States parties to the Agreement. The number of EFTA States was subsequently brought to three when on 1 May 1995, the Agreement entered into force for *Liechtenstein*. Some basic data on the three EFTA States are contained at *Annex I* to this report.

The objective of the Agreement is to establish a dynamic and homogeneous European Economic Area, based on common rules and equal conditions of competition. To this end, the fundamental four freedoms of the internal market of the European Community, as well as a wide range of accompanying Community rules and policies, are extended to the participating EFTA States.

Accordingly, the Agreement contains basic provisions – which are drafted as closely as possible to the corresponding provisions of the EC Treaty – on the free movement of *goods, persons, services and capital*, on *competition* and other common rules, such as those relating to *State aid* and *public procurement*. The Agreement also contains provisions on a number of Community policies relevant to the four freedoms referred to in this Annual Report as *horizontal areas* – such as labour law, health and safety at work, environment, consumer protection and company law. The Agreement further provides for close co-operation in certain fields not related to the four freedoms.

Secondary Community legislation in areas covered by the Agreement is brought into the EEA by means of direct references in the Agreement to the relevant Community acts. The Agreement thus implies that two separate legal systems are applied in parallel within the EEA: the EEA Agreement to relations between the EFTA and Community sides, as well as between the EFTA States themselves, and Community law to the relations between the EU Member States. This being the case, for the EEA to be homogeneous the two legal systems must develop in parallel and be applied and enforced in a uniform manner. To

this end, the Agreement provides for decision-making procedures for the integration into the EEA of new secondary Community legislation and for a surveillance mechanism to ensure the fulfilment of obligations under the Agreement and a uniform interpretation and application of its provisions.

The task of ensuring that new Community legislation is extended to the EEA in a timely manner rests in the first place with the EEA Joint Committee, a committee composed of representatives of the Contracting Parties. The EEA Agreement was consequently amended by 122 decisions of the EEA Joint Committee during 1998.

While the introduction of new rules within the EEA is thus entrusted to a joint body, the surveillance mechanism is arranged in the form of a two-pillar structure, with two independent bodies. The implementation and application of the EEA Agreement within the Community is monitored by the European Commission, whereas the EFTA Surveillance Authority carries out the same task within the EFTA pillar. In order to ensure a uniform surveillance throughout the EEA, the two bodies co-operate, exchange information and consult each other on surveillance policy issues and individual cases.

The two-pillar structure also applies to the judicial control mechanism. The EFTA Court exercises competences similar to those of the European Court of Justice and the Court of First Instance with regard to, *inter alia*, the surveillance procedure regarding the EFTA States and appeals concerning decisions taken by the Authority.

3.2 THE EFTA SURVEILLANCE AUTHORITY

The Authority was established under the *Surveillance and Court Agreement*, which contains basic provisions on the Authority's organisation and lays down its tasks and competences.

3.2.1 TASKS AND COMPETENCES

A central task of the Authority is to ensure that the EFTA States fulfil their obligations under the EEA Agreement. In general terms this means that the Authority is to ensure that the provisions of the Agreement, including its Protocols and the acts referred to in the Annexes to the Agreement (the *EEA rules*), are properly implemented in the national legal orders of the EFTA States and correctly applied by their authorities. This task is commonly referred to as *general surveillance*.

If the Authority considers that an EFTA State has failed to fulfil an obligation under the Agreement, it may initiate formal infringement proceedings under Article 31 of the Surveillance and Court Agreement. However, infringement proceedings are initiated only where the Authority has not secured compliance with the Agreement by other means. In practice the overwhelming majority of problems identified by the Authority is solved as a result of less formal exchanges of information and discussions between the Authority's staff and representatives of the EFTA States.

A salient feature in this respect is the holding of *package meetings* in which whole ranges of problems in particular fields are discussed. Where appropriate, before concluding this informal phase, and although at this stage the Authority itself has not taken a formal position on the matter, the Directorate concerned may decide to send an informal letter to the EFTA State concerned (*Pre-Article 31 letter*) inviting it to adopt the measures necessary to comply with the EEA rule concerned or to provide the Authority with information on the actual status of implementation.

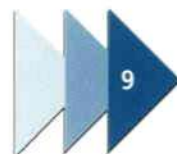
If formal infringement proceedings are initiated, as a first step the Authority notifies the Government concerned in a *letter of formal notice* of its opinion that an infringement has

taken place and invites the Government to submit its observations on the matter. If the Authority is not satisfied with the Government's answer to the letter, or if no answer is received, the Authority delivers a *reasoned opinion*, in which it defines its final position on the matter, states the reasons on which that position has been based, and requests that the Government takes the necessary measures to bring the infringement to an end. Should the Government fail to comply with the reasoned opinion, the Authority may bring the matter before the *EFTA Court*, whose judgement shall be binding on the State concerned.

The Authority has extended competences in three fields. They supplement the competences vested in the Authority with regard to general surveillance and fully reflect the extended competences of the European Commission within the Community in these fields.

Thus, with respect to *public procurement* the Authority is to ensure that utilities and central, regional and local authorities in the EFTA States carry out their procurements in accordance with the relevant EEA rules. To this end, and as an alternative to initiating formal infringement proceedings, if the Authority considers that a clear and manifest infringement has been committed in the award procedure prior to a contract being concluded, it may directly request that the EFTA State concerned correct the infringement.

In the *competition* field, the tasks of the Authority are directed towards the surveillance of practices and behaviour of *undertakings* on the market. Thus, the Authority is to ensure that the competition rules of the Agreement are complied with, notably the prohibitions of *restrictive business practices* and of the *abuse of a dominant market position*. In carrying out these tasks, the Authority is entrusted with wide powers to request information, including powers to make on-the-spot inspections. In the case of an infringement the Authority may order the undertakings concerned to bring the infringement to an end. In such cases, the Authority issues a *Statement of Objections*, which the parties have the opportunity to



comment on – in writing and in the form of a hearing. If the Authority still is of the opinion that there is an infringement after the parties have been heard, a *final decision* is adopted ordering the infringement to be brought to an end. In addition, the Authority may impose *fin*es and periodic *penalty payments* for breaches of the competition rules.

With regard to *State aid*, the Authority is to keep *under constant review* all systems of existing aid in the EFTA States and, where relevant, to propose to the EFTA States *appropriate measures* to ensure their compatibility with the Agreement. New aid or alterations to existing aid shall be *notified* to the Authority. The Authority may decide not to raise any objections to notified measures. Otherwise, it will decide to start an investigation procedure. If the Authority, as a result of its investigation, comes to the conclusion that an aid measure is not in conformity with the Agreement, it will decide that the EFTA State concerned shall *abolish* or *alter* the measure. If this does not take place, the Authority may bring the matter before the EFTA Court. Where aid has been granted and paid out without authorisation, the Authority may instruct the Government concerned to recover from the recipient the whole or part of the aid paid out.

In addition to handling individual competition and State aid cases, the Authority is entrusted with the competence and has the obligation to *issue guidelines, notices, or other communications* which, without being legally binding, provide guidance for the interpretation and application of the competition and State aid rules. These various acts, adjusted for EEA purposes, replicate acts issued by the Commission.

Along with the surveillance functions outlined above, the Authority has a wide range of tasks of an *administrative character*, which match those performed by the European Commission within the Community. Generally speaking, these tasks relate to EEA rules whose proper application is not only subject to the general surveillance function, but to a more direct control by the Authority. The tasks often imply that the Authority, under procedures presupposing an exchange of information between the EFTA and

Community sides, is to take measures which are to have an effect throughout the entire EEA.

Thus, an authorisation may sometimes be needed before a product can be lawfully placed on the market and an EFTA State may, under certain circumstances, restrict the free movement of a product in order to protect human health, or the State may in the course of the recognition of a foreign diploma or license introduce a derogation as regards the person's right to choose between an aptitude or an adaptation period, provided that the restrictive measure is notified to, and authorised by, the Authority. Although this kind of tasks appear in most fields of activity, they are of particular importance in the sector of free movement of *goods*, notably in relation to technical regulations, standards, testing and certification, and to animal and plant health. In the last-mentioned fields, these tasks constitute a considerable part of the Authority's work and include, for instance, the examination and approval of contingency plans with regard to animal diseases and the inspection and verification of national approval of fresh meat, fish processing and other establishments in the EFTA States.

3.2.2 INFORMATION POLICY

The information policy of the Authority is to provide adequate information on the Authority's activities and on the implementation and application of the EEA Agreement.

In May 1998, the Authority published the Single Market Scoreboard – EFTA States No. 1-2 for the first time, and in November the Single Market Scoreboard – EFTA States No. 3 was published. The reports include the Authority's previous Interim Report on Transposition Status of Directives. The Single Market Scoreboard deals with the effectiveness of the Single Market rules in the three EFTA States, that is the implementation by *Iceland, Liechtenstein* and *Norway* of the Single Market Directives that are part of the EEA Agreement. The Scoreboard likewise deals with the Authority's infringement proceedings against these States with respect to failures to comply with the relevant Single Market rules.

During the reporting period, the Authority continued to add information directed towards the public on its Website. The Website provides access to the separate Homepages of the three EFTA bodies: the EFTA Secretariat, the EFTA Court and the EFTA Surveillance Authority. The Website's address is: <http://www.efta.int>.

Available on that Website is now information extracted from the Authority's Acquis Implementation Database (AIDA). The aim with AIDA is to provide an up-to-date general overview on the implementation by each of the three EFTA States of all the EEA acts (Directives, Regulations and Decisions) included in the EEA Agreement. Thus, it contains information on whether a given EEA act has been notified as implemented or not, whether the notified measures are considered to ensure full, or only partial, implementation of the act, and whether the EFTA State has submitted the texts of such measures to the Authority. The full titles of notified measures are also recorded in AIDA. The results of any assessment by the Authority or its services of the conformity of measures with the provisions of a given EEA act are reflected in AIDA. Finally, where appropriate, the database records the latest action taken by the Authority with regard to an identified non-compliance by an EFTA State.

The Authority's Homepage also contains general information on the Authority's organisation and its organigramme, together with a guide to the Authority in English, German,

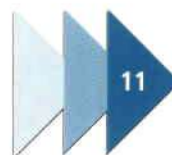
Icelandic and Norwegian. Vacancy announcements are also placed on the Site. Furthermore, there is a section for the Authority's publications, which includes the Annual Reports, the Single Market Scoreboards for the EFTA States – including the Interim Report on Transposition Status of Directives – and the Press Releases from 1996 to 1998. The Authority's Rules of Procedure, Competition Procedures, Information Guidelines, and a description of the Authority's infringement procedures can also all be found on the Site. Finally, there is a section explaining the Authority's databases.

The Website is updated regularly and the Authority is continuously examining ways of expanding the information to be added to the Site. At present, the Authority is working on providing further information on the EEA Agreement, f.e. on the rights of individuals under the Agreement. That information will in the near future be placed on the Website.

The Authority has established a set of rules for the handling of requests for access to documents. Such requests may be put forward in writing, or even orally. A reply to a request for access to documents should be provided at the latest within two weeks. The responsible Director or College Member gives the reply. The Authority's contact person with the media will assist those who seek access to documents kept by the Authority, and will transmit the requests to the respective Director or College Member, who will decide on the matter. In view of provisions on business and professional secrecy, or for reasons of protecting certain legitimate public and private interests in, for example, competition cases, certain information cannot be disclosed. It may be noted, however, that nothing prevents a party whose interests are protected from making public such documents or information. If access is granted, the document is made available either as a paper copy, or for consultation on the premises of the Authority. In the case of a refusal of access to a document, the person requesting the document may ask in writing for a review by the Authority. The Authority shall decide on the matter within one month and shall state the reasons for its decision.



College. From left to right: Isabel Tribler, Hannes Hafstein, President Knut Almestad, Bernd Hammermann, Christina Sand.



The rules on access to documents, in the form of Information Guidelines, may be obtained from the Authority, or directly on the Authority's Homepage.

In early 1998, the Authority took up the practice of informing the public regularly, by means of a press release, of all reasoned opinions – and, in exceptional cases, also of letters of formal notice – issued by the Authority.

The Authority's contact person with the media, Ms. Helga Óttarsdóttir, may be reached during working hours on tel. +32-2-286.18.34 or +32-2-286.18.11 for questions concerning the Authority's activities.



Administration. From left to right standing: Björn Thorarensen, Jenny Davíðsdóttir, Kristín Anna Jónsdóttir, Beate Espenes, Kjetil Volle. From left to right sitting: Ásthildur Hjaltadóttir, Director Dag Harald Johannessen, Thomas Langeland. Not present: Raket Nygaard, Anne-Gina Kristoffersen

3.2.3 ORGANISATION

3.2.3.1 College

The Authority is led by a College, which is made up of three Members. The Members are appointed by common accord of the Governments of the EFTA States for a period of four years, which is renewable. A President is appointed from among the Members in the same manner for a period of two years.

The Members are to be completely independent in the performance of their duties. They are not to seek or take instructions from any Government or other body, and shall refrain from any action incompatible with their duties. Decisions of the College are taken by a majority vote by its Members.

During 1998 the composition of the College was:

Knut Almestad **President**
Hannes Hafstein
Bernd Hammermann

The division of responsibilities among College Members is shown at *Annex II*.

3.2.3.2 Staff

During the reporting year the Authority's staff consisted of 44 persons, representing at the end of the year five nationalities. An organi-

gramme showing the Authority's organisation is provided at *Annex III*.

During the reporting year, the Authority had for the first time since its reorganization in 1995, added three new professional posts, six staff members left the Authority's service and were all replaced. From 1999, two professional posts will be added.

As in previous years, the Authority engaged temporary staff to enhance its resources and expertise.

3.2.3.3 Medium Term Plan of the Authority

Following a suggestion by the Performance Audit undertaken in 1997, the Authority has established a Medium Term Plan covering the period 1998 - 2000. The Medium Term Plan is an attempt to make a thorough assessment of the Authority's future tasks, including the present workload and backlog situation.

The Medium Term Plan will be elaborated annually on a revolving basis. Its primary use will be as a management tool and as the main basis for the Authority's budget planning.

The *main conclusions* of the first Medium Term Plan were as set out below.

The analysis reveals trends that clearly indicate that the Authority's workload is increasing.

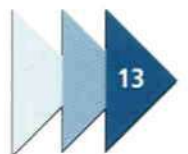
This is so despite the fact that the addition of new legislation to the EEA Agreement is declining, save as regards the free movement of goods and the veterinary and phytosanitary fields.

The Authority spends an increasing amount of resources on the handling of formal cases. The number of more complex cases stemming from application problems is gradually increasing.

Despite the increase of manning by three case handlers in 1998, the Authority does not at present have the resources required to address in any decisive manner certain areas seen as insufficiently covered by the Performance Audit.

A significant part of the Authority's backlog problem is structural and lasting. Most work sectors are manned by a single case handler.

In view of the findings and the manning situation, the Authority must adopt a prudent and pragmatic approach to the allocation of and priority setting for its available resources, particularly to tasks outside the surveillance functions proper.





4. FREE MOVEMENT OF GOODS, PERSONS, SERVICES AND CAPITAL

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4.1 IMPLEMENTATION CONTROL

During 1998, the EEA Joint Committee took 122 decisions on the inclusion of new acts in the EEA Agreement. By the end of the year the total number of binding acts (directives, regulations and decisions) applicable under the Agreement amounted to 1776.

Throughout the year, the Authority continued to apply an *implementation policy* implying that formal infringement proceedings are initiated in accordance with Article 31 of the Surveillance and Court Agreement and the Authority sends an EFTA State a letter of formal notice if that State has not notified implementation of an EEA act within two months from the date by which it should have complied with it. As regards EEA acts that have only been partially implemented, the Authority considers at regular intervals whether to initiate formal infringement pro-

ceedings against the EFTA State concerned, taking into account the extent to which the act has been implemented, and the length of time which the EFTA State has indicated it needs to achieve full compliance with the Act.

An important aspect of the implementation policy is that non-implementation cases will be pursued vigorously so that if national measures are still not adopted and notified within two months from the receipt by the respective EFTA State of the Authority's reasoned opinion, the case will be referred to the EFTA Court without delay, so that the Authority's decision to refer the case is generally taken within *one year* following the initiation of the formal proceedings.

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4.2 INFORMATION RELATIVE TO IMPLEMENTATION

The Authority has also continued its practice of reminding the EFTA States of the EEA acts whose implementation is due, including acts whose transition periods are about to expire, and sending each EFTA State at regular intervals information regarding acts which the Authority deems not to have been implemented, or only partially implemented. Where appropriate, so-called "*frames for tables of correspondence*" regarding new directives were prepared and sent to the EFTA States with a request to have them completed and submitted, so as to enable the Authority to assess the conformity of the national implementing measures with the various provisions of the directives.

In 1998, the Authority continued to issue its "*Interim Report on Transposition Status of Directives*" which included similar tables regarding transposition as the tables set forth in Annex IV to this Annual Report. In addition, the Authority published an *EFTA States'*

Single Market Scoreboard in May and November. The Scoreboard deals with the effectiveness of the Single Market rules in the three EFTA States and contains information about the implementation by the EFTA States of the Single Market Directives that are part of the EEA Agreement. The November 1998 Scoreboard dealt with 1225 Single Market Directives that were applicable on 15 October 1998.

The Authority intends to continue publishing the EFTA States' Single Market Scoreboard and the Interim Report twice a year, thus updating the information given in the Annual Report.

The Authority has the possibility to produce directly from its databases several types of *internal reports* which allow the College and the general surveillance Directorates to obtain detailed information on past and current action in the various sectors concerned.

4.3 IMPLEMENTATION STATUS OF DIRECTIVES

4.3.1 ALL DIRECTIVES

By the end of 1998, the total number of directives with a *compliance date* – the date by which the EFTA States have to comply with the directive unless a transitional period has been granted or no implementing measures are necessary – on or before 31 December 1998, was 1290. The table below sets out details on the implementation status of these directives on that date.

IMPLEMENTATION STATUS OF DIRECTIVES WITH COMPLIANCE DATE ON OR BEFORE 31 DECEMBER 1998			
IN NUMBERS:	Iceland	Liechtenstein	Norway
Total number of directives	1290	1290	1290
Directives with effective transition periods	0	274	0
Directives where no measures are necessary	183	96	66
Applicable directives	1107	920	1224
Status			
Full implementation notified	1050	854	1168
Partial implementation	24	47	34
Non-implementation	33	19	22
IN PERCENTAGES:	Iceland	Liechtenstein	Norway
Full implementation notified	94.9%	92.8%	95.4%
Full implementation notified or partial notification	97.0%	97.9%	98.2%

The Authority would underline that there is a difference between the respective statistics on the implementation status of directives, depending on whether account was only taken of the directives regarding which *full* implementation had been notified, or whether *all* the directives regarding which an acceptable notification had been received were considered. In the latter case both the directives which had been notified as *fully* implemented and those where implementation was only *partial* were included in the statistics.

The above table confirms the pattern also with respect to the situation at the end of the reporting year. While the difference between the

Icelandic and *Norwegian* figures is less than 3 percentage points, for *Liechtenstein* it is more than 5 points.

The *progress* in each EFTA State's performance during 1997 and 1998 is illustrated in the three tables on the next page.

When account is taken only of directives where *full* implementation has been notified (first table), there has been a marked improve-

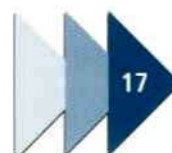
ment as compared with the corresponding figures of 1997 for *Liechtenstein*, improving with 6 percentage points, and for *Norway*, improving with 3 points. This means that concrete efforts have been made to implement directives in full (see also Section 4.3.2 below), and that measures have been adopted to complete the transposition of directives that were earlier only partially implemented. By contrast, *Iceland* has progressed with 1 percentage point only.

The comparative picture is different when both the directives where *full* implementation has been notified and those, which have been only *partially* implemented, are taken into consideration

for an *overall* picture (second table).

Liechtenstein had by the end of 1998 improved its performance with 5.7 percentage points as compared to the corresponding figure in 1997, while *Iceland* improved by only 0.5 points and *Norway* by 0.8 points.

On the other hand, if the percentage rates of the total number of directives regarding which no national measures had yet been adopted, or which had only been partially implemented, are calculated according to the method used in the Single Market Scoreboard, the picture would be as in the third table.



FULL IMPLEMENTATION NOTIFIED IN 1997-1998:

	Iceland	Liechtenstein	Norway
1997	93.7%	86.7%	92.4%
1998	94.9%	92.8%	95.4%

FULL OR PARTIAL IMPLEMENTATION NOTIFIED IN 1997-1998:

	Iceland	Liechtenstein	Norway
1997	96.5%	92.2%	97.4%
1998	97.0%	97.9%	98.2%

NON IMPLEMENTATION OF DIRECTIVES NOTIFIED IN 1997-1998:

	Iceland	Liechtenstein	Norway
1997	5.4%	9.3%	7.6%
1998	4.4%	5.1%	4.3%

The difference in the calculation method is that the total number of directives is compared with not only the directives for which full implementation is notified but also the directives with effective transitional periods and directives where no measures are necessary. On the other hand, directives where only partial implementation has been notified are not counted. In this table all directives are included, not only the Single Market directives as is the case in the Scoreboard.

As far as the overall situation in respect of non-implemented directives is concerned, *Liechtenstein* and *Norway* made notable progresses, while *Iceland* progressed with 1 percentage point only. However, as a comparison, the average transposition deficit with regard to Single Market directives in the European Union was 3.9% in November 1998. As suggested below in Section 4.3.2, it appears that a main explanation of the fact that the implementation ratios are not higher is late implementation of the directives which were

included in the EEA Agreement in 1997, and which provided very short time limits for implementation (see Section 4.3.2 below).

It should be recalled that the fact that an EFTA State has notified a directive as fully implemented does not necessarily mean that this is the case in practice. It is only after a detailed assessment of the *conformity* of the notified national measures has been carried out that conclusions can be drawn as to the *quality* of the transposition.

By the end of 1998 the Authority was able to conclude with respect to 38% of the directives that were part of the EEA Agreement that the notified national measures were actually in conformity with the relevant provisions of the directive, and that full implementation had thus taken place.

4.3.2 DIRECTIVES INCLUDED IN THE EEA AGREEMENT IN 1998

Altogether 41 directives had a compliance date *during* 1998. Excluding the directives regarding which a transition period was granted, and those where no implementing measures are necessary, *Iceland* was to transpose by the end of the year 39 of these directives, *Liechtenstein* 30, and *Norway* 38.

The implementation status at the end of the year was as presented in the table on the next page.

In the 1997 Annual Report the Authority pointed at the poor performance of the EFTA States when it came to the implementation of the directives that were to be complied with during 1997. Each of the EFTA States had notified full or partial implementation of only about one third of these directives.

This year the situation is different. All the EFTA States have improved their scores considerably

since last year. For *Liechtenstein* the total number of notifications increased with exactly 60 percentage points, *Iceland* improved with 40

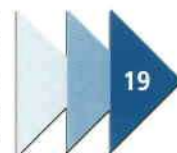
points and *Norway* with 34 points. This improved notification situation with regard to directives becoming applicable during the year

took place in spite of the fact that the EEA Joint Committee decisions which include directives in the EEA Agreement often give the EFTA States in practice no time, or very little time, to take implementing measures on the national level.

Thus, in 26 of its decisions taken in 1998 and involving a directive, the Joint Committee decided that the decision would enter into force *the day after* it was taken. Since the date of implementation laid down in those directives had already passed by the date of entry into force of the respective decision, the compliance date for the EFTA States was *the next day after* the Joint Committee decision.

IMPLEMENTATION STATUS OF DIRECTIVES INCLUDED IN THE EEA AGREEMENT IN 1998 AND TO BE IMPLEMENTED DURING THE SAME YEAR:

IN NUMBERS:	Iceland	Liechtenstein	Norway
Total number of directives	41	41	41
Directives with effective transition periods	0	6	0
Directives where no measures are necessary	2	5	3
Applicable directives	39	30	38
Status			
Full implementation notified	26	27	25
Partial implementation	1	1	1
Non-implementation	12	2	12
IN PERCENTAGES:	Iceland	Liechtenstein	Norway
Full implementation notified	66.7%	90.0%	65.8%
Full implementation notified or partial notification	69.2%	93.3%	68.4%



4.4 CASE HANDLING

Whenever one of the Authority's general surveillance Directorates decides to make an EFTA State's possible non-compliance with EEA rules subject to a closer examination, an *own-initiative case* is registered in the Authority's *General Case Handling Database (GENDA)*.

The Authority also receives written communications from individuals and economic operators reporting EFTA States' measures or practices which are alleged not to be in conformity with the EEA rules. The respective Directorates register communications of this kind in GENDA as *complaints*.

It is also possible to open a case in GENDA for *preliminary examination*. This can be done if the responsible officer wants to use the facilities of GENDA to register the actions he/she takes when examining a matter. A typical situation for opening a case for this purpose is when a conformity assessment project is

initiated, during which the national measures notified by an EFTA State as implementing a directive are considered in detail as explained above. If a preliminary examination reveals that there is a reason to suspect a breach, an own-initiative case is opened. In the opposite situation an entry is made indicating that the examination has been completed.

In accordance with relevant provisions in certain EEA acts, the Authority carries out so-called *management tasks*, notably in the operation of certain procedures (e.g. information procedures on draft technical regulations and notification procedures relative to product safety), in veterinary and phytosanitary matters, and in the sector of free provision of services. Some of these tasks are also registered in GENDA.

The two tables on the next page illustrate the total number of own-initiative cases and, respectively, complaints, registered in GENDA during the years 1994 to 1998 in the

OWN-INITIATIVE CASES REGISTERED IN 1994 - 1998:

SECTOR	1994	1995	1996	1997	1998	Total
FREE MOVEMENT OF GOODS	20	18	43	24	54	159
FREE MOVEMENT OF PERSONS	1	47	1	0	1	50
FREE PROVISION OF SERVICES	21	47	26	26	15	135
FREE MOVEMENT OF CAPITAL	0	1	1	0	2	4
HORIZONTAL AREAS	14	74	16	16	8	128
PUBLIC PROCUREMENT	0	0	3	8	5	16
Total	56	187	90	74	85	492

COMPLAINTS REGISTERED IN 1994 - 1998:

SECTOR	1994	1995	1996	1997	1998	Total
FREE MOVEMENT OF GOODS	12	17	18	16	5	68
FREE MOVEMENT OF PERSONS	1	8	7	11	15	42
FREE PROVISION OF SERVICES	0	11	4	1	9	25
HORIZONTAL AREAS	0	0	2	2	4	8
PUBLIC PROCUREMENT	3	15	14	2	8	42
Total	16	51	45	32	41	185

main sectors covered by the EEA Agreement⁽²⁾.

The tables reveal that the number of registered own-initiative cases and complaints has been decreasing since 1995, but that this trend has been reversed in 1998. As regards *own-initiative cases*, the 1995 peak can be explained by the fact that during that year the Authority continued to detect defects in the implementation by *Iceland* and *Norway* of the EEA acts belonging to the original EEA Agreement and the "Interim Package" – and, indeed, dealt with the huge amount of notifications submitted by *Liechtenstein* which joined the EEA Agreement during that year.

In 1998, most own-initiative cases were registered in the *goods* (54) and *services* (15) sectors and in the *horizontal areas* (8). These are also

the three sectors with the highest total numbers of cases over the five year period 1994 - 1998.

Regarding *complaints*, there has been an increase in all fields except the *goods* sector. Although there has been a clear drop in complaints relative to that sector in 1998, it remains the sector with the highest number of complaints registered over the five year period.

During 1998, the highest number of complaints was registered in the *persons* sector (15), thus confirming the increasing trend since 1996. The sectors with the second and third highest number of complaints during the reporting year were free provision of *services* (9) and *public procurement* (8). After a decrease in the number of complaints relative to these two sectors last year, both sectors have had a significant increase in 1998.

⁽²⁾ The figures in the following tables represent the situation in GENDA per 31 December of the reporting year, which was also the case in earlier Annual Reports. As it is possible to make changes also after this date, in some cases the figures do not correspond exactly with those given in earlier reports.

The tables further confirm the overall picture regarding the high number of *own-initiative cases* as compared with *complaints*. In the last three years the number of registered own-initiative cases has been approximately *double* that of complaints.

The next table shows the break-down between own-initiative cases and complaints which involve on the one hand an infringement of a basic provision of the *EEA Agreement* (or its Protocols) and, on the other hand, a failure in the implementation or application of an *EEA act* - that is, a directive, a regulation or a decision.

ing the EEA Agreement is almost *half* the number of cases involving an EEA act, the proportion is *one to three* in the *persons* sector, *one to five* in *services* and *public procurement*, and *one to forty-four* in *horizontal areas*. In the *capital* sector the proportion is one to one, but as shown in the table, the figures are low.

Overall, the trend shown in the two preceding Annual Reports, namely that the number of cases relating to the basic provisions is only about *one fourth* of those that are concerned with the implementation or application of an EEA act, is once again confirmed.

TYPE OF OWN-INITIATIVE CASES AND COMPLAINTS REGISTERED DURING 1994 - 1998:

SECTOR	EEA Agreement	EEA Act	Total
FREE MOVEMENT OF GOODS	64	162	226
FREE MOVEMENT OF PERSONS	26	66	92
FREE PROVISION OF SERVICES	25	135	160
FREE MOVEMENT OF CAPITAL	2	2	4
HORIZONTAL AREAS	3	133	136
PUBLIC PROCUREMENT	9	49	58
Total	129	547	676

As mentioned earlier, a case can also be opened for *preliminary examination*. As can be seen from the table below, over the years this facility has been used increasingly by the Authority's services. 93 such cases were opened during the reporting year, three times as many as in 1997.

The bulk of the *management tasks* consist of handling notifications according to the information procedure on draft technical regulations – in 1998 the Authority received 37 EFTA notifications and 604 EC notifications – and

The table shows that there are differences between the sectors, as regards the share of cases concerning the EEA Agreement and the share of cases involving an EEA act. While in the *goods* sector the number of cases concern-

notifications under the emergency procedure on product safety – 121 notifications in 1988 (see Sections 4.7.3.1 and 4.7.3.5 below). In addition, 13 other management tasks were registered in GENDA in 1998.

PRELIMINARY EXAMINATIONS INITIATED IN 1994 - 1998:

SECTOR	1994	1995	1996	1997	1998	Total
FREE MOVEMENT OF GOODS	-	1	3	13	40	57
FREE MOVEMENT OF PERSONS	-	-	1	2	10	13
FREE PROVISION OF SERVICES	-	3	8	5	21	37
FREE MOVEMENT OF CAPITAL	-	1	-	-	1	2
HORIZONTAL AREAS	1	2	12	10	18	43
PUBLIC PROCUREMENT	-	-	-	-	3	3
Total	1	7	24	30	93	155

4.5 INFRINGEMENT CASES

When the Authority takes a decision to initiate formal infringement proceedings and a *letter of formal notice* is sent to the EFTA State concerned, the relevant own-initiative or complaint case, becomes an *infringement case*.

The table on the right shows the development in the number of letters of formal notice the Authority has sent to the EFTA States during the five years of operation of the EEA Agreement.

After the drop in 1997 in the number of letters of formal notice sent to the EFTA States, the increase in formal infringement procedures continued in 1998.

LETTERS OF FORMAL NOTICE SENT DURING 1994-1998:

	Iceland	Liechtenstein	Norway	Total
1994	16	-	14	30
1995	14	11	15	40
1996	31	10	32	74
1997	10	30	19	59
1998	32	25	25	82
Total	104	76	105	285

The table shows that during 1998, the Authority has sent 32 letters of formal notice to *Iceland*, this being three times the number

If the Authority, having provided the EFTA State with the possibility of presenting its observations by replying to the letter of formal notice,

continues to be of the view that the State is in breach of the EEA Agreement, it shall deliver a *reasoned opinion*. The developments regarding this step are set out in the first table on the left.

REASONED OPINIONS SENT DURING 1994-1998:

	Iceland	Liechtenstein	Norway	Total
1994	0	0	1	1
1995	6	0	1	7
1996	5	0	8	13
1997	5	4	11	20
1998	7	15	10	32
Total	23	19	31	73

The table shows that there has been an increase in the number of reasoned opinions sent to the EFTA States during 1998, as has been the trend over the five year period. *Liechtenstein* received the highest number of reasoned opinions during the reporting period (15) – almost four times the number received in 1997 (4). Over the five year period *Norway* received the highest

CASES REFERRED TO EFTA COURT IN 1996-1998:

	Iceland	Liechtenstein	Norway	Total
1996	2	0	0	2
1997	2	0	2	2
1998	0	0	0	0
Total	2	0	2	4

number of reasoned opinions (31) while *Iceland* received 23 opinions.

If the State fails to comply with the reasoned opinion within the period laid down in it, the Authority may refer the matter for decision by the *EFTA Court*. No referrals were made during the first two years of the EEA Agreement,

and therefore the last table on the previous page only covers 1996 to 1998.

In late 1997, applications in two cases against *Norway* in the health and safety at work sector were submitted to the EFTA Court. The Court rendered its judgement in the two cases in 1998. During the reporting period no cases have been referred to the Court.

4.6 CLOSURES AND PRESENT WORKLOAD

The objective of the Authority's informal and formal action is to ensure that the EFTA States fulfil their obligations under the EEA Agreement. As soon as that objective has been reached, the case is *closed*.

The table below shows that the number of *own-initiative* cases closed in 1998 is slightly lower

(112) than the corresponding number in 1997 (120), but it is almost double that of 1996 (67) and almost four times that of 1995 (28). The highest number of closures is to be found in the free movement of *goods* sector (49), followed by *horizontal areas* (40), and the *services* sector (20).

OWN-INITIATIVE CASES CLOSED IN 1994 - 1998:

SECTOR	1994	1995	1996	1997	1998	Total
FREE MOVEMENT OF GOODS	-	6	27	28	49	110
FREE MOVEMENT OF PERSONS	-	-	2	28	1	31
FREE PROVISION OF SERVICES	-	18	23	38	20	99
FREE MOVEMENT OF CAPITAL	-	1	-	1	-	2
HORIZONTAL AREAS	-	3	15	23	40	81
PUBLIC PROCUREMENT	-	-	-	2	2	4
Total	0	28	67	120	112	327

COMPLAINT CASES CLOSED IN 1994 - 1998:

SECTOR	1994	1995	1996	1997	1998	Total
FREE MOVEMENT OF GOODS	3	4	9	10	4	30
FREE MOVEMENT OF PERSONS	-	3	3	5	5	16
FREE PROVISION OF SERVICES	-	-	1	2	3	6
FREE MOVEMENT OF CAPITAL	-	-	-	-	-	0
HORIZONTAL AREAS	-	-	-	-	1	1
PUBLIC PROCUREMENT	-	7	1	11	7	26
Total	3	14	14	28	20	79

The number of closures of *complaint* cases has slightly decreased from 1997 (28) to 1998 (20), as illustrated in the second table on the previous page. The largest sector in this regard is *public procurement* (7).

The Authority keeps separate records on cases which have been closed due to the fact that the EFTA State concerned has complied with the Authority's request to *adopt the measures* necessary to remedy the breach in question, and cases which have been closed for *other reasons* (e.g. because the complaint was found not to be justified, or because the explanation provided by the EFTA State in an own-initiative case satisfied the Authority that there was actually no breach). The table below shows the development in the closures of

constantly been the overwhelming majority. Thus, in 1998, of the 132 closures 119 took place as a result of the EFTA State concerned having taken the relevant measures.

The table shows that the total number of open cases continues the decreasing trend from last year.

However, this does not show the Authority's aggregate case handling workload in general surveillance. The second table below on open *preliminary examinations* shows that their number is on the increase, being 117 at the end of the reporting period.

The three groups put together, at the end of the reporting period the total number of open

OPEN OWN-INITIATIVE AND COMPLAINT CASES IN 1994 - 1998:

	1994	1995	1996	1997	1998
Own-initiative cases	56	187	90	74	85
Complaint cases	16	51	45	32	41
Closures - Measures taken	3	38	76	122	119
Closures - Other reasons	-	4	5	26	13
Open cases at end of preceding year	-	69	265	319	277
Open cases at the end of the year	69	265	319	277	271

own-initiative and *complaint* cases during the five years of operation of the EEA Agreement, as well as in the total number of open cases at the end of each year. The two types of closures are presented separately.

As can be seen, closures of the first category – that is, cases where the EFTA State concerned has taken the necessary measures – have

own-initiative and *complaint* cases and *preliminary examinations* was 388 (312 at the end of 1997).

To this must be added the *management* tasks referred to in the Sections below, many of which will involve further action by the Authority.

OPEN PRELIMINARY EXAMINATIONS IN 1994 - 1998:

	1994	1995	1996	1997	1998
Preliminary examinations (pex)	1	7	24	30	93
Completion of pex	-	-	4	17	17
Open pex at end of preceding year	1	1	8	28	41
Open pex at the end of the year	1	8	28	41	117

4.7 FREE MOVEMENT OF GOODS

4.7.1 BASIC PROVISIONS

The rules on the free movement of goods are laid down in Articles 8 to 27 of the EEA Agreement. The basic principles comprise, *inter alia*, rules prohibiting various types of barriers to trade, such as customs duties and charges having equivalent effect (Article 10), quantitative restrictions and measures having equivalent effect (Articles 11, 12 and 13) and discriminatory taxation of imported goods (Article 14). Furthermore, the arrangements provided for in the Agreement with regard to trade in agricultural and fishery products must not be compromised by other technical barriers to trade (Article 18).

Specific provisions and arrangements on the free movement of goods are set out in a number of protocols to the Agreement and in the acts referred to in annexes to the Agreement relating to the free movement of industrial goods, processed agricultural products, and fish and marine products. Two annexes refer to a great number of acts containing detailed provisions concerning technical requirements for industrial goods and veterinary and phytosanitary rules. Three annexes refer to acts concerning product liability, energy and intellectual property.

4.7.1.1 Customs duties and charges having equivalent effect, and discriminatory taxation

During 1998, the Authority dealt with two issues under this heading. Firstly, a complaint which referred to value added tax (VAT) on the import of second-hand goods to *Norway* was still under examination at the end of the reporting period. Secondly, the case concerning the Norwegian basic tax on one-way packaging of beverages was still open at the end of the reporting period. The Authority is reassessing the case in the light of developments within the EU concerning taxes of this kind.

4.7.1.2 Quantitative restrictions and measures having equivalent effect and other technical barriers to trade

During the reporting period, three new complaints were received regarding quantitative

restrictions and measures having equivalent effect and other technical barriers to trade.

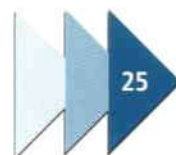
One of these complaints was against *Norway* concerning a general ban on the import, production and marketing of fortified foodstuff for human consumption. In the light of observations from Norway, the Authority is examining whether the prohibition is in breach of Article 11 of the EEA Agreement.

The Authority has been dealing with four complaints regarding the legislation on alcohol in *Iceland*. In the latter half of the reporting period a new legislation on alcohol was introduced and is being examined by the Authority.

Since the EEA Agreement entered into force, the Surveillance Authority has received various complaints concerning different aspects of the legislation on alcohol in *Norway*. In 1998 one complaint was added to the eleven complaints already registered and own-initiative cases relating to this legislation. The legislation has been the subject of several rounds of formal and informal consultations between the Norwegian Authorities and the EFTA Surveillance Authority.

The Authority sent three letters of formal notice to *Norway* concerning the import of alcoholic beverages. One letter concerned the requirements to obtain and maintain an import license, wholesale license and a license to serve alcoholic beverages. The Authority considers that the Norwegian legislation and practices impose substantial additional costs on the importation of alcoholic beverages and are thus contrary to Article 11 of the EEA Agreement. Moreover the Authority finds that the requirement of double authorization for restaurants wishing to import alcoholic beverages has an effect equivalent to quantitative restrictions on imports within the meaning of Article 11 of the EEA Agreement.

A second letter dealt with the different treatment both in law and practice of alcoholic beverages with similar alcohol content by volume. The application of two methods at the retail level, where beer with an alcohol content between 2,5% and 4,75% by volume may be sold outside the outlets of the State monopoly,





Goods Directorate. From left to right: Director Lilja Vidarsdóttir, Lars Gråberg, Inger-Lise Thorkildsen, Ólafur Oddgeirsson, Sólveig Georgsdóttir, Brynjólfur Sandholt, Daníel Vidarsson, Kjerstin Ongre, Tore N. Thomassen, Thomas Langeland, Lars-Åke Erikson. Not present: Brynjulf Melhuus.

meaning of Article 11 of the EEA Agreement. The Norwegian authorities consider the measure, taken in order to protect the health and safety of the population, to be in accordance with Article 13 of the Agreement. The matter has been the subject of discussions between the two countries' co-ordination centers within the framework of the bilateral problem-solving forum established by the Internal Market Advisory Committee. This case is the first case which involves both the EU and EFTA pillars.

A complaint, lodged with the Authority in 1997, regarding

the prohibition in *Iceland* of certain smokeless tobacco products is under examination in order to establish whether the prohibition is in breach of Article 18 of the EEA Agreement by compromising the arrangements provided for in Articles 17 and 23 of that Agreement.

Finally, the Authority continued the examination of the system applied by *Norway* for the distribution and showing of films and video tapes, including requirements for the registration and labelling of video tapes, the registration of importers and producers of video tapes and municipal licensing for the distribution of video tapes. During 1996, the Authority received an additional complaint concerning the licensing system in Norway for the distribution of videotapes. Following a letter of formal notice on the matter sent in 1995, the Norwegian authorities stated in 1996 their intention to amend the legislation. Since no amendments were made to the Norwegian legislation to correct the situation, the Authority delivered a reasoned opinion in December 1997. A decision to amend the Act on Films and Videotapes was taken by the Norwegian Parliament (Stortinget) in May 1998. According to the Norwegian authorities the amendments will come into force once a supplementary regulation has been issued. The Authority has expressed the view that if the regulation contains technical requirements on the product it would have to be notified as a draft technical regulation under the so-called 83/189 procedure (See Section 4.7.3.1).

while other beverages with the same alcohol content may only be sold through the State monopoly leads, in the view of the Authority, to discrimination contrary to Article 16 of the EEA Agreement. Furthermore, the Authority considers that the application of more restrictive measures regarding licenses to serve certain products, the majority of which are imported, compared with other products containing a similar percentage of alcohol by volume, constitutes a measure having equivalent effect to quantitative restrictions on imports within the meaning of Article 11 of the EEA Agreement.

Finally, one of these letters addressed the prohibition of beer containing more than 7% alcohol by volume which, in the view of the Authority, constitutes a quantitative restriction or a measure having equivalent effect on imports within the meaning of Article 11 of the EEA Agreement.

The Authority received a reply from Norway to each of these letters. The replies were under examination at the end of the reporting period.

The Authority received a complaint from a producer in one of the Member States of the European Union regarding smoke emission requirements in *Norway* on wood fired stoves. The requirements on emissions of particulates are included in a regulation which refers to a Norwegian standard. The requirements seem to constitute a quantitative restriction or measures having equivalent effect within the

4.7.2 SECONDARY LEGISLATION WITH REGARD TO TECHNICAL REGULATIONS, STANDARDS, TESTING AND CERTIFICATION

Acts with regard to technical regulations, standards, testing and certification are referred to in Annex II to the EEA Agreement, which includes 32 chapters dealing with various subject areas. The situation in the different areas, which is presented also in tabular form in Annex IV to this report, is as follows:

During the reporting period, 11 new directives were to be complied with in the field of **motor vehicles**. The Authority sent letters of formal notice as a result of delayed transposition of some of these directives and of some directives that were to be complied with at the end of 1997.

Liechtenstein and *Norway* received letters of formal notice with regard to the *Directive on the protection in the event of side impact* (96/27/EC), the *Directive on the adaptation of the Directive on interior fittings of motor vehicles* (96/37/EC) and the *Directive on the adaptation of the Directive on safety belts* (96/38/EC).

Iceland and *Liechtenstein* received letters of formal notice with regard to the *Directive adapting to technical progress Directive 70/221/EEC relating to liquid fuel tanks and rear underrun protection of motor vehicles and their trailers* (97/19/EC), the *Directive adapting to technical progress Directive 72/306/EEC relating to the measures to be taken against the emission of pollutants from diesel engines for use in vehicles* (97/20/EC), the *Directive adapting to technical progress Directive 80/1269/EEC relating to the engine power of motor vehicles* (97/21/EC), the *Directive adapting to technical progress Directive 76/757/EEC relating to retro-reflectors for motor vehicles and their trailers* (97/29/EC), the *Directive adapting to technical progress Directive 76/758/EEC relating to the end-outline marker lamps, front position (side) lamps, rear position (side) lamps and stop lamps for motor vehicles and their trailers* (97/30/EC), the *Directive adapting to technical progress Directive 76/758/EEC relating to the rear registration plate lamps for motor vehicles and their trailers* (97/31/EC) and the *Directive*

adapting to technical progress Directive 77/539/EEC relating to reversing lamps for motor vehicles and their trailers (97/32/EC).

In addition, *Liechtenstein* received letters of formal notice with regard to the *Directive on the adaptation of the Directive on emissions from motor vehicles* (96/44/EC), the *Directive on the protection of occupants of motor vehicles in the event of a frontal impact* (96/79/EC) and the *Directive adapting to technical progress Directive 76/756/EEC relating to the installation of lighting and light-signalling devices of motor vehicles and their trailers* (97/28/EC).

All the above mentioned acts were later notified as having been implemented. In addition, *Iceland* notified implementation of the *Directive on the burning behaviour of materials* (95/28/EC) regarding which that State had received a letter of formal notice in 1997, as well as the *Directive on the adaptation of the Directive 74/408/EEC on interior fittings of motor vehicles* (96/37/EC), the *Directive on the adaptation of the Directive 76/115/EEC on safety belts* (96/38/EC) and the *Directive on the protection in the event of side impact* (96/27/EC). Furthermore, *Iceland* and *Liechtenstein* notified implementation of *Directive 70/220/EEC on the adaptation of the Directive on emissions from motor vehicles* (96/44/EC). Thus all EFTA States have notified full implementation of all acts in the field of motor vehicles, being applicable at the end of the reporting period.

The Authority had earlier invited *Iceland* to provide complementary information on how the existing national laws and regulations actually ensure full compliance with the *Type Approval Directive* (70/156/EEC), as amended, in particular with regard to the type approval process and to registration. During the reporting period *Iceland* notified the necessary amendments concerning the obligation to issue European Type Approvals. As a result the case could be closed.

The directives in the chapter on **agricultural and forestry tractors** have been notified as implemented in all three EFTA States. One of the acts, the *Directive amending Directive 76/432/EEC relating to the braking devices of wheeled agricultural or forestry tractors* (96/63/EC) was to be complied with in 1998.

In the chapter on **lifting and mechanical handling appliances** the *Directive relating to lifts* (95/16/EC) has been notified as implemented by *Norway*. By the end of the reporting period, no notification had been received from *Iceland*.

In the area of **household appliances**, two new acts were to be complied with during the reporting period; the *Directive implementing Directive 92/75/EC with regard to energy labelling of household combined washer-dryers* (96/60/EC) and the *Directive amending Directive 95/12/EC implementing Directive 92/75/EEC with regard to energy labelling of household washing machines* (96/89/EC). Letters of formal notice were sent to *Iceland* and *Liechtenstein* because of delayed transposition of these directives. *Liechtenstein* subsequently notified the implementation of the two acts.

Iceland notified implementation of the *Directive amending Directive 86/662/EEC on the limitation of noise emitted by hydraulic excavators, rope-operated excavators, dozers, loaders and excavator-loaders* (95/27/EEC) in the field of **construction plant and equipment**. With that notification, all EFTA States have implemented the acts in this field.

In the chapter on **electrical material** the *Directive adapting to technical progress Council Directive 79/196/EEC concerning electrical equipment for use in potentially explosive atmospheres employing certain types of protection* (97/53/EEC) has been notified as implemented by *Liechtenstein*. At the end of the reporting period incomplete notifications were received from *Iceland* and *Norway*, since no legal texts were submitted with the notifications.

In the chapter on **textiles** three new directives were to be complied with during the reporting period. Letters of formal notice were sent to all three EFTA States because of non-implementation of the *Directive adapting to technical progress Annexes I and II to Directive 96/74/EC on textile names* (97/37/EC). Subsequently, *Iceland* and *Norway* notified implementation of that Act.

In the chapter on **foodstuffs** *Iceland* notified full implementation of the *Directive concerning Packaging Gases* (94/54/EC), the *Directive concerning Sell-Out Stocks* (95/42/EC) and the

Directive on Infant Formulae and Follow-on Formulae (91/321/EEC), all of which had been the subject of formal proceedings in previous years. Furthermore, the *Directive on Energy-Restricted Diets* (96/8/EC), for which a letter of formal notice was sent to *Iceland* in 1998, was transposed before the end of the year.

At the end of the reporting period, *Iceland* had not notified implementation measures for the *Regulation on Flavourings* (No 2232/96), the *Regulations on Organic Production* (Nos. 345/97, 1935/95, 418/96, 522/96, 314/97 and 1488/97) the *Directive on Natural Mineral Waters* (96/70/EC), the *Directive on Migration Constituents of Plastic Materials* (97/48/EC), the *Directive on Pesticide Residues* (97/41/EC), the *Directive on Hygiene of Foodstuffs Transported in Bulk* (96/3/EC) and the *Regulation on Nitrate Contaminants* (No194/97), all of which were to be complied with before the end of 1998.

During the reporting period *Norway* notified full implementation of the *Directive on Energy-Restricted Diets* (96/8/EC), the *Directive on Pesticides in Cereals* (96/33/EC) and the *Directive on Pesticides in Fruits and Vegetables* (96/32/EC), for which letters of formal notice had been sent. However, the *Directive on Infant Formulae and Follow-on Formulae* (91/321/EEC), which has also been the subject of formal proceedings, is not fully transposed.

At the end of the reporting period *Norway* had not notified implementation measures for the *Regulation on Flavourings* (No 2232/96), the *Directive on Extraction Solvents* (97/60/EC), the *Directive on Pesticide Residues* (97/41/EC), the *Directive on QUID* (97/4/EC), the *Directive on Labelling of Foodstuffs Containing Sweeteners* (96/21/EC), and the *Directive on Purity of Miscellaneous Additives* (96/77/EC), all of which were to be complied with before the end of 1998.

Liechtenstein has a transitional period, which expires on 1 January 2000, for implementing the whole chapter on foodstuffs.

The European Commission recommends annually to the EU Member States co-ordinated programmes for the official control of foodstuffs and inspections to ensure compliance with maximum levels of pesticide residues in

and on certain products of plant origin, including fruit and vegetables. The Authority started to recommend corresponding programmes to the EFTA States in 1995. Preparations for the programmes in 1999 were well under way at the end of the reporting period.

At the end of 1997 the Authority, accompanied by representatives from the European Commission, visited both *Iceland* and *Norway* to monitor and evaluate for the first time the effectiveness and equivalence of the official food control systems operated by their competent authorities according to the *Directive on the Official Control of Foodstuffs* (89/397/EEC) and the *Directive on the Subject of Additional Measures Concerning the Official Control of Foodstuffs* (93/99/EEC). The Authority's observations were sent in the form of a draft report to Iceland and Norway for comments. These comments are under examination with the aim of finalising the reports within short. Finally, during the reporting year the Authority took part in joint similar missions to Member States of the European Union.

In the chapter on **medicinal products** the Authority received one complaint against *Norway* concerning the pricing of such products. One case concerning general trade restrictions on herbal and vitamin supplements was closed.

Two supplementary letters of formal notice were sent to *Norway* for only partially implementing the *Directive on Medicinal Products* (65/65/EEC) and the *Second Directive on Proprietary Medicinal Products as amended* (75/319/EEC). Furthermore, three letters of formal notice were sent to Norway concerning partial implementation of the *Directive on the Pricing of Medicinal Products* (89/105/EEC), the *Directive on Wholesale Distribution* (92/25/EEC) and the *Directive on the Labelling of Medicinal Products for Human Use and on Package Leaflets* (92/27/EEC). At the end of the reporting period, none of these directives had been fully implemented.

Liechtenstein notified implementation of all the acts in this chapter during the reporting period.

Iceland has not fully implemented the *Directive 86/609/EEC on Protection of Experimental Animals*. The Authority initiated

a preliminary examination of several acts under this chapter in order to assess the conformity of the notified legislation with those acts in that State.

All three EFTA States have transposed the directives on **fertilisers**, with the exception of the *Directive on EC Marking* (97/63/EC), which was to be complied with in 1998 and regarding which *Iceland* and *Norway* have not notified implementing measures.

In the chapter on **dangerous substances**, *Iceland* notified full transposition of the *Directive on CMR Restrictions* (94/60/EC), the *Regulation on Existing Chemicals* (No 793/93) and the *Directive on HCE Restrictions* (97/16/EC), all of which had been the subject of formal proceedings. Iceland notified partial implementation of the *7th Amendment Directive* (92/32/EC), the *Preparations Directive* (88/379/EEC) and the *18th TA Directive* (93/21/EEC). A revised timetable was submitted for the remaining transposition work related to the basic *Directives on Chemical Substances* (67/548/EEC) and on *Preparations* (88/379/EEC) and their amendments.

In addition to the acts in this field which had been the subject of formal proceedings, at the end of the reporting period, *Iceland* had not notified implementing measures with regard to the *Directive on CMT Restrictions* (97/56/EC), the *EC-Number Directive* (96/56/EC), the *Directive on Restriction on Lamp Oils* (97/64/EC) and the *Regulations on the Export/Import Annexes* (Nos 1237/97 and 1492/96), which were all to be complied with in 1998.

Norway made considerable progress in implementing the chemicals acts, including full transposition of all the acts related to the *Directive on Chemical Substances* (67/548/EEC) and the *Directive on Preparations* (88/379/EEC) as amended.

By the end of the reporting period, *Norway* had not notified implementation measures for the *Directive on CMT Restrictions* (97/56/EC), the *Directive on HCE Restrictions* (97/16/EC), the *Directive on Restriction on Lamp Oils* (97/64/EC), and the *Regulations on the Export/Import Annexes* (No 1237/97 and 1492/96), which were all to be complied with in 1998.

Liechtenstein has notified national measures for all acts in the chemicals field with the exception of the *Directive on CMT Restrictions* (97/56/EC).

The management tasks related to the notification of new substances, as stipulated in the *Directive on Chemical Substances* (67/548/EEC) are envisaged to be carried out for *Iceland* and *Liechtenstein* in collaboration with the competent authorities in other EEA States. However, *Norway* was the only EFTA State which continued to participate actively in the notification scheme during 1998.

By the end of the reporting period, all three EFTA States had notified national implementing measures for all the acts on **cosmetic products**, with the exception that *Iceland* and *Norway* had not notified implementation of the 19th TA Directive (97/1/EC). Furthermore *Iceland* has not notified implementation of the *Directive on Animal Testing* (97/18/EC) and *Directive on Confidentiality Rules* (95/17/EC). These directives became applicable in 1998 and letters of formal notice were sent to the respective States for non-implementation of these acts.

In the field of **environment protection**, the Authority sent letters of formal notice to each of the EFTA States in 1997 for non-implementation of the *Directive 94/63/EC on Volatile Organic Compounds*. Subsequently in 1997, *Liechtenstein* notified implementation of that Directive. No notifications of implementation were received from *Iceland* and *Norway* in 1998.

As *Norway* has announced higher recovery and recycling quotas than those mentioned in the *Directive 94/62/EC on Packaging and Packaging Waste*, that State provided additional information in order for the Authority to confirm that the Norwegian measures are in conformity with the Directive and basic provisions of free movement of goods.

When it comes to the chapter on **general provisions in the field of technical barriers to trade**, *Norway* notified implementation of the *Directive 69/493/EEC on Crystal Glass*, while letters of formal notice were sent to *Iceland* and *Liechtenstein* for delayed implementation with regard to that Directive. Subsequently, notifications of implementation were received from the two States.

During the reporting period *Decision No 3052/95/EC* which establishes a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods was finally incorporated into the EEA Agreement, since *Iceland*, which had indicated constitutional requirements according to Article 103 of the EEA Agreement, notified the fulfilment of that process.

Iceland has notified implementation of *Directive 93/7/EEC on return of cultural objects unlawfully removed from the territory of a Member State*. During the assessment by the Authority of the conformity of the notified measures, some shortcomings appeared, which were addressed in the form of a pre-31 letter. In late 1997 the Authority sent a reasoned opinion to *Liechtenstein* for non-implementation of the Act. The Authority was informed that the necessary changes in the national legislation would be finalised late in the autumn 1998. However, the Authority has not received a notification to that effect. *Norway* has implemented the act.

Finally, to complete recording of the chapters of Annex II to the EEA Agreement, notifications of implementation have been received from all EFTA States regarding the directives in the areas of gas appliances, other machines, pressure vessels, measuring instruments, information technology, telecommunication and data processing, construction products, personal protective equipment, toys, machinery, tobacco, explosives for civil use, medical devices and recreational craft.

4.7.3 OPERATION OF CERTAIN PROCEDURES

4.7.3.1 Information procedure on draft technical regulations

The *Directive on an Information Procedure on Draft Technical Regulations* (83/189/EEC), as adapted for the purpose of the EEA Agreement, introduces a procedure by which the EFTA States shall notify the Authority of draft technical regulations. Upon notification, a three month standstill period is triggered during which the Authority and the other EFTA States, as well as the European Commission, may comment on the notified draft regulation.

Notifications are examined to establish whether they contain provisions, which might create barriers to trade, for example by referring to national standards or national testing bodies, or by requiring exclusively national certificates. The Authority also assesses whether or not the draft national measures conflict with EEA secondary legislation.

prohibition in the Tobacco Act of fine ground nasal tobacco. That Act is also under the Authority's consideration in order to establish whether it is in breach of Article 18 of the EEA Agreement (see 4.7.1.2). At the end of the reporting period Iceland promised also to notify a draft regulation with regard to that Act. However, in accordance with the

Authority's surveillance policy the respective infringements do not come to an end until the notified replacing regulations actually come into force and thus under the national legal order repeal the non-notified acts. The

Authority will

DRAFT TECHNICAL REGULATIONS				
	EFTA notifications	Comments from the Authority	EC notifications	Single Coordinated Communications
1994	61	30	389	4
1995	8	6	438	3
1996	30	5	522	3
1997	12	6	900	3
1998	37	13	604	3

Within the framework of this information procedure, the Authority received 37 notifications from the EFTA States during 1998, 32 notifications from *Norway* and five from *Iceland*. In 13 cases, the Authority made comments on the notifications and in 15 cases comments from the Commission were forwarded. Out of the 37 notifications 12 were made in the field of ships and mobile offshore units, six notifications concerned the telecommunication sector and three referred to the environment and to chemicals, respectively.

In 1998, the Authority received 604 notifications from the EU side, which in three cases led to single co-ordinated communications being transmitted to the European Commission.

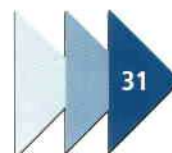
In the two previous years, letters of formal notice were sent to *Iceland* for not respecting the notification obligation under the Directive. Out of the 13 cases where the Authority had considered that Iceland had adopted technical regulations without prior notification to the Authority, six regulations have been repealed. Iceland had up to July 1998 notified the Authority of draft technical regulations, which intended to replace four of the acts. In that situation the Authority sent a reasoned opinion with regard to the remaining three national acts. Subsequently, Iceland has notified another two acts as drafts. Thus, there remains one act, the

pursue the matter in 1999. *Norway* is in the process of replacing two non-notified regulations. The replacing legal acts have been notified as drafts to the Authority.

Preparatory work is under way in the EEA Joint Committee to integrate into the EEA Agreement *Directive 98/34/EC*, which is a codification of the rules regarding the procedure for the provision of information in the field of technical standards and regulations. The Directive repeals and replaces *Directive 83/189/EEC* and subsequent directives and decisions amending it. Furthermore, *Directive 98/48/EC* amending *Directive 98/34/EC* is under examination by the EFTA States with a view to its integration into the EEA Agreement. The latter Directive widens the notification obligation to draft rules on Information Society services. Both these directives have been in force in the EU since August 1998.

4.7.3.2 National measures derogating from the principle of free movement of goods

The *Decision establishing a procedure for the exchange of information on national measures derogating from the principle of the free movement of goods* (No 3052/95/EC) came into force under the EEA Agreement on 1 November 1998. The Act lays down that the



EFTA States must notify the Authority of any national measure impeding the free movement of goods, where the person responsible for the product invokes its compliance with the regulation in force in another EEA State where it is lawfully produced or marketed. The Authority received 102 notifications made by EU Member States in 1997 and 1998 from the European Commission at the end of the year. The notifications were forwarded to the EFTA States. No notifications were received from the EFTA States. The Authority has had contacts with both the Commission and the EFTA States in order to promote an active participation by the EFTA States in this notification procedure.

4.7.3.3 Notification procedures on chemicals

The main objective of the *chemicals procedures* is to evaluate and control the risks of new and existing chemicals. It comprises the following separate notification schemes:

- notification of new substances, according to the *Directive on Substances* (92/32/EEC), the *Directive on Preparations* (88/379/EEC) and the *Directive on Risk Assessment of new Chemicals* (93/67/EEC);
- notification of existing substances, according to the *Regulation on Existing Substances* (No 793/93) and the supplementing *Regulation on Risk Assessment* (No 1488/94); and
- notification according to the *Export/Import Regulation* (No 2455/92).

These procedures entail extensive technical, scientific and administrative work for the Authority and the EFTA States, who closely collaborate with the Commission services, the European Chemicals Bureau (ECB) and the EU Member States. The service contract, awarded by the Authority to a consultant for carrying out certain scientific and technical tasks in relation to the procedures, expired during 1998. The form of the future cooperation is under examination.

Cooperation between the Authority and the European Chemicals Bureau on the notification scheme for *new chemicals* continued during 1998. *Norway* has been active in this scheme from the beginning. In 1998, Norway notified several chemicals on the Norwegian market, which are not found in the *European*

Inventory of Existing Commercial Chemical Substances (EINECS). No similar notifications have yet been made by *Iceland* or *Liechtenstein*. Iceland finalised its arrangement concerning the operation of this procedure with the competent authority in Denmark. Liechtenstein intends to do the same with the competent authority in Germany.

To date 110 *existing chemicals* requiring attention have been selected on three priority lists published in previous years because of their potential effect on man and the environment. *Norway* is a rapporteur for the whole European Economic Area for risk assessment of several of these chemicals as set out in the *Regulation on Existing Substances* (No 793/93). During the first phase of collection of information, data on some 1500 substances were collected from the chemical industry within the EEA with more than 200 notifications stemming from *Iceland* and Norway. Data on some 1000 substances were delivered during the second phase. It is estimated that between 15,000 and 20,000 chemicals will be notified in the third and last phase.

4.7.3.4 Foodstuffs

The *Contaminants Regulation* (No 315/93), the *Directive on the Hygiene of Foodstuffs* (93/43/EEC) and the *Labelling Directive* (79/112/EEC), contain procedures which allow the EEA States to introduce national provisions that are more specific than those laid down by these acts and to notify them accordingly. During 1998, no such measures were notified by any of the EFTA States.

In 1998 *Norway* notified provisional authorisation of the marketing and use within its territory of an additive in accordance with Article 5 of the *Framework Additives Directive* (89/107/EEC). The authorisation is limited to a maximum period of two years.

4.7.3.5 Product Safety

The notification procedure under the *General Product Safety Directive* (92/59/EEC) provides for the application of a procedure regarding the rapid exchange of information in cases of serious and immediate risk to the health and safety of consumers. The Directive also introduces a general safeguard procedure, which applies to cases not covered by the safeguard or notification procedures contained in specific Directives.

The Authority received no notifications from the EFTA States under the emergency procedure in 1998. However, the EFTA States participated actively in the procedure by presenting several reactions to notifications received. In total 121 notifications were received from the European Commission. In the framework of the non-food network, 47 notifications were received. Within the food network, 74 notifications were received. Furthermore, 24 notifications under the general safeguard procedure were received from the Commission. In addition, the Authority forwarded 163 notifications from the Commission regarding voluntary withdrawals of unsafe consumer products for information purposes only.

THE EMERGENCY PROCEDURE						
	EFTA notifications			EC notifications		
	Food	Non food	Total	Food	Non food	Total
1994	2	2	4	9	6	15
1995	4	-	4	12	15	27
1996	1	-	1	15	53	68
1997	2	2	4	67	52	119
1998	-	-	-	74	47	121

4.7.3.6 Safeguard measures with regard to unsafe products in accordance with specific Directives

During the reporting period, the Authority did not receive any notifications from the EFTA States of safeguard measures taken under specific Directives referred to in Annex II to the Agreement.

4.7.3.7 Notification of conformity assessment bodies

All new approach directives and some of the traditional directives provide for the involvement of notified bodies as third parties in conformity assessments of products or production. Such bodies may be testing laboratories, inspection bodies, certification bodies or approval bodies. They are notified by the EEA States as being competent to carry out conformity assessments of specific products or families of products, as set out in the relevant Directives. These notifications are forwarded to the European Commission, which publishes them, together with the notifications

received from the EU Member States, in the Official Journal of the European Communities. In 1998, the Authority received five notifications concerning conformity assessment bodies acting for the purposes of various acts referred to in Annex II to the EEA Agreement.

4.7.4 OTHER RULES IN FIELDS RELATED TO THE FREE MOVEMENT OF GOODS

4.7.4.1 Product Liability

The *Directive on Liability for Defective Products* (85/374/EEC) has been notified as implemented by all three EFTA States.

4.7.4.2 Energy

Norway is the only EFTA State that has activities falling under the *Directive on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons* (92/22/EEC). After having received a notification from Norway on the implementation of the Act, a detailed assessment of the conformity of

the notified measures was carried out. The assessment showed some shortcomings, which were raised with Norway and subsequently resulted in a few amendments to the relevant Norwegian legislation.

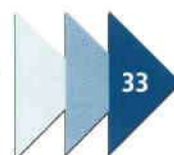
Iceland and Norway continued to report prices of crude oil and petroleum products in accordance with the *Directive on Prices of Crude Oil and Petroleum Products* (76/491/EEC). These reports were forwarded to the European Commission according to an established routine between the Authority and the Commission.

4.7.4.3 Intellectual Property

The work in the field of intellectual property continued to focus on implementation control and assessment of complaint cases.

One new *Regulation concerning the creation of a supplementary protection certificate for plant protection products* (No 1610/96) was added to the EEA Agreement in 1998.

Iceland and Norway have notified national measures implementing all acts in this sector,



including the new Regulation. They had a transition period until the end of June 1997 to implement Article 4 of the *Directive on rental rights and lending rights and certain rights related to copyright in the field of intellectual property* (92/100/EEC). *Iceland* has not notified implementation of that Article into its national legal order. Furthermore, an assessment of the notified national measures revealed some shortcomings, which are being corrected by national authorities. *Norway* notified implementation of the above mentioned Article 4 in June 1998. However, Article 8(2) of the same Directive has not been notified as implemented, although the transition period Norway had for its implementation expired at end of 1995.

Liechtenstein has a transitional period for the above mentioned *Regulation* (No 1610/96) and the *Regulation concerning the creation of a supplementary protection certificate for medicinal products* (No 1768/92). With regard to the remaining Acts, *Liechtenstein* has notified full implementation of the *Directive relating to Trade Marks*, (89/104/EEC) and partial implementation of other Acts in the sector.

4.7.5 VETERINARY AND PHYTOSANITARY MATTERS

Within the veterinary and phytosanitary sectors the Authority continued to focus on implementation control, inspections of fresh meat producing establishments and fish establishments and the simplification of the elaboration and handling of the inspection reports. A complete revision of the veterinary chapter of Annex I was decided by the Joint Committee to enter into force 1 January 1999. At the end of the reporting period the Authority was preparing for the entry into force of that decision.

4.7.5.1 Legislation

The same acts in Annex I were applicable to the EFTA States in 1998 as in 1997. That Annex has a number of acts divided into three chapters, veterinary, feedingstuffs and phytosanitary matters.

Transition periods, specific for the EFTA States, are applicable with regard to several acts in the Annex. The acts in the veterinary

chapter, not related to fishery products, do not apply to *Iceland*. *Liechtenstein* has a transitional period until 1 January 2000, with regard to all the acts in that chapter.

4.7.5.2 National transposition

The Authority is in the process of assessing the conformity of national measures with all the directives concerning *veterinary issues* in Annex I to the Agreement.

Iceland has notified implementation of all acts in this field applicable to that State. *Norway* has notified implementation of all acts with the exception of the *Directives concerning the Production of, and Trade in Minced Meat*, (88/657/EEC) and (92/110/EEC). A conformity assessment of the notified acts revealed some shortcomings which are in the process of being corrected. However, the Authority decided to send a letter of formal notice for only partial implementation of the *Directive concerning disposal and processing of animal waste, for its placing on the market and for the prevention of pathogens in feedstuffs of animal origin* (90/667/EEC).

All three EFTA States have notified implementation of all the acts in the field of *feedingstuffs*, with the exception of those directives for which *Iceland* and *Norway* have derogations. The Authority continued to concentrate its conformity assessment in this field on the notified measures by *Iceland* and *Norway* of the act regarding additives in feedingstuffs.

All the EFTA States have notified transposition of all acts in the field of *seeds*. *Iceland* was released by the Surveillance Authority from the obligation to apply the *Directive on the marketing of cereal seeds* (66/402/EEC), the *Directive on marketing of seed of oil and fiber plants* (69/208/EEC) and the *Directive on marketing of vegetable seed* (70/458/EEC) to certain species which can not grow in *Iceland*. Furthermore, *Iceland* was authorized by the Authority to adopt more stringent provisions regarding the presence of *Avena fatua* in cereal seed. Finally, *Norway* was released by the Authority from the obligation to apply the *Directive on marketing of seed of oil and fiber plants* (69/208/EEC) to soya beans.

4.7.5.3 Application of the Agreement

Fresh meat establishments (slaughterhouses, cutting plants and cold stores), meat product establishments, fish processing establishments (including factory vessels and establishments producing live bivalve molluscs), and milk processing establishments are, under the EEA Agreement, subject to strict veterinary rules motivated by objectives of public health and consumer protection. Products processed by establishments handling fresh meat, meat products, poultry meat, farmed game meat, eggs, milk and fish, as well as on factory vessels are, if the establishments or vessels

have been approved by the national competent authority, in accordance with the relevant EEA Act, in free circulation within the entire EEA market. The EFTA States submit lists of the approved establishments to the Authority, which then transmits the lists to the European Commission for further distribution to the EU Member States.

Point 10 of the introductory part of Chapter I of Annex I to the EEA Agreement lays down the principles to be applied by the Authority in carrying out on-the-spot inspections in the veterinary field, implying, *inter alia*, that such inspections shall be carried out in accordance with programmes equivalent to those of the Community, that the same criteria shall apply to inspections, that information concerning inspections shall be exchanged between the European Commission and the Authority and that the follow-up of the inspections shall be co-ordinated between the Commission and the Authority. In conformity with these principles, the co-operation between the inspection services of the Authority and the Commission continued.

During 1998, the Authority's inspectors have continued to inspect establishments approved by national authorities in order to verify that they are in fact complying with the relevant EEA provisions. Due to the importance of the fish industry in the EFTA States concerned, particular emphasis has been placed on inspections of fish establishments. In the latter half of the reporting period seminars were

held in *Iceland* and *Norway* where the EEA rules regarding fishery products were discussed. A similar presentation was made in Norway of the acts regarding fresh meat.

During 1998, the Authority inspected 85 establishments in the EFTA States. Some basic characteristics of these inspections are given in the table below.

NUMBER OF ESTABLISHMENTS INSPECTED IN THE EFTA STATES 1998					
Type of inspections	Fresh meat		Fishery products		Total
State	ISL	NOR	ISL	NOR	
Formal inspections	-	23	30	32	85

The Contracting Parties have agreed upon a revision of Chapter I of Annex I to the EEA Agreement which will enter into force 1 January 1999. As the border control directives are part of the revised Chapter I, the EFTA States must have border inspection posts in operation from that day. As the approval of these posts will be a task for the Authority, seminars on the application of the border control directives have been held in *Iceland* and in *Norway* by the Authority in close co-operation with the Commission to prepare the approval process. The Authority's inspectors also participated in inspections of seven border inspection posts, carried out by the European Commission in EU Member States.

In accordance with the relevant EEA acts, the EFTA States submitted their plans for 1999 regarding the examination of residues of hormones and other substances, as well as the results of tests carried out in 1997 to the Authority for approval. The Authority is examining these plans.

4.8 PUBLIC PROCUREMENT

4.8.1 GENERAL OVERVIEW

The main objective of the provisions in the EEA Agreement on public procurement is to oblige contracting authorities and entities within the EEA to apply certain procedures when procuring supplies, services and works with a value exceeding given thresholds, in order to secure equal treatment of all suppliers, service providers and contractors established within the EEA. As a general rule, notices on contracts to be awarded shall be published in the Official Journal of the European Communities and in the database Tender Electronic Daily (TED). In addition, public procurement complaint bodies must be established on a national level.

In the field of public procurement, work related to monitoring the application of the procurement rules continued to be the main task of the Authority in 1998. Due to a relatively moderate number of new complaints during the reporting period, the Authority was also able this year to devote parts of its resources to assessing cases initiated in the previous years, thereby closing a number of cases, where satisfactory solutions had been found. In addition, own initiative cases for possible failure to apply the procurement rules correctly were opened. With a view to safeguarding the interests of potential suppliers and service providers, the Authority continued its practice of ensuring the correction of non-compliance with the procurement legislation by making immediate contact with national authorities before any contract had been concluded.

Providing information and guidance for the understanding of EEA procurement rules, both to the procuring and to the supply side, has proved to be an important part of the Authority's work in the procurement field. The European Commission's services have been consulted on a number of topics related to the interpretation of the EEA procurement rules.

4.8.2 NATIONAL IMPLEMENTING MEASURES AND CONFORMITY ASSESSMENT

Iceland has notified the transposition of all public procurement acts. The texts of all the procedural procurement directives have as such been made part of the Icelandic legislation. With regard to the national procurement review procedures to be established in accordance with the *Legal Remedies Directives* (89/665/EEC) and (92/13/EEC), Iceland had chosen the Ministry of Finance as a complaints body. Already in May 1995 the Authority sent a letter to Iceland questioning the correctness of choosing the Ministry as a complaint body, *inter alia*, as it has to deal with complaints on state entities falling within its competence. The Authority was, during the reporting period, informed that the Icelandic Parliament rejected a proposal for a new, independent complaint body, and that a new bill is being worked out and will be presented to the Parliament during the first half of 1999.

Norway has also notified the transposition of all public procurement acts. Norway has chosen to transpose, to a large extent, the wording of the procedural directives into separate regulations covering individual directives. A detailed assessment of the conformity of the measures notified by Norway has been carried out with regard to all directives.

In 1998, reasoned opinions were sent to *Liechtenstein* concerning the lack of implementation of all the procurement acts. At the end of the year, Liechtenstein notified full implementation of the acts.

4.8.3 APPLICATION OF THE RULES ON PUBLIC PROCUREMENT

In 1998, a total of 171 public procurement notices from *Iceland* were published in the Official Journal of the European Communities (123 in 1997). *Liechtenstein* published two notices (same as in 1997) and *Norway* 2,287 (2,409 in 1997).⁽¹⁾

Concerning *Norway*, the slight decrease in the number of notices is found mainly at the level of central authorities and utilities, but only with regard to works and services. It is noted, with regard to Norwegian contracting authorities, that the use of the negotiated procedure, which is an exceptional procedure for such authorities, more than doubled from 1997 to 1998 (Table A). The increase is found in the field of services.

TABLE A: NOTICES ACCORDING TO PROCEDURE

Procedure	ISL				LIE			NOR			
	1995	1996	1997	1998	1996	1997	1998	1995	1996	1997	1998
Pre-indicative notices	5	3	7	5	0	0	0	93	87	83	72
Open	40	52	59	87	0	0	0	1007	861	917	816
Restricted	3	3	7	13	0	0	0	203	165	136	109
Accelerated restricted	1	0	0	1	0	0	0	22	29	25	24
Negotiated; authorities	0	0	0	0	0	0	0	30	35	33	70
Negotiated; utilities	0	0	0	0	0	0	1	137	167	194	160
Accelerated negotiated	0	0	0	0	0	0	0	2	14	10	10
Contract awards	34	40	50	64	0	0	1	827	1219	941	960
Qualification system (93/38)	0	0	0	0	0	0	0	75	32	48	26
Design contest	0	1	0	1	0	2	0	13	18	12	35
Result design contest	0	0	0	0	0	0	0	1	8	10	5
Total	83	99	123	171	0	2	2	2410	2635	2409	2287

The total number of notices increased from 1997 to 1998 with regard to *Iceland*, while it continued to slightly decrease with regard to *Norway*. The increase in Iceland is mainly due to an increased number of invitations to tender for supplies contracts of central government and utilities. In the Authority's annual report for 1997, it was observed that in Iceland, only one local authority and one utility had published procurement notices in the Official Journal. In 1998, an additional local authority published two notices, and three new utilities started applying the EEA public procurement rules by publishing 27 notices. Of those, one utility published 24 notices after the Authority had initiated infringement proceedings.

The application rate of *Liechtenstein* continued to be very low.

On the following pages information is given about notices on call for competition with or without qualification procedures (Table B), notices according to type of contract (Table C) and notices according to contracting authority/entity (Table D).

With regard to the application of the procurement rules, the Authority received, during the reporting period, two complaints against *Iceland*, five against *Norway* and one against *Liechtenstein*. Furthermore, five own initiative cases were opened against Iceland. In all 25 procurement cases were dealt with during 1998. Of these, nine cases, all against Norway,

⁽¹⁾ Source: Tenders Electronic Daily. Some figures with regard to 1995 and 1996 will differ from the figures published in the Authority's annual reports for those years, as some minor corrections have been made.

were formally closed, either because a satisfactory solution had been found after intervention from the Authority or because the Authority's investigations had shown that no infringements had been committed. During the reporting period, two letters of formal notice were sent to Iceland concerning the failure to apply correctly the procurement rules. Similarly, one reasoned opinion was sent to Norway.

The cases dealt with during the reporting period involved, *inter alia*, the following issues:

A contracting authority intended to build a swimming pool. The services needed for the planning of the building and for the supervision of the work site were separated from the works contract. The Authority received two complaints for failure to publish in the Official Journal an invitation to tender for one of those service contracts, relating to architectural services. Architectural services are covered by the full procedures of the *Services Directive*. The contracting authority argued, however, that the

contested contract did not have to be published, as it was a below-threshold contract. The Authority did not pursue the case, as it appeared that the contested award procedure had been initiated before the *Services Directive* was to be implemented. However, the Authority has expressed the view that, in principle, it is the estimated, aggregated value of all service contracts prior or connected to the works, i.e. services which are not a part of the works contract, that must be taken into consid-

eration when assessing whether the procedural rules of the Directive must be applied to the individual contracts which are below the applicable threshold. An exemption to this main rule covers below-threshold service contracts in the very first stage of a planning process, necessary to establish, *inter alia*, a first estimate of the total value of the planned project.

TABLE B: NOTICES ON CALL FOR COMPETITION, WITH OR WITHOUT QUALIFICATION PROCEDURES

Type of notice	ISL				LIE		NOR			
	1995	1996	1997	1998	1997	1998	1995	1996	1997	1998
Pre-indicative notices with a call for competition (Directive 93/38)	0	0	0	0	0	0	10	9	1	3
Qualification system with call for competition (Directive 93/38)	0	0	0	0	0	0	36	15	12	16
Invitations to tender or pre-qualification (open, restricted or negotiated procedure with prior call for competition)	44	55	62	101	0	1	1395	1275	1316	1189
Design contests	0	1	0	1	2	0	13	18	12	35
Total	44	56	62	102	2	1	1454	1317	1341	1243
Contract awards	34	40	50	64	0	1	827	1219	941	960

TABLE C: NOTICES ACCORDING TO TYPE OF CONTRACT

Type of notice	ISL				LIE		NOR			
	1995	1996	1997	1998	1997	1998	1995	1996	1997	1998
Works	10	8	17	18	0	0	684	643	463	388
Supplies	65	75	89	129	0	2	1054	1182	1140	1144
Services	8	16	17	24	2	0	550	716	735	674
Mixed	0	0	0	0	0	0	78	81	35	120
Qualification system (93/38) ⁽⁴⁾	0	0	0	0	0	0	44	13	36	11
Total	83	99	123	171	2	2	2410	2635	2409	2287

⁽⁴⁾ The figures under 'Qualification system (93/38)' in Table C do not correspond to the figures concerning qualification in Table A. The reason for that is that some notices on a qualification system have been entered into TED as pure qualification procedures (figures for those are found in table C under 'Qualification system (93/38)'), while other such notices have been entered into TED as procedures relating to works, supplies, services or mixed contracts (figures for those qualification notices are therefore integrated in the other figures in Table C).

TABLE D: NOTICES ACCORDING TO CONTRACTING AUTHORITY/ENTITY⁽⁵⁾

Type of notice	ISL				LIE		NOR			
	1995	1996	1997	1998	1997	1998	1995	1996	1997	1998
Central authorities and bodies governed by public law	71	85	93	115	2	0	748	900	740	671
Armed forces	0	0	0	0	0	0	118	119	50	45
Local authorities and bodies governed by public law	9	11	25	27	0	0	969	820	845	835
Utilities	3	3	5	29	0	2	575	796	774	736
Total	83	99	123	171	2	2	2410	2635	2409	2287

A contracting authority had concluded a contract for the rental of an office building to be constructed. The Authority received a complaint concerning an alleged failure to publish in the Official Journal an invitation to tender for that contract, in accordance with the *Public Works Directive*. In a reasoned opinion, the Authority expressed the view that in that particular case, the *Public Works Directive* was applicable to the contested contract, as the building was to be constructed corresponding to the requirements specified by the contracting authority. The contract concluded was subsequently annulled. With regard to contracts for the rental or lease of a building to be constructed, it is necessary to make a case by case assessment of each planned contract to establish whether the works foreseen will be executed corresponding to the requirements specified by the contracting authority.

In the same case, another important issue was whether the estimated value of the contested contract was below or above the threshold applicable to works contracts, namely five million ECU net of VAT. In a reply to the Authority's letter of formal notice, it was argued by the State in question that the value of the works contract could not include the value of the land the building was to be constructed on, nor the financial costs the contractor would incur during the building period

and the taxes and fees the contractor would have to pay to erect the building. If those costs were not included, the estimated value of the works to be undertaken would be below the threshold. In its reasoned opinion, the Authority expressed the view that the relevant value of a contract would normally be the total value of the contract actually envisaged. Consequently, the contested public works contract was above the relevant threshold.

Also during 1998, the Authority, in several cases, met the problem that the type of criteria which may be used according to the procurement directives to check the suitability of candidates and tenderers, e.g. experience, references, capacity, economic or financial standing, were applied as criteria for the award of contracts. The latter type of criteria may e.g. be quality, price, technical merit or after sales service. The EEA procurement rules are clear on the distinction, both in nature and in use, between the two types of criteria. This applies to the open and restricted procedure and to the negotiated procedure with prior call for competition. During the open procedure, although qualification and award are not two distinct procedures in time, the distinction between the two sets of criteria must nevertheless be respected throughout the entire contract award procedure. The Authority will continue to monitor this issue in cases brought to its attention.

⁽⁵⁾ The 1995 and 1996 figures for Iceland with regard to central and local authorities are not identical to the figures published in the Authority's annual reports for those years. The reason for that is that it has been discovered that some notifications from local authorities had been entered into TED as coming from central authorities, and vice versa. The tables for 1995 and 1996 have been corrected so that this table gives the actual figures for the period 1995-1997.

4.9 FREE MOVEMENT OF PERSONS

4.9.1 FREE MOVEMENT OF WORKERS

Freedom of movement for workers entails the abolition of any discrimination based on nationality between workers of the EEA States as regards employment, remuneration and other conditions of work and employment, as well as the right to accept offers of employment actually made, to move freely within the territory of EEA States for this purpose, to stay on the territory of an EEA State for the purpose of employment in accordance with the provisions governing the employment of nationals of that State, and to remain on the territory of an EEA State after having been employed there.

4.9.1.1 Implementation control

Both *Iceland* and *Norway* have notified national measures considered by them to ensure full compliance with all EEA acts on the free movement of workers.

By virtue of Protocol 15 to the Agreement on transitional periods on the free movement of persons, *Liechtenstein* had the right to maintain in force until 1 January 1998 national provisions submitting to prior authorisation entry, residence and employment. However, it could not introduce any new restrictive measures after the date of signature of the EEA Agreement, on 2 May 1992.

At the end of the transition period, the transitional measures were to be jointly reviewed by the Contracting Parties, duly taking into consideration the specific geographical situation of *Liechtenstein*. Furthermore, a Declaration by the EEA Council provides that an extraordinary increase in the number of nationals from the other EEA States or in the total number of jobs in the economy, both in comparison with the number of the resident population, should be taken into account in the context of the review of the transitional measures.

While *Liechtenstein* started negotiations with the European Commission concerning further transition measures as of 1 January 1998, no agreement had been reached on the subject matter by the end of 1997. Therefore and in

order to counter the serious difficulties *Liechtenstein* would face, the *Liechtenstein* Government decided to apply as from 1 January 1998, in the context of Annex V and VIII of the EEA Agreement, the safeguard clause referred to in Articles 112 and 113 of the Agreement. At the end of the reporting period, the Authority had not been informed of any agreement concluded.

4.9.1.2 Complaints

Two cases based on complaints remained open at the beginning of the reporting period.

Already in 1996, the Authority registered a complaint against *Liechtenstein* concerning discrimination against foreign teachers. In April 1997, a letter of formal notice was sent to *Liechtenstein* for failure to comply with the EEA Agreement and the *Regulation on Free Movement of Workers* (EEC) No 1612/68. In June 1998, *Liechtenstein* informed the Authority that the Government had proposed amendments to the legislation on foreign teachers. At the end of the reporting period *Liechtenstein* notified the adoption of these measures considered by the *Liechtenstein* Government to ensure compliance with the EEA Agreement and the Regulation.

In November 1997, the Authority sent a letter of formal notice to *Norway* for failure to comply with Article 28 of the EEA Agreement and Article 7 of the *Regulation on Free Movement of Workers*. The Norwegian tax system was considered to discriminate against EEA workers whose families resided in an EEA State other than Norway. In its reply, the Norwegian Government informed the Authority that such workers should also be entitled to deductions as regards travel costs and extra costs for boarding and lodging. In October 1998, the Government informed the Authority that a bill proposing the appropriate amendments to the Norwegian General Tax Act was presented for the Parliament, and if adopted, the new rules should be applicable as from the income year 1998. The necessary measures were expected to be adopted by the end of 1998, but no notification of the adoption of such measures had been received from Norway by the end of the reporting period.

In 1998, five new complaints were received by the Authority in the field of free movement of workers.

Two complaints were lodged against *Norway* for not granting EEA nationals permission to work as masters on board Norwegian vessels. The first complaint concerned a Swedish national who had already been granted a dispensation to work on board a passenger ship for a very limited period. The dispensation had not been renewed although no Norwegian masters were available for the post. After having invited Norway to submit information on the subject matter, the Norwegian Government informed the Authority that the complainant had been granted dispensation until July 2000.

The second complaint concerned a British national, educated and trained in *Norway*, who was refused by the Norwegian authorities to work as a master on board Norwegian fishing vessels. The examination of the case will be pursued in 1999.

The third complaint was lodged against *Iceland* for alleged discrimination on grounds of nationality regarding the dismissal of the complainant and also in the recruitment for a new, partly similar, post that the complainant had applied for. The complaint was under examination at the end of the reporting period.

The fourth complaint was lodged against *Liechtenstein* for alleged discriminatory requirements imposed on foreign EEA nationals when applying for a traineeship at the Liechtenstein courts. The complaint was under examination at the end of the reporting period.

The fifth complaint was lodged against Liechtenstein for alleged discriminatory restrictions on the access to housing in Liechtenstein for EEA nationals who work and reside in that State. As Liechtenstein had a transition period until 1 January 1999 with regard to investments in immovable properties, the examination of the case will be pursued further in 1999.

4.9.2 MUTUAL RECOGNITION OF PROFESSIONAL QUALIFICATIONS

Under Article 30 of the EEA Agreement, the Contracting Parties shall take the necessary

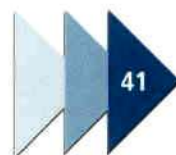
measures concerning the mutual recognition of diplomas, certificates and other evidence of formal qualifications, as well as the taking up and pursuit of activities by workers and self-employed persons. To that end, the directives in Annex VII to the Agreement lay down provisions on mutual recognition of professional qualifications and thus facilitate the right of establishment and the provision of services.

4.9.2.1 Implementation control

In June 1998, the Authority sent a reasoned opinion to *Norway* concerning failure to fully implement the *Second General System Directive* (92/51/EEC). The non-implementation concerned both lack of implementing measures regarding four out of 34 professions and that the Norwegian legislation requires those wanting to take up or pursue a profession in the seafaring sector to produce a medical certificate issued by a doctor approved by Norwegian authorities. Subsequently Norway notified implementing measures concerning the four professions but disputed the Authority's findings concerning the health certificate requirement. The Authority is still considering the case.

In a communication concerning the *Amendment 1997 to the Second General System Directive* (97/38/EC), *Norway* stated that the professions in question were not regulated in that State and that consequently no implementing measures were necessary.

In 1997, *Iceland* notified national measures implementing the *Amendments 1994 and 1995 to the Second General System Directive* (94/38/EC and 95/43/EC) and in 1998 it notified the implementation of *Amendment 1997 to the Second General System Directive* (97/38/EC). In that context, Iceland choose to use the so-called "reference technique", whereby the respective implementing legislation contains a general reference to any future amendment with respect to the *First General System Directive* (89/48/EEC) or the *Second General System Directive* (92/51/EEC). In July 1998, a letter of formal notice was sent to Iceland concerning *Amendment 1994 to the Second General System* (94/38/EC). It was pointed out that the Directive required explicitly that the implementing measure should contain a reference to the Directive or be accompanied by such reference at the time of



official publication. As this was not the case the implementation was regarded as non-transparent, liable to create uncertainty of individual rights and therefore not in conformity with the Directive. Iceland has stated that this will be rectified, although a new implementing measure had not been notified at the end of the reporting period.

Following the examination of three complaints concerning Icelandic beauticians (see below) *Iceland* stated that the *Various Activities Directive* (75/368/EEC) had not been implemented into Icelandic legislation. After further examination the Authority sent a letter of formal notice to Iceland for failure to ensure compliance with the Directive.

In December 1998, the Authority sent a letter of formal notice to *Liechtenstein* concluding that certain provisions of the relevant national legislation were not in compliance with the *Lawyers' Services Directive* (77/249/EEC).

During 1998, *Liechtenstein* notified full implementation of the *First General System Directive* (89/48/EEC), the *Second General System Directive* (92/51/EEC) and its amending directives. An infringement case on the failure to implement the *First General System Directive* was closed after a conformity assessment had been carried out on the notified national measures. Similar infringement cases concerning the *Second General System Directive* and the *Amendment 1994 to the Second General System Directive* are expected to be closed in 1999 when the Authority has finished its examination of the notified measures.

In May 1998, *Liechtenstein* notified national measures implementing a number of directives regarding the medical professions, namely the *Doctors Directive* (93/16/EEC), the *Dentists Directive* (78/686/EEC), the *Nurses Directive* (77/452/EEC), the *Veterinarians Directive* (78/1026/EEC), the *Pharmacists Directive* (85/433/EEC) and the *Acquired Rights in Medical Professions Directive* (81/1057/EEC). The Authority is planning to assess the conformity of the national measures notified in respect of those directives during 1999.

In December 1997, the Authority sent letters of formal notice to *Liechtenstein* regarding the *Establishment in Agriculture Directive* (63/261/EEC), the *Agricultural Holdings*

Directive (63/262/EEC), the *Services in Agriculture Directive* (65/1/EEC), the *Access to Aid Directive* (68/415/EEC), and the *Agricultural and Horticultural Directive* (71/18/EEC). By the end of the reporting period the Authority had not received notifications on implementing measures. However, Liechtenstein authorities have indicated that implementing measures will be notified early in the year 1999.

In 1997, the Authority sent a Pre-Article 31 letter to *Liechtenstein* regarding the non-implementation of the *Midwives Directive* (80/154/EEC). Although it was indicated by Liechtenstein that implementing measures would be taken in the year 1998, no such measures had been notified by the end of the reporting period. The Authority will pursue this issue during 1999. The same applies for the *Architects Directive* (85/384/EEC) which has only been partially implemented.

4.9.2.2 Complaints

In 1998, the Authority continued its examination of six complaints and received two new complaints.

In November 1998, the Authority received a complaint from a person with a Swedish law degree alleging that requirements for obtaining a Norwegian barrister licence (*Advokatbevilling*) were not in conformity with the EEA Agreement. The Authority has sent a letter to *Norway* and asked for further information concerning the case.

In July 1998, the Authority received a complaint from a doctor alleging that the rules applicable in *Norway* on ranking and short-listing applicants for positions as doctors in hospitals (*fortrinnsrett*) discriminated against doctors from other EEA States. The Authority had received a similar complaint from another complainant in December 1997. After an exchange of information with Norwegian authorities, the Authority sent a letter of formal notice to Norway in December 1998, concluding that the so-called "right of preference" rule for doctors having worked for 12 months in Norway, used in the appointment procedure for the post of an Assistant Medical Practitioner II, was discriminatory and contrary to the EEA Agreement.

Three complaints were lodged against *Iceland* in 1997, concerning the right of establishment

of beauty parlours in that State by Icelandic nationals – two of whom had obtained their diplomas in the United Kingdom and one in Denmark – and the right to exercise the profession of beautician. The Authority examined the complaints during 1998 and concluded that the mechanism provided for by the case law of the European Court of Justice for the evaluation of foreign diplomas, certificates and other evidence of qualifications was in place. Furthermore, the Authority was of the opinion that as the case law in this field was sufficiently clear, an applicant asking for recognition of a diploma should be able to find appropriate protection of his/her rights before national courts. The Authority, therefore, after thoroughly informing the complainants of its opinion, decided to close the case.

The examination of a complaint registered in 1996, concerning the right of a migrant worker to use the professional title of “Norwegian master” in *Norway*, was completed in 1998. The relevant *Transitional Manufacturing and Processing Directive* (64/427/EEC) does not contain any provision about the use of titles or the obligation to give migrants the possibility to use national titles. Moreover, the complainant appeared to be able to exercise the profession of carpenter without any restrictions in Norway. In these circumstances there were no grounds for the Authority to pursue the case, and it was closed.

In another complaint from 1996, the Norwegian Board of Health, following the Authority’s informal intervention, decided to grant recognition of a German doctor’s specialisation in general medicine. At the end of the reporting period the case was still under examination. However it is expected that the case can be closed in 1999.

4.9.3 RIGHT OF ESTABLISHMENT

Article 31 (1) of the EEA Agreement prohibits restrictions on the freedom of establishment of nationals of an EEA State in the territory of another EEA State. The prohibition also applies to the setting up of agencies, branches or subsidiaries by EEA nationals in any EEA State.

4.9.3.1 Implementation control

Iceland and *Norway* have notified national

measures considered to ensure full compliance with the six Directives on the abolition of restrictions on freedom of movement and residence for different groups of EEA nationals.

As was the case with respect to the EEA acts relative to the free movement of workers, Protocol 15 to the EEA Agreement allowed *Liechtenstein* to maintain in force, until 1 January 1998, national provisions in the field of the right of establishment submitting to prior authorisation entry, residence and employment.

As explained in Section 4.9.1.1 above, the Liechtenstein Government decided to apply the safeguard clause referred to in Articles 112 and 113 of the EEA Agreement as of 1 January 1998 also with respect to the EEA acts in the field of right of establishment. At the end of the reporting period, the situation was unchanged.

4.9.3.2 Complaints

In 1997 the Authority registered a complaint against *Liechtenstein* regarding the single practice rule in that State. This single practice rule implies that a doctor or a dentist, once established in a particular EEA State, would be able to enjoy the freedom of the EEA Agreement to establish her/himself in Liechtenstein only at the price of abandoning the establishment she/he already had. In June 1998, the Authority received another complaint on the same subject matter. Formal infringement proceedings under Article 31 of the Surveillance and Court Agreement were initiated in December 1998 against Liechtenstein for failure to comply with Article 31 of the EEA Agreement (by preventing EEA nationals having a practice in another EEA State from establish themselves as doctors or dentists in Liechtenstein).

In 1998, the Authority received two complaints against *Liechtenstein* regarding the residence requirement for self-employed EEA nationals who wanted to establish a business in that State. If the business is set up by a legal person, the Liechtenstein legislation requires that at least one member entrusted with the management of the company must reside in Liechtenstein. Also the European Commission has drawn the Authority’s attention to the fact that small enterprises are prevented from setting up subsidiaries in Liechtenstein because



they cannot afford to hire a local manager.

The residence requirement under the Liechtenstein legislation has recently been dealt with by the EFTA Court. In its advisory opinion of 10 December 1998 in Case E-3/98, the Court stated that a national provision such as that at issue in the main proceedings, which requires the managing director of a legal person to reside in the State concerned, constituted indirect discrimination contrary to Article 31 of the EEA Agreement. These cases will be pursued further in 1999.



Persons, Services and Capital Movements Directorate. From left to right: Arthur Szalay, Hallgrímur Ásgeirsson, Tor Arne Solberg-Johansen, Jónas Fr. Jónsson, Lars Lindh, Anne-Louise Resberg, Director Hannu von Hertzen, Frøydis Gundersen, Elin Rósa Sigurdardóttir.

In December 1998, the Authority received two other complaints against *Liechtenstein* alleging discriminatory restrictions on the freedom of establishment for doctors and dentists. The complainants had been refused the right to establish themselves in Liechtenstein due to the fact that the Liechtenstein legislation requires a balanced relation between the Liechtenstein self-employed persons and the number of foreign self-employed persons. The examination of the cases will be pursued in 1999.

4.9.4 SOCIAL SECURITY

Article 29 of the EEA Agreement obliges the EEA States to secure for workers and self-employed persons and their dependants, as provided for in Annex VI to the Agreement, in particular the aggregation, for the purpose of acquiring and retaining the right to benefit and of calculating the amount of benefit, of all periods taken into account under the laws of several countries, and the payment of benefits to persons resident in the territories of those States.

In 1995 and in 1997, the Authority registered two complaints against *Norway* concerning the question whether an EEA national working on the Norwegian continental shelf and residing in another EEA State should be covered by the co-ordination system of the *Regulation on Social Security of Migrant Workers* (EEC) No 1408/71. After having sent a letter of formal notice to Norway during the

preceding year for failure to comply with the Regulation, the matter was subject to discussions between the competent Norwegian authorities and the Authority. However, the Authority had not been notified of any decision by the Norwegian Government regarding amendments to its national legislation in order to apply *Regulation 1408/71* to persons working on the Norwegian continental shelf by the end of the reporting period.

In 1997, the Authority registered a complaint against *Norway* alleging discrimination against non-nationals working for foreign diplomatic missions in Norway as regards entitlement to Norwegian family allowances. The examination of the issue, which was completed during 1998, did not reveal any discrepancies between the applicable national rules and *Regulation 1408/71*.

Another complaint against *Norway*, also registered in 1997, concerned alleged discrimination of foreign sailors as regards entitlement to old-age pension. The complainant, a former Spanish sailor, had been employed on board Norwegian ships before 1994. In January 1998, the European Commission referred a further complaint against Norway on the same subject matter to the Authority.

According to the Norwegian law, employment periods on board Norwegian ships prior to the entry into force of the EEA Agreement on 1 January 1994 are recognised as insurance

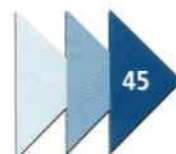
periods only for foreign mariners who resided in Norway at the time of employment. As the complainants were not registered as residents in Norway during the time when they were employed on board Norwegian ships, these employment periods were not recognised as insurance periods under the Norwegian legislation. As a result, the complainants had not paid any social security contributions, and they were not entitled to old-age pension from Norway. As this residence condition was in force prior to the entry into force of the EEA Agreement, the Authority could not establish any breach.

In addition, it should be noted that as from 1 January 1994, in conformity with *Regulation 1408/71*, employment periods on board Norwegian ships are, as a rule, recognised as insurance periods for EEA nationals regardless of their State of residence.

In February 1998, the Authority received a

complaint against *Liechtenstein* concerning a refusal, based on a residence requirement, of a claim for supplementary benefits in addition to the complainant's old-age pension from Liechtenstein. As the law governing the benefits in question, Law on supplementary benefits to the old age, survivors' and invalidity insurance of 10 December 1965 as revised on 12 November 1992, is on the list of special non-contributory benefits (Annex IIa to *Regulation 1408/71*), these benefits shall be granted exclusively in the State of residence in accordance with Article 10a of *Regulation 1408/71*.

A complaint against *France* for not investigating an invalidity/old-age pension claim in accordance with the procedures laid down in *Regulation 1408/71* and in *Council Regulation (EEC) No 574/72* of 21 March 1972 laying down the procedure for implementing *Regulation No 1408/71/EEC* was transmitted to the European Commission in accordance with Article 109 of the EEA Agreement.



4.10 FREEDOM TO PROVIDE SERVICES

The freedom to provide services across borders within the EEA is established in Article 36 of the EEA Agreement. The relevant secondary legislation is referred to in Annex IX (*financial services*), Annex X (*audio-visual services*), and Annex XI (*telecommunication services*) to the Agreement. *Transport* is regulated in Articles 47 to 52 of, and in Annex XIII to the Agreement.

4.10.1 FINANCIAL SERVICES

4.10.1.1 Banking

In December 1996, *Iceland* received a letter of formal notice concerning the rules on professional secrecy laid down in the *First Banking Directive* (77/780/EEC). In November 1998, the Authority had received a notification of full implementation of the respective provisions of the Directive and the notified measures were discussed at a package meeting in Reykjavík. By the end of the reporting period, the Authority received a letter from Iceland explaining the implementing measures. The Authority will examine the case further in the beginning of 1999.

In May 1998, the Authority submitted reasoned opinions to *Liechtenstein* with respect to the *First Banking Directive* and the *Second Banking Directive* (89/646/EEC), concerning a number of provisions where implementation was found to be lacking or insufficient. By the end of the reporting period, the Authority had received a notification of partial implementation of those Directives. Liechtenstein has informed the Authority that adoption of national measures fully implementing the directives is expected in February 1999.

By the end of the reporting period, the Authority had received a notification from *Liechtenstein* of partial implementation of the *Banking Consolidated Supervision Directive* (92/30/EEC) and the *Post-BCCI Directive* (95/26/EC). According to the notification, the adoption of national measures fully implementing the Directives is expected in February 1999. By the end of the reporting period, the Authority had also received a notification from Liechtenstein of partial implementation of the *Banking Accounts Directive* (86/635/EEC). Adoption of national measures fully implementing the Directive is not expected before the end of 1999.

On 4 November 1998, the Authority published a report on the implementation of the *Money Laundering Directive* (91/308/EEC) by *Iceland*, *Liechtenstein* and *Norway*. The report, which is also available on our homepage, is based on a conformity assessment of the transposition of the Directive and is parallel to the two reports that the European Commission had earlier prepared concerning the EC Member States. The report discusses the institutions and undertakings covered by the national measures on prevention of money laundering, the rules on the identification of a customer, the duties to provide information to the national authorities responsible for combating money laundering, and the national measures imposing penalties on money laundering and non-compliance with the national measures transposing the Directive's other provisions. In general, the Authority considers the implementation of the Directive to be satisfactory in all three EFTA States. In only one case has the Authority initiated infringement proceedings due to improper implementation.

In February 1998, the Authority thus sent a reasoned opinion to *Liechtenstein* for its failure to implement the *Money Laundering Directive*. The present national anti-money laundering measures only apply to transactions exceeding the value of CHF 15.000. The Directive does not contain any provision that would allow such a monetary threshold. In December 1998, the *Liechtenstein* Parliament approved a proposal for abolishing the threshold. The *Liechtenstein* authorities have indicated that the amendment is expected to enter into force at the end of January or beginning of February 1999.

4.10.1.2 Insurance

With regard to the *non-life insurance* sector, the projects to assess the conformity of the national measures adopted by *Iceland*, *Liechtenstein* and *Norway* to implement the *First*, *Second* and *Third Non-life Insurance Directives* (73/239/EEC, 88/357/EEC and 92/49/EEC) continued in 1998.

Following the Authority's request that complementing measures be adopted, *Iceland* notified in January 1998 the final measures regarding the *First Non-life Insurance Directive*, which it considered to ensure full compliance with the Directive. Subsequently, the case was closed. The Authority had earlier been notified of the measures implementing

the two other mainstream non-life Directives.

In August 1998, *Liechtenstein* notified partial implementation of the *First* and the *Second Non-life Insurance Directives*. In December 1998, the *Liechtenstein* authorities indicated that a proposal for new legislation fully implementing the Directives would be prepared by the Government, and that the new legislation could be expected to enter into force in August 1999. The Authority will follow the process closely in 1999. In October 1998, the Authority received a notification of full implementation of the *Third Non-life Insurance Directive* and subsequently closed that case.

With regard to *Norway*, amendments to the national legislation required to ensure partial compliance with the *First Non-life Insurance Directive* were notified in February 1998. National measures ensuring full implementation of the Directive are expected to be adopted in January 1999. Amendments to the national legislation considered to ensure full compliance with the *Second Non-life Insurance Directive* were notified in February 1998 and consequently the case was closed.

As regards *life assurance*, the Authority started in 1998 the process of assessing the conformity of the national measures adopted by the EFTA States to implement the *First Life Assurance Directive* (79/267/EEC), the *Second Life Assurance Directive* (90/619/EEC) and the *Third Life Assurance Directive* (92/96/EEC).

With regard to *Iceland* and *Norway*, no specific problems have been detected concerning the transposition of the life assurance Directives. However, the Authority will examine further the Norwegian transposition of the solvency margin provisions. The national measures provide for somewhat stricter requirements in this respect.

As regards *Liechtenstein*, no specific issues have been detected concerning conformity with the *First Life Assurance Directive*. The Authority had indicated to *Liechtenstein* that two provisions of the *Second Life Assurance Directive* still required new measures or amendments to present measures to achieve full implementation. In November 1998, the Authority received a notification of implementation of one of those provisions. The *Liechtenstein* authorities have indicated that

adoption of national measures ensuring full implementation of the Directive cannot be expected until August 1999.

In April 1998, the Authority sent a reasoned opinion to *Liechtenstein* concerning the transposition of the *Co-insurance Directive* (78/473/EEC). National measures ensuring full compliance with the Directive are expected to be adopted in September 1999.

In April 1998, *Liechtenstein* also received a reasoned opinion concerning its failure to transpose the *Legal Expenses Insurance Directive* (87/344/EEC). The necessary implementing measures are expected to be adopted in September 1999. In March 1998, *Iceland* notified national measures implementing the Directive, and the case was subsequently closed.

In March 1997, the Authority received a notification of national measures considered by *Liechtenstein* to ensure partial implementation of the *Insurance Accounts Directive* (91/674/EEC). The additional measures needed and the timetable for their adoption were discussed at a package meeting in Vaduz in June 1998. In December 1998, the *Liechtenstein* authorities indicated that national measures ensuring full compliance with the Directive would not be adopted until September 1999.

In January 1998, the Authority received a complaint against *Iceland* alleging an infringement of the EEA Agreement through the provisions of the Icelandic pension fund legislation from 1997. The complainant maintains that the national provisions are discriminatory and restrict the free movement of services by requiring that insurance companies shall have their place of business in Iceland in order to be permitted to offer agreements on supplementary insurance benefits and individual pension savings. The complainant further maintains that limitations as to the investment policy of pension funds are discriminatory and restrict the free movement of capital. In the course of the examination of the complaint, the Authority sent two Pre-Article 31 letters to Iceland, requesting information on the pension fund legislation. The Authority will continue its examination of the complaint in 1999.

4.10.1.3 Stock exchange and securities

In June 1998, the Authority sent a reasoned opinion to *Liechtenstein* concerning its failure to fully implement the *Investment Services Directive* (93/22/EEC). By the end of the reporting period notification of amendments to the national legislation, considered to ensure full implementation of the Directive, had been received by the Authority. The Authority has not yet examined the new national measures.

The Authority requested *Liechtenstein*, in a Pre-Article 31 letter sent in October 1997, to explain the timetable for measures required to guarantee full compliance with the *Capital Adequacy Directive* (93/6/EEC). The Authority received a notification on further partial implementation measures by the end of the reporting period. In the notification form, *Liechtenstein* indicated that measures to ensure full implementation would be adopted and enter into force by the first quarter of 1999.

In December 1998 the Authority received tables of correspondence from *Iceland* on the *Investment Services Directive* and *Capital Adequacy Directive* which will be used in order to assess the conformity of the implementing national legislation.

During 1998 the Authority worked on a report on the application of certain articles of the *Investment Services Directive*. The directive itself requires the European Commission to make such a report and a corresponding obligation is conferred upon the Authority by Protocol 1 to the EEA Agreement regarding the EFTA States. The report is expected to be finalised and made public in the first part of 1999.

4.10.2 AUDIO-VISUAL SERVICES

During 1998, the *Standards for Television Signals Directive* (95/47/EC) became part of the EEA Agreement, after the fulfilment of constitutional requirements in *Norway* was notified. During the last quarter of 1998, letters of formal notice were sent to both *Iceland* and *Norway* for failure to notify implementation of that Directive. *Liechtenstein* notified the Authority in 1997 that in its view no implementation was necessary, as no activities within the meaning of the Directive take



place in that country. The Authority is currently reviewing whether the Directive places implementation obligations on Liechtenstein.

4.10.3 POST- AND TELECOM-MUNICATION SERVICES

4.10.3.1 Postal services

The field of postal services is in the process of being introduced into the EEA Agreement through the adoption by the EEA Joint Committee of a decision on the *Postal Services Directive* (97/67/EC). The Directive will, subject to the fulfilment by *Liechtenstein* and *Norway* of constitutional requirements, be incorporated into the EEA Agreement.

4.10.3.2 Telecommunications services

1998 marked the introduction of full competition in the European telecommunications sector. Two major acts in the field of Telecommunication services were added to the EEA Agreement and were to be implemented in 1998. These were the *old ONP Voice Telephony Directive* (95/62/EC) and the *1997 Amending Directive to the ONP Framework Directive* and the *ONP Leased Lines Directive* (97/51/EC).

Letters of formal notice were sent to *Iceland* for failure to notify the Authority of implementation of *Directive 97/51/EC*, and to *Liechtenstein* for failure to notify implementation of *Directive 95/62/EC*. The Authority received in the last quarter of 1998 a notification from Iceland indicating full compliance with the above-mentioned Act. A notification was also received from Liechtenstein, but certain legal texts remain to be notified.

Liechtenstein has during the year prepared the setting up of an independent telecommunications regulatory authority, the *Liechtenstein Office for Communications*. The authority will be in operation as from 1 January 1999.

The Authority has started conformity assessment of the EFTA States' national telecommunication legislation implementing the directives already included in the EEA Agreement. However, several of the most important directives in the sector are not yet included in the EEA Agreement, and an overall assessment of the implementation process

and its effect on liberalisation and harmonisation is therefore made difficult.

In February, the Authority decided that a request from the Norwegian company *Teletopia a.s* to initiate a conciliation procedure in a dispute between that company and the major Norwegian telecommunications undertaking *Telenor AS* could not be met. The Authority found that the dispute in question fell outside the area in which the Authority had competence to initiate such a procedure. The case was consequently closed.

In a complaint against *Norway*, concerning the independence of the Norwegian regulatory authority, the Authority has not yet come to a conclusion. During 1998, consultations were held with the European Commission on the matter, and the examination is expected to be finalised during 1999.

During the reporting period, the Authority has sought to keep itself informed of the development of the telecommunications market in the EFTA States. Meetings have been held with operators concerning general issues and specific issues of concern, as well as with the national regulatory authorities. The Authority also co-operates with the European Commission and regularly participates as an observer in the ONP Committee and the High Level Committee of Regulators.

4.10.4 TRANSPORT

4.10.4.1 Road, inland and railway transport

In the field of road transport, two new acts were added to the EEA Agreement and were to be implemented during 1998. These were the *Amending Regulation* (EC) No 1056/97 to the *Recording Equipment in Road Transport Regulation* and *Amending Directive 1997 to the Driving Licenses Directive* (97/26/EC).

A number of infringement proceedings were pursued throughout the reporting period within the field of road transport. As regards the *Directives on Transport of Dangerous Goods by Road* (94/55/EC, 95/50/EC and 96/86/EC), three reasoned opinions for non-implementation were sent to *Iceland* in January. The cases were subsequently closed, as notifications were received during the Spring. A case

against *Liechtenstein* for non-notification of the *Checks on Transport of Dangerous Goods Directive* (95/50/EC) was also closed following the receipt of a notification.

Non-implementation cases initiated in 1997 against *Iceland* relating to the *Driving License Directive* (91/439/EEC), the *Amending Directive 1994 to the Roadworthiness Tests Directive* (94/23/EC) and the *Admission and Mutual Recognition in Road Transport Directive* (96/26/EC) were all closed during the year, following notifications from that State. Two infringement proceedings were initiated and letters of formal notice sent to Iceland due to non-notification of the *Maximum Weights and Dimensions Directive* (96/53/EC) and the new *Roadworthiness Tests Directive* (96/96/EC). These cases were also closed by the end of year, after notifications were received.

The Authority received a complaint against *Norway* at the end of 1997, concerning a refusal by that State to exchange driving licenses. This refusal was alleged to be contrary to the principles of the *Driving License Directive* (91/439/EEC). The complaint has been under examination during 1998, and co-operation with the Commission, as well as with other external bodies, has been sought. A decision on the matter is expected during 1999.

A second complaint against *Norway* in the field of road transport was received during the spring of 1998, concerning the alleged wrongful application of the *Roadworthiness Tests Directive* (96/96/EC). The case was closed during the summer since the examination had shown that the complaint was unfounded.

Following a request from *Norway*, the Authority adopted a decision in July to allow derogations from Annex III of the *Driving Licenses Directive* (91/439/EEC). The European Commission has already adopted an equivalent decision with effect for the EU Member States. The decision relates to the standards for eyesight correction for drivers of heavy vehicles.

Throughout the year, the Authority has co-operated with the European Commission on a number of issues, and also participated in the Driving License Committee. Among the issues of special interest has been the

establishment of equivalencies between old categories of driving licenses and the harmonized categories of the Directive. Information from all the EFTA States has been collected, and will be published together with similar information from the EU Member States.

4.10.4.2 Inland waterway transport

One new act was added to the EEA Agreement in the field of inland waterway transport in 1998. However, as there are no inland waterways in any of the three EFTA States, they are not for the time being under obligation to implement measures in this sector.

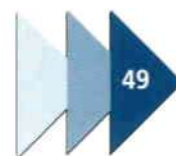
4.10.4.3 Maritime transport

Four new acts were added to the EEA Agreement in the field of maritime transport during the reporting period. These were the *1997 Amending Directive to the Ship Inspection and Survey Directive* (97/58/EC), the *Regulation (EC) No 179/98 on the Safety Management of Ro-Ro Ferries* and the *Marine Equipment Directive* (96/98/EC) and the *Maritime Cabotage Regulation* (EEC) No 3577/92.

Iceland notified implementation of the *Maritime Cabotage Regulation* in October. The Authority sent a Pre-Article 31 letter to *Norway* reminding it of its obligation to incorporate the Regulation into its legal order, and to notify the Authority thereof. A notification has subsequently been submitted to the Authority.

The Authority sent reasoned opinions to *Iceland* and *Norway* in October for non-notification of the *1996 Amendment to the Vessels Carrying Dangerous Goods Directive* (96/39/EC). Infringement proceedings were also initiated as regards the *1997 Amendment to the Vessels Carrying Dangerous Goods Directive* (96/34/EC) and letters of formal notice and reasoned opinions were sent to both Iceland and Norway. Notifications were received from Iceland concerning both amending directives before the end of the year, whereas notifications are still due from Norway.

Following an assessment of the *Vessels Carrying Dangerous Goods Directive* (93/75/EC) and the *Port State Control Directive* (95/21/EC), the Authority sent requests for information to *Norway* concerning



its implementation of the directives. Further exchange of information with Norwegian authorities has revealed that these directives have only been partially implemented. *Norway* has informed the Authority that the remaining provisions will be implemented in the beginning of 1999.

4.10.4.4 Civil aviation

In the civil aviation sector, no new acts were to be implemented by EFTA States during 1998.

With regard to *Regulation (EC) No 2176/96 Amending Technical Progress Regulation (EEC) No 3922/91 on the Harmonisation of Technical Requirements and Administrative Procedures in the Field of Civil Aviation*, no notification had been received from *Norway* by the end of the reporting period. *Liechtenstein* has a transition period regarding the Regulation until 1 January 2000.

Norway was to transpose the *Directive adopting Eurocontrol Standards and Amending Directive (93/65/EEC) on Aviation Procurement of ATM Equipment and Systems (97/15/EC)* by 1 December 1997, but no national measures had been notified to the Authority by the end of the reporting period.

During the reporting period, the Authority assisted *Norway* in publishing in the Official Journal of the European Communities and the EEA Supplement thereto, impositions of public service obligations on air routes and invitations to tender.

In December 1998, the Authority sent a letter of formal notice to *Iceland* and *Norway* concerning their failure to comply with EEA rules on freedom to provide services in the area of civil aviation. The Authority questioned the fact that Iceland and Norway, by charging air transport taxes which discriminate between domestic flights and flights to other States of the EEA, secure a special advantage for the domestic market and the internal air transport services in Iceland and Norway, in contravention of the principle of free provision of services enshrined in Article 36 of the EEA Agreement and Article 3(1) of the Act referred to in point 64a of Annex XIII to the EEA Agreement, *Council Regulation (EEC) No 2408/92 on access for Community air-carriers to intra-Community air routes*.

4.10.5 NON-HARMONISED SERVICE SECTORS

In 1995, eight complaints had been filed with the Authority concerning restrictions which the Norwegian Lottery Act introduced on operating gaming machines with pay-outs, insofar as the pursuit of these activities was being reserved for charitable organisations only. The Authority has been following the developments in *Norway* and within the European Communities, as the European Court of Justice might during 1999 render a judgement on the compatibility of the Finnish gaming legislation with the free movement of goods and services. Furthermore, by the end of the reporting period the Authority was waiting for information on new regulations based on the Lottery Act, which came into force in Norway during 1998.

In 1997, the Authority received a complaint alleging that the Icelandic Net Worth Tax on deposits discriminated against non-Icelandic credit institutions and established a restriction of free provision of services. In February 1998, a letter of formal notice was sent to *Iceland* concluding that the relevant national legislation impeded the free movement of capital and the freedom to provide services. The Icelandic legislation was changed in June 1998 and subsequently the case was closed.

The Authority received in 1995 a complaint against *Norway* concerning the alleged refusal by Norwegian authorities of access by an Icelandic fishing vessel to repair facilities in a Norwegian port. In 1996, the Authority sent Norway a letter of formal notice regarding the matter. Having examined Norway's reply of November 1996, the Authority called for an expert opinion on the law-of-the-sea implications of the case in December 1997. In May 1998, the Authority issued a letter to Norway stating that although in its opinion the alleged refusal of access to port constituted a breach of Article 36 of the EEA Agreement, the underlying conflict concerned a dispute between Norway and Iceland over Icelandic fishing rights in the Barents Sea. The Authority further stated that although no further action would be taken at that stage, future complaints of a similar nature would possibly lead to steps being taken to ensure compliance with the EEA Agreement.

In the own initiative case against *Iceland* concerning the right of foreign fishing vessels to

discharge their catch or sell in Icelandic ports, no complaint has been lodged, and the Authority sees no need for further action at the present stage.

In March 1998, the Authority received a complaint against *Norway* alleging discriminatory restrictions on freedom to provide services as regards aerial photography services. The matter has been subject to discussion between the Norwegian authorities and the Authority. At the end of the reporting period the complaint was still under examination by the Authority.

A further complaint against *Norway* was received in October 1998. The complaint alleged discriminatory restrictions regarding access to angling for an EEA national. The case was under examination by the Authority at the end of the reporting period.

In December 1998, a complaint against *Sweden* concerning discriminatory restrictions on the freedom to provide services as a hunting guide was transmitted to the European Commission in accordance with Article 109 of the EEA Agreement.

4.11 FREE MOVEMENT OF CAPITAL

Article 40 of the EEA Agreement lays down the principle of free movement of capital. More specific provisions for the implementation of that principle are included in the *Capital Movements Directive* (88/361/EEC), referred to in point 1 of Annex XII to the Agreement.

According to the EEA Agreement, *Liechtenstein* had transition periods regarding direct investment on national territory and investments in real estate on national territory. The first transition period expired on 1 January 1997 and the second came to an end on 1 January 1999.

In 1998, the Authority initiated two own initiative cases and one preliminary examination in the field of capital movements.

In December, a letter of formal notice was sent to *Iceland* concerning a provision in the Law on Income and Net Worth Tax, which authorises taxable persons to deduct from total assets their properties in certain domestic financial instruments and by that lower the base for net worth tax.

In October, a Pre-Article 31 letter was sent to *Iceland* concerning a provision in the Law on Income and Net Worth Tax, which authorises taxable persons to deduct investment in domestic shares from their income and thereby lower the base for income tax.

In August, a Pre-Article 31 letter was sent to *Norway* concerning a provision in the Law on Insurance Activity, which seemed to treat differently Norwegian and foreign financial companies with regards to investment in subsidiaries of foreign insurance companies. Norway has stated that amendments to the relevant legislation have been proposed to the Parliament.

Finally, it should be noted that the Authority examined three more cases involving capital movements in 1998. The first one was discussed in the chapter on insurance, the second one was discussed in the chapter on non-harmonised service sectors and the last one is discussed in the chapter on company law.

4.12 HORIZONTAL AREAS RELEVANT TO THE FOUR FREEDOMS

Part V of the EEA Agreement contains horizontal provisions relevant to the four freedoms in the areas of health and safety at work, labour law, equal treatment for men and women, consumer protection, and environment.

4.12.1 HEALTH AND SAFETY AT WORK

In Articles 66 and 67(1) of the Agreement, the

parties to the EEA Agreement have agreed on the need to promote improved working conditions and an improved standard of living for workers, and have committed themselves to paying particular attention to encouraging improvements in the health and safety aspects of the working environment. Minimum requirements shall be applied for gradual implementation, but this shall not prevent any State from maintaining or introducing more



stringent measures for the protection of working conditions compatible with the EEA Agreement.

Annex XVIII to the Agreement refers to 29 directives laying down such minimum requirements. The areas covered by the directives include environment at the work place, protection against physical, biological and chemical agents and dangerous substances, protective and work equipment, protection of, and facilities for, pregnant and breastfeeding or nursing workers, mineral extracting industries, temporary construction sites, medical treatment on board ships, and work on board fishing vessels.

In 1998, considerable progress has been achieved by the EFTA States in bringing down the number of non-implemented directives in the sector of health and safety at work.

At the end of 1997, the Authority started a systematic conformity assessment project regarding the implementation by all three EFTA States of the *Directive on Improvement of Safety and Health at Work* (89/391/EEC) - the so called "Framework Directive". In July 1998, a letter of formal notice was sent to *Iceland* regarding partial implementation in the maritime and aviation sectors. At the end of 1998, the Authority concluded that Iceland had notified the maritime sector to be fully implemented, however, the aviation sector still remains to be notified. In December 1998, a second letter of formal notice was sent to *Iceland* regarding partial implementation as far as land based activities were concerned. The Authority sent a letter of formal notice to *Liechtenstein* in 1996 regarding partial implementation of the Directive. In August 1998, Liechtenstein notified the Directive as fully implemented. However the Authority's examination of the partial implementation case had not been concluded by the end of the reporting year.

Reasoned opinions had been sent to *Norway* with respect to the *Biological Agents Directive* (90/679/EEC) and its 1993 and 1995 Amendments (93/88/EEC and 95/30/EC), and the *Work Equipment Directive* (89/655/EEC). Pre-Article 31 letters had been sent to Norway with regard to the *Safety and Health Requirements for the Workplace Directive* (89/654/EEC), the *Temporary or Mobile Construction Sites Directive* (92/57/EEC), and

the *Work on Board Fishing Vessels Directive* (93/103/EC). Moreover, letters of formal notice had been sent regarding the *Banning of Certain Agents and Work Activities Directive* (88/364/EEC), and the *Carcinogens at Work Directive* (90/394/EEC). In the course of 1998, Norway notified the national measures considered by it to ensure compliance with all the above mentioned directives. After having examined the measures and finding them appropriate, the Authority closed the corresponding cases.

In October 1998, a reasoned opinion was sent to *Norway* concerning partial implementation of the *Medical Treatment on Board Vessels Directive* (92/29/EEC). At the end of the reporting period the necessary national measures had not been taken within the time prescribed in the reasoned opinion. However the Authority was informed that implementing national measures were foreseen in early 1999.

In August 1998, the Authority received notifications from *Liechtenstein* concerning the *Vinyl Chloride Monomer Directive* (78/610/EEC), the *Exposure to Chemical Physical and Biological Agents Directive* (80/1107/EEC as amended by Directive 88/642/EEC), the *Exposure to Metallic Lead Directive* (82/605/EEC), the *Exposure to Asbestos Directive* (83/477/EEC as amended by Directive 91/382/EEC), the *Banning of Certain Agents and Work Activities Directive* (88/364/EEC), the *Manual Handling of Loads Directive* (90/269/EEC), the *Display Screen Equipment Directive* (90/270/EEC), the *Safety and Health Signs at Work Directive* (92/58/EEC), the *Pregnant and Breastfeeding Workers Directive* (92/85/EEC), and the 1995 Amendment to the *Biological Agents Directive* (95/30/EC). The Authority concluded that the notified national measures were adequate and closed the corresponding cases against Liechtenstein. In 1996, a letter of formal notice was sent to Liechtenstein concerning partial implementation of the *Exposure to Noise at Work Directive* (86/188/EEC). In August 1998, Liechtenstein notified the Directive as fully implemented. The Authority's examination of the case will be continued in 1999.

In 1997, letters of formal notice were sent to all three EFTA States with respect to the *Indicative Limit Values Directive* (91/322/EEC). During 1998, all three EFTA

States notified the *Indicative Limit Values Directive* (91/322/EEC) as fully implemented, and the respective infringement cases were closed. Both *Norway* and *Liechtenstein* notified the *Second List of Indicative Limit Values Directive* (96/94/EC). The Directive was added to the Agreement in 1998 with a compliance date in 1998. However, the Authority had not received any notification from *Iceland* concerning the 96/94/EC Directive. Having examined the notified measures, the Authority considers that both the 91/322/EEC and the 96/94/EC Directives are still only partially implemented in *Norway*.

In late 1997, two non-implementation cases – the *Vinyl Chloride Monomer at Work Directive* (78/610/EEC) and the *Surface and Underground Mineral-Extracting Industries* (92/104/EEC) – were submitted to the EFTA Court. The Court delivered its judgements – Cases E-7/97 on 30 April 1998 and E-10/97 on 29 June 1998 respectively – and held that *Norway* had not adopted by the time-limits prescribed the national provisions necessary to comply with the mentioned Directives. Norway notified both Directives during 1998.

Although *Norway* had notified the *Vinyl Chloride Monomer at Work Directive* (78/610/EEC) as being fully implemented in March 1998, the Authority initiated new proceedings against Norway, by a letter of formal notice in July 1998. The Authority stated, *inter alia*, that certain provisions of the Directive had still not been transposed. The Norwegian Government's reply to the letter of formal notice did not enable the Authority to conclude that the provisions concerning the binding limit values of the Directive had been implemented through legally binding national measures. Therefore, in December 1998, a reasoned opinion was sent to Norway concerning partial implementation.

At the end of the reporting period, *Iceland* and *Liechtenstein* had notified the 1995 *Amendment to the Work Equipment Directive* (95/63/EC) – which was added to the Agreement in 1996 with implementation date in 1998 – as fully implemented, whereas no notification had been received from *Norway*.

In 1998, two acts with implementation dates in 1998 were added to the Agreement. By the end of 1998, all three EFTA States had notified full

implementation of the *Amendments 1997 No 1 Directive* (97/59/EC) and *No 2 Directive* (97/65/EC) to the *Biological Agents Directive* (90/679/EC).

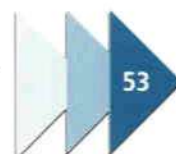
In December 1998, for the first time in the sector of health and safety at work, the Authority received a complaint against *Norway* concerning the protection of workers exposed to certain chemicals and metals.

4.12.2 LABOUR LAW

Article 68 of the EEA Agreement obliges the EEA States to introduce, in the field of labour law, measures necessary to ensure the good functioning of the EEA Agreement. In that respect, Annex XVIII refers to seven directives. These directives deal with the approximation of the laws relating to collective redundancies (dismissals), safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, protection of employees in the event of insolvency of their employer, the employer's obligation to inform employees of the conditions applicable to the contract or employment relationship, the establishment of a European Works Council, the organisation of working time and the protection of young people at work.

In 1997, a letter of formal notice was sent to *Norway* concerning partial non-implementation of the *Employer's Insolvency Directive* (80/987/EEC), in so far as employees whose wage claims against a business have been met under the terms of the Wage Guarantee Act during the preceding three years are concerned. In September 1998, Norway notified the necessary measures, and the case was closed.

As regards the *Working Time Directive* (93/104/EC) and the *Protection of Young People Directive* (94/33/EC), *Liechtenstein* notified the two directives as being fully implemented at the end of 1997. However, detailed information on the transposition of the directives showed that they were not fully implemented. After the adoption in June 1998 of the Ordinance on Health and Safety of Employees at Work, Liechtenstein notified the two directives as partially implemented, due to the fact that also a revision of Ordinance I of 8 January 1968 relating to the Labour Act was



necessary in order to fully comply with the directives. The revision was expected to be adopted by the end of 1998, but no notification on the adoption of this measure had been received by the end of the reporting period.

In 1997, a letter of formal notice was sent to *Norway* for failure to implement the *Protection of Young People Directive*. In May 1998, Norway notified the Authority of the adoption of measures ensuring full compliance with this Directive as well as the *Working Time Directive*.

In 1997, the Authority received a complaint against *Iceland* alleging that the *Working Time Directive* had not been fully implemented. As regards the issue of the complaint, the examination has so far not revealed any discrepancies between the national measures and the Directive, but the transposition of the whole Directive will be subject to further examination in 1999.

In 1997, *Iceland* notified the *Working Time Directive* and the *Protection of Young People Directive* as being fully implemented. In order to carry out its task under Article 109 of the EEA Agreement and Article 5 of the Surveillance and Court Agreement the Authority repeatedly requested that Iceland provide the Authority with detailed information regarding the transposition of the two directives. Having received no such information from the Icelandic Government, the Authority sent two letters of formal notice to Iceland in December 1998 for failure to provide information.

4.12.3 EQUAL TREATMENT FOR MEN AND WOMEN

In Article 69(1) of the EEA Agreement, the EEA States undertake to ensure and maintain the application of the principle that men and women should receive equal pay for equal work. Annex XVIII to the Agreement refers to three directives dealing with equal treatment at work, and two directives that are concerned with equal treatment in matters of social security and in occupational social security schemes.

By EEA Joint Committee Decision 14/98 of 6 March 1998 the 1996 *Amendment to the Equal Occupational Schemes Directive*

(96/97/EC) was added to the EEA Agreement. By the end of 1998 all three EFTA States had notified the Directive as being fully implemented.

4.12.4 CONSUMER PROTECTION

Annex XIX refers to 10 directives, which deal with the indication of prices, misleading advertising, contracts negotiated outside business premises, consumer credits, dangerous imitations, package travel, unfair terms and purchase of immovables on a timeshare basis. During 1998, no new acts were to be implemented by the EFTA States.

Out of the 10 acts in the field of consumer protection, *Iceland* and *Norway* have implemented all Directives, whereas *Liechtenstein* has not notified the *Directive on the Purchase of Immovables on Timeshare Basis* (94/47/EEC). The Authority issued a letter of formal notice regarding that Directive in 1997. In its reply, Liechtenstein stated that the Directive would be implemented through the Law on the Purchase of the Right to use Immovable Properties on a Timeshare Bases during 1998. At the end of the reporting period the Authority had not received any notification of such measures.

4.12.5 ENVIRONMENT

Article 73 of the EEA Agreement provides that the objectives of the EEA States' action relating to environment shall be to preserve, protect and improve the quality of the environment, to help protect human health, and to ensure a prudent and rational utilisation of natural resources. The basic principles to be applied in this respect are that preventive action should be taken, that environmental damage should as a priority be rectified at source, and that the polluter should pay.

4.12.5.1 General provisions

With regard to the *Environmental Impact Assessment Directive* (85/337/EEC), *Liechtenstein* informed the Authority in 1997 that an amended proposal for a Law on Environment Impact Assessment was planned to enter into force on 1 July 1998. However, by the end of the reporting period for 1998 the

Authority was informed that the adoption and entry into force of the law was foreseen in May 1999. This law is also intended to implement the new *Directive on the Assessment of the Effects of Certain Public and Private Projects on the Environment* (97/11/EC).

With regard to *Norway*, in 1998 the Authority started a conformity assessment on the measures notified in 1997 to comply with the *Environmental Impact Assessment Directive* (85/337/EEC). In November a draft of the assessment was discussed with Norway and it was decided that comments should be sent to the Authority by the end of 1998. Norway should also forward information on how the Directive had been incorporated into the petroleum legislation. The Authority was informed that implementation of *Directive 97/11/EC* was being prepared.

Regarding *Directive 97/11/EC*, which has not yet been made part of the EEA Agreement, a Joint Committee Decision is under preparation. At the request of the EFTA States, the Authority sent out a frame for a table of correspondence in December 1998.

In January 1998, a reasoned opinion was sent to *Norway* for failure to make the *Regulation on a Community Eco-label Award Scheme* (EEC) No 880/92 part of its legal order. In June, the Authority received a notification of the amended law that made the Regulation part of Norwegian legislation. The case was closed in September 1998.

4.12.5.2 Air and Water

All Directives in the areas of *Air* and *Water* have been notified as fully implemented in all three EFTA States. The Authority closed the remaining cases in these areas in March 1998.

For further information concerning individual directives, reference is made to *Annex IV*.

In late 1998 the Authority initiated a project in order to verify *Norway's* designation of "sensitive areas" under the *Urban Waste Water Directive* (91/271/EEC) and "vulnerable zones" identified under the *Nitrates Directive* (91/676/EEC). The project, which is carried out by external consultants, is expected to be finalised during 1999.

4.12.5.3 Chemicals, industrial risk and biotechnology

By the end of 1997, *Liechtenstein* had not fully implemented the *Major Accident Hazards Directive* (82/501/EEC). A new ordinance to comply with the Directive was notified in May 1998.

Iceland had a transition period up to 1 January 1995 for the implementation of the Directives dealing with genetically modified microorganisms ("GMMs") and genetically modified organisms ("GMOs") - that is, the *Contained Use of GMMs Directive* (90/219/EEC) as adapted by *Directive 94/51/EC* and the *Deliberate Release of GMOs Directive* (90/220/EEC), as adapted by *Directive 94/15/EC*. In December 1995, the Authority delivered a reasoned opinion requesting Iceland to take the necessary implementing measures.

In March 1997 the Authority decided that the case should be referred to the EFTA Court unless Iceland notified the necessary measures. The final notification on the measures adopted was received in May 1998 and the case was closed.

Liechtenstein's transition period for the transposition of the Directives expired on 1 July 1996. In March 1998, the Authority delivered a reasoned opinion for failure to notify implementation of the Directives. In May 1998, the Authority received a letter informing that measures to comply with the Directives were expected to enter into force on 1 January 1999.

4.12.5.4 Waste

The *Hazardous Waste Directive* (91/689/EEC) was integrated into the EEA Agreement in 1994, and the *1994 Amendment* (94/31/EC) was made part of the Agreement in May 1995. Full implementation of the Directive depends on a binding list of hazardous waste. The list was established by *Council Decision 94/904/EC*, which was made part of the EEA Agreement from 1 July 1997.

During 1998, *Norway* notified full implementation of the Directive and the Decision, while *Iceland* informed the Authority that the list on hazardous waste would be included in a regulation on pollution control and that an amendment was under preparation. In May 1998 the



Authority received information from Iceland indicating that adoption of the measures to comply with the Directive were foreseen by 31 December 1998.

In accordance with Joint Committee Decision No 50/97, *Liechtenstein* may, for hazardous waste disposed of or recovered in Switzerland, apply Swiss rules concerning such hazardous waste applicable in *Liechtenstein* under the Treaty of 29 March 1923 on the Inclusion of *Liechtenstein* in the Swiss Customs Union. These regulations are considered to guarantee an equivalent level of environmental protection as laid down in the *Hazardous Waste Directive*.

The Directive on disposal of polychlorinated Biphenyls and polychlorinated Terphenyls (PCB/PCT) (96/59/EC) was incorporated into the EEA Agreement by Joint Committee Decision of 30 April 1997. The compliance date was 16 March 1998.

Regarding *Iceland*, the Authority received information in May 1998 that adoption, notification and entry into force of the necessary measures were foreseen by 1 July 1998. In October, Iceland informed the Authority that the implementation had taken place. However, by the end of the year the Authority had received no legal texts, and had therefore not been able to verify this statement.

Liechtenstein's notification was received in May 1998 together with the legal texts. A table of correspondence was later forwarded to the Authority.

In April 1998, the Authority received the notification from *Norway* of existing legislation, which in Norway's view would ensure full implementation of the Directive.

4.12.5.5 Complaints

Regarding the *Environmental Impact Assessment Directive* (85/337/EEC), the Authority received two complaints in 1998 against *Iceland* and *Norway* respectively.

The complaint against *Iceland* concerned the intended enlargement of the Ferro-silicon plant at Grundartangi. According to the complaint, the Icelandic Government had informed the company Icelandic Alloy Ltd that the planned enlargement would not have to be

subjected to an environmental risk assessment pursuant to the *Environmental Impact Assessment Directive* since the project was already covered by national law. An essential question is whether or not the enlargement as such is a separate project within the meaning of the Directive. At the end of the reporting period, the Authority awaited an answer from Iceland to a request for information.

The complaint against *Norway* concerned the tunnel "Romeriksporten" which is part of the speed railway "Gardermobanen". According to the complaint, the environmental risk assessment of the project had not been carried out in compliance with the *Environmental Impact Assessment Directive*. The complainant referred to the environmental problems caused by ongoing work, and alleged that essential information, which was or should have been known, had not been taken into account before the consent to the project was given. In December 1998, Norway answered the Authority's request for information regarding the complaint.

At the end of the reporting period, both complaints were still under examination by the Authority.

4.12.6 COMPANY LAW

Acts in the company law sector can be divided into two groups. One deals with "basic" company law issues, such as safeguards to protect the interests of certain parties, mergers and divisions of companies, disclosure requirements, and the so-called European Economic Interest Grouping (EEIG). The other group is concerned with *accounting* and *auditing* issues. The transition periods granted to *Iceland* and *Norway* expired at the beginning of 1996, whereas *Liechtenstein* had such a period until 1 May 1998.

4.12.6.1 Basic Company law

In summer 1996, the Authority initiated conformity assessment projects regarding the implementation by *Iceland* and *Norway* of the directives dealing with the "basic" company law issues. Similar project will be started with respect to *Liechtenstein* as soon as the Authority has received a notification of national measures fully implementing the Directive.

In late 1996 and 1997 Pre-Article 31 letters regarding five of the seven directives, namely the *First, Second, Third, Sixth and Eleventh Company Law Directives* (68/151/EEC, 77/91/EEC, 78/855/EEC, 82/891/EEC and 89/666/EEC) were sent to *Iceland*. In 1997 and 1998, Iceland notified amendments to its company legislation in order to achieve full implementation of these directives. The Authority has therefore completed its conformity assessment regarding Iceland.

In 1996 and 1997, similar letters were sent to *Norway* with respect to the *First, Second, Third and Eleventh Company Law Directives*. New implementing legislation was adopted by the Norwegian Parliament in 1997, but did not enter into force until 1 January 1999. The Authority has not completed its examination of the new implementing measures.

In 1998, *Liechtenstein* notified partial implementation of the basic company law directives to the Authority and indicated that full implementation would not take place until the latter part of 1999. The Authority intends to pursue the case during 1999.

4.12.6.2 Accounting and auditing

As regards the directives in the field of *accounting*, the Authority sent reasoned opinions to *Norway* in May 1997 regarding the non-implementation of the *Fourth, Seventh and Eighth Company Law Directives* (78/660/EEC, 83/349/EEC and 84/253/EEC). In October 1998, the Authority received a notification of partial implementation of the *Fourth and Seventh Company Law Directives*. The Norwegian authorities have indicated that all three Directives will be fully implemented in the beginning of 1999. By the end of the reporting period, no further communications on the matter had been received from Norway. The Authority intends to initiate a conformity assessment project regarding the implementation by Norway of those Directives as soon as full implementation has been notified.

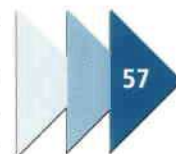
In July 1998, *Liechtenstein* notified partial implementation of the *Fourth, Seventh and Eighth Company Law Directives* by the existing company legislation from 1926. In December 1998, the Liechtenstein authorities indicated that full implementation would not take place until the latter part of 1999.

The Authority intends to initiate a conformity assessment project in 1999 regarding the implementation by *Iceland* of the *Fourth, Seventh and Eighth Company Law Directives*.

4.12.6.3 Complaints

In 1997, the Authority received a complaint relative to the company law sector, concerning public access in *Iceland* to annual accounts that must be disclosed. The case concerned the application of the relevant national legal measures ensuring public access. Based on information from the Icelandic Government, the Authority concluded in 1998 that the application of the relevant legislation ensured full compliance with the EEA acts in question and closed the case. The specific case of the complainant had been solved earlier as he had gained access to the requested accounts as soon as the company in question had submitted them to the relevant domestic authorities.

In 1996, the Authority received a complaint concerning the possibility for a subsidiary in *Norway* to provide a loan to a parent company registered in an EEA State other than a Nordic country. After examining the complaint, the Authority sent a letter of formal notice to Norway in October 1997 concerning its failure to fulfil its obligations under Article 40 of the EEA Agreement and the *Capital Movements Directive* (88/361/EEC). A supplementary letter of formal notice was sent in June 1998 concluding that, in addition, Norway had also failed to fulfil its obligations under Articles 4, 31 and 34 of the EEA Agreement. In December 1998 a reasoned opinion was sent to Norway.





5.

COMPETITION AND STATE AID

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5.1 COMPETITION

5.1.1 INTRODUCTION

The EEA Agreement aims at the creation of a "level playing field", where goods and services, persons and capital can move freely and economic operators can pursue their activities without competition being distorted. Artificial impediments to free trade and effective competition may result either from measures taken by States or from restrictive practices by undertakings. The competition rules applicable to undertakings aim at eliminating the latter kind of threats against the four freedoms and the homogeneous economic area.

Thus, whereas most of the Authority's activities relate to the EFTA States, the competition rules contained in Articles 53 to 58 and 60 of the EEA Agreement concern individual economic operators. Article 59 – on public undertakings – on the other hand, relates to measures taken by States.

These provisions, often referred to as anti-trust rules, are in practice virtually the same in the EEA Agreement as in the Community Treaties. The following elements are the three cornerstones of the EEA competition regime, reflected in Articles 53, 54 and 57 respectively:

- a prohibition of agreements and practices which may distort or restrict competition, e.g. price fixing or market sharing agreements between competing companies,
- a prohibition of the abuse of a dominant market position by undertakings, and
- the control of large mergers and other concentrations of undertakings, which may create or strengthen a dominant position and consequently impede effective competition.

The responsibility for handling competition cases under the EEA Agreement is shared between the Authority and the European Commission in accordance with attribution rules contained in Articles 56 and 57 of the EEA Agreement. Cases dealt with by the Authority may concern undertakings located not only in the EFTA States, but also in EC Member States or third countries.

In competition cases, one of the roles of the Authority is to ensure that infringements are put to an end through formal decisions directed at individual undertakings – possibly including sanctions. This is done either upon the Authority's own initiative (*ex officio* cases) or upon application by interested parties (complaints).

Furthermore, the Authority is competent to grant exemptions from the prohibition against restrictive agreements in Article 53(1). In order for the Authority to be able to grant such exemptions, the undertakings concerned must notify the agreement in question. Notified agreements benefit from immunity from fines in respect of acts taking place during the period from the date of notification until the decision by the Authority to grant or reject an individual exemption.

Undertakings may also apply for negative clearance, *i.e.* a statement by the Authority certifying that there are no grounds for action under Articles 53(1) or 54 in respect of an agreement, decision or practice. Decisions by the Authority in competition cases may be challenged before the EFTA Court.

In addition to its role in taking formal decisions in competition cases, the Authority can, in certain cases, deal with cases informally by taking informal administrative steps in respect of a given case.

Finally, the Authority is competent to deal with applications to approve mergers which have an EFTA dimension, without at the same time having a Community dimension, *i.e.* in principle when the turnover of the participating undertakings exceeds certain thresholds world wide and within the territory of the EFTA States and the latter threshold is not attained within the EU. Such cases are unlikely to occur in practice. However, the Authority continuously deals with a considerable amount of inquiries from companies involved in possible concentrations regarding the assessment of the rules on division of competence between the Authority, the European Commission and the national competition authorities.

The application of European anti-trust rules will often directly benefit the consumers whose free choice of goods and services may be limited through restrictive practices. The enforcement of these rules may have equal importance for undertakings in trade and industry, protecting them from anti-competitive behaviour by other market players.

In the field of competition, the focus of the Authority's attention is on the handling of individual cases. Another task is implementation control, i.e. ensuring that the relevant provisions are in place in the national legal orders of the EFTA States. Furthermore, the Authority issues notices and guidelines for the interpretation of the competition rules, and co-operates with the European Commission in respect of certain individual cases and general policy issues. Most of the Authority's different activities also involve close co-operation with national authorities.

5.1.2 CASES

5.1.2.1 Overview

On 31 December 1997, there were 51 cases pending with the Authority. Of these, 37 were based on notifications and 14 were complaints. From 1 January to 31 December 1998, five additional cases were opened. All of these new cases involved complaints. During the same period, 18 cases were closed by administrative means. Thus, by the end of 1998, 38 cases were pending. All the cases, except one relating to air transport where specific procedural rules apply, were handled under the normal procedures relating to Articles 53 and 54 of the EEA Agreement.

In 1998 the Authority also received a significant amount of informal complaints in the competition field. This again shows that the awareness of the EEA competition rules is becoming more widespread among economic operators in the EFTA countries, as is the way in which infringements can be addressed through the EEA institutional set-up. The complaints and other more informal contacts by economic operators with the Authority have for the most part dealt with competition problems in sectors which have recently been liberalised or are in the process of being deregulated. Examples of such sectors are pharmaceuticals, the distribution of alcoholic

beverages, telecommunications, postal services and energy.

In order to make efficient use of the Authority's resources in the field of competition, cases have as a rule been prioritised following a preliminary assessment of their importance. In 1998 a significant proportion of the Authority's resources in the field of competition was also devoted to addressing a number of cases which had in the past been given low priority on the basis of the criteria applied by the Authority. As a result, several of those cases have now been closed.

Informal contact is frequently made by economic operators, often with a view to exploring the issue of whether there are grounds for making a formal complaint to the Authority. The Authority seeks to encourage such operators to undertake a certain amount of preparatory work before putting forward their views to the Authority in respect of potential competition concerns. This gives the Authority a better opportunity to make an informed preliminary assessment of the arguments presented to it.

The cases under consideration by the Authority in 1998 have raised new and important issues in respect of the application of EEA competition rules. In order to ensure a homogeneous approach to these issues, the Authority has co-operated, exchanged information with and consulted the European Commission, in accordance with the provisions of the EEA Agreement. The Authority has also been involved in discussions with the Commission concerning the application of the rules on jurisdiction to a number of specific cases.

5.1.2.2 Developments in individual cases

5.1.2.2.1 Telecommunications

The Authority currently has under review cases concerning ownership and use of infrastructure and the provision of telecommunications services. The Authority has continued, in this context, to follow developments in the telecommunications sector, including through informal meetings with some of the market players and contact with government representatives.

The Authority is still considering a complaint concerning the **use of excess capacity on the telecommunications network owned by the**



Norwegian Railways. Although an agreement giving Telenor AS, the incumbent telecommunications operator in Norway, the exclusive right to use excess capacity was terminated in April 1997, the final termination conditions are still being negotiated by the parties. The Authority will finalise its examination in light of further evidence sought from the parties on the resulting scope for third party access to the relevant infrastructure.

The Authority has also received a complaint in 1998 concerning alleged infringements by Telenor AS of the EEA competition rules, in relation to the **interconnection between the networks of Telenor AS and NetCom GSM as**, the second mobile telephone operator in Norway. After the Authority began its investigation of the case the parties reached an agreement, as a result of which the complaint was withdrawn. The Authority will continue to follow closely the development of the competitive environment within the framework of the liberalisation of the telecommunications sector in Norway.

5.1.2.2.2 Distribution of wine and spirits

The Authority is still considering a **complaint received from the Icelandic State Alcohol and Tobacco Monopoly (ÁTVR)**. The ÁTVR's monopoly on the import and wholesale of alcoholic beverages in Iceland was lifted at the end of 1995, such that it only retained a monopoly on retail sales. Following a further regulation issued by the Icelandic Minister of Finance in 1998, the ÁTVR ceased its import activities for alcoholic beverages altogether with effect from 15th May 1998. The ÁTVR complained that certain wholesale distributors of alcoholic beverages and their supplier were acting in a concerted manner to restrict the ÁTVR's ability to obtain supplies on competitive terms.

5.1.2.2.3 Service stations

In 1994 the Authority received notifications of **service station agreements** entered into between an oil company with well-known brands and a number of independent service station operators in Norway. The notified agreements were entered into before the EEA Agreement came into force and were for

various long durations going beyond 2004. Service station agreements are long-term exclusive purchasing agreements, meaning that the owners of service stations are obliged to purchase motor vehicle fuels and other products from only one oil company.

Service station agreements are currently exempted from EEA competition rules by virtue of a block exemption⁽⁶⁾, provided they fulfil certain criteria. In discussions with the notifying oil company, the Authority stated that special transitional treatment would not be granted for agreements of a longer duration than permitted under the block exemption, and pointed to the fact that Article 15 of the EC block exemption (which contains certain transitional provisions) was expressly excluded from the block exemption provisions as incorporated into the EEA Agreement. Only the transitional regime set out at Protocol 21 of the EEA Agreement was thus of relevance in assessing whether the block exemption could apply. The Authority also confirmed that the provision for a maximum ten-year permitted duration under the block exemption was to be read as running from the date on which an agreement was entered into, rather than from the date of entry into force of the EEA Agreement.

The oil company ultimately stated that it would terminate its existing arrangements with those independent service station operators, as a result of which the Authority decided to close the file. However the Authority intends to keep this sector under review.

5.1.2.2.4 Insurance cases

In 1998 the Authority finalized its review of 11 set of rules creating common standards for security devices and a common approval procedure for undertakings installing and maintaining such devices in Norway. The rules were notified in 1994 by the **Association of Norwegian Insurance Companies (Norges Forsikringsforbund)**.

The Authority found that the notified rules appear to have the effect of restricting and distorting competition contrary to Article 53 (1) of the EEA Agreement. Firstly, they involve the coordination of market behaviour of the member insurance companies as regards the quality

⁽⁶⁾ Point 3 of Annex XIV to the EEA Agreement, which corresponds to Commission Regulation (EEC) No 1984/83 of 22 June 1983 on the application of Article 85(3) to categories of exclusive purchasing agreements, as amended Oj No L 316 and EEA Supplement No 48, 20 11 1997.

requirements they apply to security devices and installation undertakings when these are factors in determining insurance premiums and deductibles. Secondly, the rules create dissimilar competitive conditions in Norway between approved and non-approved equipment and undertakings, since approval is an important factor for customers of security products.

The Authority found that the insurance block exemption⁽⁷⁾ did not apply but that there was sufficient justification for an individual exemption under Article 53(3). This consideration was based upon the understanding that certain amendments to the rules would be implemented. These included, *inter alia*, a statement as to the non-binding status of the rules, the non-discrimination on the basis of nationality, a speedy approval process with reasoned decisions and finally administrative changes to ensure a high degree of impartiality to the approval process. The Authority earlier published its intention to take a favourable view on the rules provided these conditions were met⁽⁸⁾, and received no comments. Further, the Authority stated that the application in practice must not impede the free movement of goods within the EEA, unless the application pursues legitimate objectives of public interest and constitutes proportionate means to achieve such objectives. The cases were closed by means of a "comfort letter".

5.1.2.2.5 Other cases and informal contacts

In light of recent jurisprudence from the Court of Justice of the European Communities, the Authority initiated a review under Articles 59 (1) and 54 of the EEA Agreement of the monopoly granted to the *Norwegian* public employment agency. The Authority has noted that a committee appointed by the Ministry of Labour and Government Administration has proposed to abolish the monopoly. The case will be followed up in light of the proposal and decisions foreseen to be taken by the Norwegian authorities.

Furthermore, the Authority continued its investigation of a complaint concerning exclusive rights to provide passenger transport by bus in *Liechtenstein* under Articles 59 and 54 of the EEA Agreement.

The Authority is also investigating complaints relating to joint purchasing arrangements involving hospitals, in *Norway* and in *Iceland* respectively. Moreover, the case concerning the Norwegian Gas Negotiation Committee (*Gassforhandlingsutvalget - GFU*) was still under review at the end of the reporting period.

In May 1998 the Authority carried out an inspection at the premises of an undertaking located in *Norway* at the request of the European Commission.

In September 1998 the Authority was involved in informal discussions with representatives of the Icelandic Government concerning plans for the creation of a single health sector database for *Iceland*. The Authority was thus able to give a preliminary indication of issues which needed to be addressed in order to ensure that the creation and running of such a database would not raise concerns under the EEA competition rules.

5.1.3 NEW ACTS

5.1.3.1 Legislation

The EEA Joint Committee adopted two decisions during 1998 to incorporate new acts in the competition field into the EEA Agreement. The first⁽⁹⁾ concerns amendments made to the **rules on control of concentrations**, thereby implementing the amendments adopted in 1997 on the EU-side⁽¹⁰⁾. These amendments include the introduction of new thresholds above which a concentration is defined to have an EFTA dimension and thus to fall under the rules on control of concentrations pursuant to Article 57 (2)(b) of and Annex XIV to the EEA Agreement.

⁽⁷⁾ Point 15a of Annex XIV to the EEA Agreement, which corresponds to Regulation (EEC) No 3932/92 of 21 December 1992 on the application of Article 85(3) of the Treaty to certain categories of agreements, decisions and concerted practices in the insurance sector.

⁽⁸⁾ OJ No C 90 of 20 March 1997, p. 19.

⁽⁹⁾ Joint Committee Decision No 27 of 27 March 1998.

⁽¹⁰⁾ Point 1 of Chapter A of Annex XIV to the EEA Agreement, which corresponds to Council Regulation (EC) No 1310/97 of 30 June 1997 amending Regulation (EEC) No 4064/94 on the control of concentrations.

The second Joint Committee Decision⁽¹¹⁾ concerns the rules on notification, time limits and hearings in cases falling under the rules on control of concentrations⁽¹²⁾. This decision mainly concerns amendments as regards the calculation of time limits, the undertakings' possibility to submit commitments to remove any competition problems identified during the procedure, and a new form CO.

The EU-side adopted another two Regulations during 1998, which were not yet implemented into the EEA Agreement at the end of 1998. One of these⁽¹³⁾ concerns hearings in proceedings under Articles 85 and 86 of the EC Treaty, and consolidates and replaces the already existing rules under general proceedings and proceedings concerning the air transport, maritime transport and rail, road and inland waterway transport sectors. Some amendments have been made, but these mainly reflect and confirm the development in case law arising from questions of interpretation related to the rules covered by the Regulation.

Moreover, for the sake of clarity, one single Regulation⁽¹⁴⁾ was adopted by the EU-side on the procedures for applications and notifications in the three transport sectors mentioned above.

5.1.3.2 Non-binding acts

According to Annex XIV to the EEA Agreement, the Authority shall take due account of the principles and rules contained in the acts listed in points 16 to 25 when applying the EEA competition rules. The acts listed are notices and guidelines issued by the European Commission concerning the interpretation and application of various parts of Community competition legislation.

Through Article 25(2) of the Surveillance and Court Agreement, the Authority is given the power and obligation to adopt acts corresponding to the ones listed in Annex XIV. This obligation should be read in the light of Article 5(1)(b) of the Surveillance and Court Agreement, stating that the EFTA Surveillance Authority shall, in accordance with EEA legislation and in order to ensure the proper functioning of the EEA Agreement, ensure the application of the EEA competition rules.

As concerns non-binding acts adopted by the European Commission after the signing of the EEA Agreement, the Authority is to adopt corresponding acts when EEA relevant.

On 4 March 1998 the Authority adopted a notice on the definition of relevant market for the purpose of competition law within the European Economic Area, and a notice on agreements of minor importance.⁽¹⁵⁾ These notices correspond to similar notices already adopted by the European Commission.⁽¹⁶⁾

During 1998 the European Commission adopted several new notices in the field of competition. These notices concern:

- the application of the competition rules to access agreements in the telecommunications sector;⁽¹⁷⁾ and
- the interpretation of the EC Merger Regulation,⁽¹⁸⁾ namely as regards the concept of full-function joint ventures, the concept of a concentration, the concept of undertakings concerned the calculation of turnover, the alignment of procedures for processing merges under the ECSC and EC Treaties and the

⁽¹¹⁾ Joint Committee Decision No 77 of 31 July 1998.

⁽¹²⁾ Point 2 of Article 3(1) of Protocol 21 to the EEA Agreement, referring to Regulation (EC) No 447/98 of 1 March 1998 on the notifications, time limits and hearings provided for in Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings. The Regulation referred to replaced the earlier Regulation (EC) No 3384/94 of 31 December 1994.

⁽¹³⁾ Regulation (EC) No 2842/98 of 22 December 1998 on the hearing of the parties in certain proceedings under Articles 85 and 86 of the EC Treaty.

⁽¹⁴⁾ Regulation (EC) No 2843/98 of 22 December 1998 on the form, content and other details of applications and notifications provided for in Council Regulations (EEC) No 1017/68, (EEC) No 4056/86 and (EEC) No 3975/87. This Regulation replaces Regulations (EEC) No 1629/69, 4260/88 and 4261/88.

⁽¹⁵⁾ OJ No L 200 of 16 July 1998, pp 46 et seq.

⁽¹⁶⁾ OJ No C 372 of 9 December 1997, p. 5 and p. 13 respectively.

⁽¹⁷⁾ OJ No C 265 of 22 August 1998 p. 2.

⁽¹⁸⁾ Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings, OJ No L 395 of 30 December 1989 and OJ No L 257 of 21 September 1990, as amended by Council Regulation (EC) No 1310/97 of 30 June 1997, OJ No L 180 of 9 July 1997, p. 1.

assessment of full-function joint ventures.⁽¹⁹⁾

The preparation by the Authority of non-binding acts corresponding to those adopted by the European Commission is subject to internal resource allocation. However in the interim the Authority intends to apply the principles set out in the Commission notices whenever relevant. A comparative list of notices adopted by the Commission and the Authority in the field of competition is provided at Annex V of this report.

5.1.4 IMPLEMENTATION CONTROL

The Authority is to ensure that the EEA competition rules are implemented into the national legal orders of the EFTA States. This applies not only to the basic rules contained in Articles 53 to 60 of the Agreement, but also to the relevant provisions in Protocols 21 to 25 to the Agreement, the acts referred to in Annex XIV to the Agreement (such as the substantive rules on merger control and on the application of the competition rules in the transport sector as well as the acts corresponding to the Community block exemption regulations), and the procedural rules in Protocol 4 to the Surveillance and Court Agreement.

According to information received from *Norway*, all new acts incorporated into the EEA Agreement by the EEA Joint Committee in 1998 in the competition field have been implemented on a national level. In addition, the delayed implementation of the EEA adapted versions of *Commission Regulation No. 3384/94 on the notifications, time limits and hearings in merger cases* and *Commission Regulation No. 3385/94 on the form, content and other details of applications and notifications in other competition cases*⁽²⁰⁾ (see the Authority's Annual Report of 1997) was completed. The implementation of the EEA-adapted versions of these two Regulations was, however, still not completed in *Iceland* during 1998. The Authority will continue to pursue the matter in 1999. Of the acts incorporated into the EEA Agreement by the EEA Joint Committee in 1998, Iceland had at the end of 1998 not yet implemented the EEA-adapted

version of Commission Regulation (EC) No 447/98 (see point 5.3.3.1 above). As regards *Liechtenstein*, international agreements entered into by the State automatically become a part of the national legal order. Thus, it is not necessary to undertake specific implementation measures to the same extent as in Norway and Iceland. The Authority has not found that any specific implementation measures were necessary in Liechtenstein as a consequence of the new acts included in the EEA Agreement during 1998.

5.1.5 CO-OPERATION WITH THE EUROPEAN COMMISSION

The EEA Agreement emphasises the need for close and constant co-operation between the Authority and the European Commission in order to develop and maintain a uniform application and enforcement of the EEA competition rules. In order to provide a "level playing field" for the economic operators, not only the rules themselves must be equal but they must also be applied in such a way that the undertakings' legitimate demands for legal certainty, efficient handling and foreseeability are met in all parts of the EEA.

Therefore, Article 109(2) of the EEA Agreement calls for co-operation, exchanges of information and consultations between the two surveillance authorities with regard to general policy issues and to the handling of individual cases. A special rule on co-operation in the competition field is laid down in Article 58 of the EEA Agreement and detailed co-operation rules are contained in Protocols 23 and 24.

5.1.5.1 Co-operation in the handling of individual cases

The European Commission and the Authority co-operate in the handling of individual cases which affect both EFTA and Community States, the so-called "mixed cases". In these cases, both authorities submit to each other copies of notifications and complaints and inform each other about the opening of ex officio procedures. The authority which is not competent to deal with a case may at any stage of the proceedings make any observations on the case it considers appropriate to the

⁽¹⁹⁾ OJ No C 66 of 2 March 1998 pp. 1, 5, 14, 25, 36 and 38 respectively.

⁽²⁰⁾ OJ No C 207 of 18 July 1996, p. 4 and OJ No C 251 of 27 September 1995, p. 3 respectively.

⁽²⁰⁾ See point 5.3.3.1 above.



authority dealing with the case. The Authority considered that three of the five cases opened in 1998 affected one or more Community States and consequently the relevant documents were forwarded to the Commission for comments.

During the same time, the Authority received copies of 49 notifications and complaints from the European Commission under the co-operation rules. 14 of these involved notifications under the EC Merger Regulation. None of these involved the acceptance of commitments in the first phase of the Commission's investigation pursuant to the revised provisions of the EC Merger Regulation⁽²¹⁾. Five of the merger cases involved in-depth investigations by the Commission.

A specific aspect of the rules on co-operation laid down in Protocol 23 is the right of both authorities to take part in each others' hearings and Advisory Committee meetings. During the year the Authority was represented in a number of hearings conducted by the European Commission, and in meetings of the various Community Advisory Committees in competition cases. The Authority has focused on cases where the EFTA aspects are considered to be of particular importance. During the year the Authority was represented in six hearings conducted by the Commission, and in nine meetings of the various Community Advisory Committees in competition cases.

One of the cases which has thus been given priority is the case concerning the **SAS, Lufthansa and United Airlines alliance agreement**. This case was still pending at the end of the reporting period.

The concentration arising from **Skanska's acquisition of shares in Scancem**, in the cement and construction sectors in the Nordic countries, was another case which was given priority by the Authority. The concentration was initially held by the European Commission to give rise to serious doubts as to the compatibility with the common market and the functioning of the EEA Agreement. It was authorized during the reporting period subject to compliance with certain commitments proposed by the parties.

⁽²¹⁾ Article 6(1)(b) of the EC Merger Regulation, as amended by Article 1(5)(b) of Council Regulation (EEC) No 1310/97.

⁽²²⁾ Doc. COM (1998) 544 final.

In the **Constructor Group / Dexion** concentration, in the warehousing and storage sectors, the Authority assisted the European Commission in the fact finding process, together with the competition authorities in *Iceland* and *Norway*. The concentration was cleared during the first phase of the proceedings. Such assistance was also provided by the Authority in respect of two other cases that were still pending before the Commission at the end of the reporting period.

5.1.5.2 Consultations on general policy issues

Protocol 23 provides for the exchange of information and consultations on general policy issues. This typically includes proposals for revised legislation in the competition field forwarded by the European Commission as well as other policy-related questions.

During 1998, the Authority took an active part in meetings concerning the proposals for a revision of the Community competition rules on vertical restraints, prior to the European Commission issuing its Communication⁽²²⁾ on that subject in September. Discussions on the drafting of new legislative and other provisions in this field are expected to continue during 1999.

During 1998 the Authority also took part in meetings concerning the continued review of Community merger legislation. The Authority was also involved in meetings concerning the simplification of the legislative framework for examining competition cases relating to the transport sector.

5.1.6 LIAISON WITH NATIONAL AUTHORITIES

An important element in the application of EEA competition rules is co-operation between the Authority and the national authorities. Protocol 4 to the Surveillance and Court Agreement lays down rules which provide for close and constant liaison between the Surveillance Authority and the competent authorities of the EFTA States. The competent authorities are in *Norway* and *Iceland* the national competition authorities, and in *Liechtenstein* the Office for National Economy.

As regards co-operation in the field of individual cases, the national authorities were invited to give their comments on cases handled by the Authority, including cases falling under the European Commission's competence which were being considered by the Authority in the context of the co-operation procedure outlined above. Comments submitted by the national authorities proved to be valuable contributions, enabling the Authority to benefit from the knowledge of national markets which the national authorities have at hand and to have access to their staff specialized in different sectors of the economy.

The Authority finds such contacts to be particularly important when there are parallel

proceedings before national competition authorities under national law and before the Authority under EEA competition law. In these situations the national authorities are likely to have more extensive knowledge of the national markets at hand than in situations where no similar case were pending on a national level, and would increase the possibility for the Authority to make use of valuable information under its own procedures. Furthermore, to the extent possible within the framework of the EEA Agreement, the Authority believes that such contacts may increase the possibility of reaching decisions also on a national level which would be compatible with the competition rules within the EEA.

5.2 STATE AID

5.2.1 MAIN RULES OF THE EEA AGREEMENT

The basic substantive provisions on State aid are found in Article 61 of the EEA Agreement. The primary procedural rules are set out in Article 1 of Protocol 3 to the Surveillance and Court Agreement. These provisions are identical in substance to Articles 92 and 93 of the EC Treaty. Their aim is to ensure that conditions of competition for enterprises are equal and not distorted by State measures favouring national industries or individual enterprises, whether private or public. By allowing certain exemptions from the general ban on State aid, the control of aid also aims to strike a balance between benefits to aid recipients, on the one hand, and disadvantages to competitors, on the other.

Aid granted through State resources which distorts or threatens to distort competition and affects trade between the EEA Contracting Parties, is in principle prohibited according to Article 61 of the EEA Agreement, unless it qualifies for any of the exemptions provided for in the second and third paragraph of that Article. The concept of State aid is a broad one, embracing not only subsidies in the strict sense of the word, but also public support measures in various other forms, such as tax concessions, loans on preferential terms, State guarantees and investments in share capital by public authorities on terms not acceptable to a private investor.

An EFTA State shall not put into effect a new aid measure before the Authority has approved it. State aid plans must therefore be notified to the Authority prior to implementation. The Authority has to assess whether such a plan constitutes State aid and, if it does, examine whether it is eligible for exemption.

In a first stage of State aid procedures, the Authority can either decide to raise objections to an aid proposal, or, if it is not able during the preliminary examination to overcome all doubts as to compatibility, it will open a formal investigation pursuant to Article 1(2) of Protocol 3 of the Surveillance and Court Agreement. This implies *inter alia* that interested parties are given an opportunity to submit their views on the proposal. At the end of an investigation the Authority takes a final decision, which can be positive (approving the aid), negative (prohibiting the aid) or conditional (approving the aid subject to conditions).

If aid is granted in breach of the notification requirements, the Authority may request that the EFTA State suspend payment of the aid pending the outcome of an investigation. If the Authority concludes that such unlawfully granted aid is also incompatible with the EEA Agreement, it orders, as a rule, the EFTA State to reclaim the aid from the recipient.



Apart from deciding on all plans to grant or alter aid, the Authority is also, under Article 1(1) of Protocol 3 to the Surveillance and Court Agreement, obliged to keep under constant review all systems of existing aid in the EFTA States. The review is carried out in co-operation with the EFTA State concerned. The Authority shall propose appropriate measures either to amend or to abolish aid schemes that are found to be incompatible with the State aid rules. If the EFTA State concerned declines to follow such a proposal, the Authority can open the formal investigation procedure mentioned above, leading to a final, binding decision.

Decisions by the Authority in State aid cases may be challenged before the EFTA Court.

Protocol 26 to the EEA Agreement stipulates that the Authority is entrusted with equivalent powers and similar functions to those of the European Commission in the field of State aid. Provisions to that effect are contained in Articles 5 and 24 of, and Protocol 3 to the Surveillance and Court Agreement. Furthermore, Protocol 27 to the EEA Agreement lays down the principles according to which the Authority and the Commission shall co-operate in order to ensure a uniform application of the State aid rules.

5.2.2 DEVELOPMENT OF STATE AID RULES

5.2.2.1 Legislation

Annex XV to the EEA Agreement lists EEA relevant acts in the field of State aid. A distinction is made between "acts referred to" (binding acts) and "acts of which the EC Commission and the EFTA Surveillance Authority shall take due account" (non-binding acts). While inclusion in the EEA Agreement of new acts of the former kind falls under the responsibility of the EEA Joint Committee, the Authority is to adopt acts of the latter kind, corresponding to guidelines, frameworks and notices issued by the European Commission.

Point 1 of Annex XV refers to three sets of binding State aid acts: *Commission Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings* (with subsequent amendments), *Commission Decision No 2496/96/ECSC*

establishing Community rules for State aid to the steel industry and *Council Directive 90/684/EEC on aid to shipbuilding* (with subsequent amendments) as well as *Council Regulation No 3094/95 on aid to shipbuilding* (with subsequent amendments).

The *Commission Directive on the transparency of financial relations between Member States and public undertakings* is aimed at ensuring that the discipline of State aid control is also applied in an equitable manner to public enterprises. The EFTA States must, upon request, provide information to the Authority to ensure that financial relations between public authorities and public undertakings are transparent, so that public funds made available to the undertakings emerge clearly as well as the use to which they are put. The EFTA States are also obliged to provide the Authority annually with certain financial information on all public undertakings operating in the manufacturing sector, whose turnover for the most recent financial year was more than ECU 250 million. On this basis the Authority has received and examined annual accounts and other financial information on public manufacturing enterprises covered by these provisions.

In March 1998, the EEA Joint Committee took a decision to incorporate **new rules on aid to the ECSC steel industry** in the EEA Agreement. The background to this decision was that within the European Community the previous aid discipline, *Commission Decision No 3855/91/ECSC*, expired at the end of 1996, but by *Commission Decision No 2496/96/ECSC* of 18 December 1996, new Community rules for State aid to the steel industry had been established. In addition to adaptations to the EEA Agreement, introduction of the new aid discipline also called for amendments of Protocol 3 of the Surveillance and Court Agreement, which sets out specific procedural rules on aid to the ECSC steel industry.

In June 1998, the EU Council adopted **a new state aid discipline for the shipbuilding industry**, implying that on 1 January 1999, *Council Regulation No 1540/98* replaced the acts on shipbuilding aid referred to above. Amongst the substantive changes following from the new rules is that contract-related operating aid will not be permitted after the end of the year 2000, and that explicit aid

intensity ceilings are set for investment aid to shipyards in regions qualifying for regional aid (22,5% for yards in regions qualifying under Article 92(3)(a) of the EC Treaty and 12,5% for yards in regions falling under indent (c) of the same Article). Until the end of the year 2000, contract-related aid can continue up to the same levels as in recent years. Unlike the substantive provisions of *Council Regulation No 3094/95*, entry into force of the new regulation is not dependent on ratification of the OECD agreement on shipbuilding subsidies.

In the second half of 1998, preparations were made for integrating the new regulation on aid to shipbuilding in the EEA Agreement. The EEA Joint Committee is expected to decide on this matter early in 1999.

In May 1998, the EU Council adopted *Council Regulation No 994/98 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid*. This regulation, which is based on Article 94 of the EC Treaty, is an enabling regulation, empowering the European Commission to adopt block exemptions for certain categories of State aid (aid in favour of small and medium-sized enterprises, research and development, environmental protection, employment and training, as well as aid that complies with EU Member States' regional aid maps approved by the Commission). This approach is a novelty in the field of State aid control. By enabling the Commission to exempt certain categories of aid meeting defined conditions from prior notification, the intention is to simplify administrative procedures without weakening the Commission's monitoring of aid. It has not yet been decided whether to include this enabling regulation in the EEA Agreement. Given that the EEA institutional structure is different from that provided for under the EC Treaty, the EEA Joint Committee may find it appropriate only to adopt individual group exemption regulations, once such acts have been adopted by the Commission.

In November, the EU Council reached an

agreement in principle on a **regulation laying down detailed rules for the application of Article 93 of the EC Treaty (i.e. procedural regulation)**. Formal adoption of the regulation is expected in early 1999. The regulation aims at increasing transparency and legal certainty by codifying and clarifying procedural rules in the State aid field. Adoption of a corresponding legal instrument in the EEA framework may call for amendment of the Surveillance and Court Agreement. Once this is done, it can be expected to largely replace the procedural part of the Authority's State Aid Guidelines.

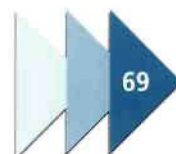
5.2.2.2 The Authority's State Aid Guidelines

Points 2 to 37 of Annex XV to the EEA Agreement refer to acts, adopted by the EC Commission up to 31 July 1991, of which the Authority shall take due account (non-binding acts) when applying the EEA State aid rules. These acts comprise communications, frameworks, guidelines and letters to Member States which the Commission, at various points of time, has issued for the interpretation and application of Articles 92 and 93 of the EC Treaty.

In accordance with Article 5(2)(b) and Article 24 of the Surveillance and Court Agreement, the Authority has adopted corresponding acts. Relevant communications, frameworks, guidelines and notices issued by the Commission have been codified by the Authority in one single document, the *Procedural and Substantive Rules in the Field of State Aid*⁽²¹⁾, also referred to as the *State Aid Guidelines*. These Guidelines were initially issued by the Authority in January 1994. They have since been regularly updated, and at the end of 1998 they took account of about 60 non-binding acts of the Commission and some 180 judgements delivered by the Court of Justice and the Court of First Instance of the European Communities.

The State Aid Guidelines lay down the procedural rules for the assessment of new aid, for the review of existing aid, and for the formal investigation procedure. They also include all

⁽²¹⁾ *Procedural and Substantive Rules in the field of State Aid - Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement and Article 1 of Protocol 3 to the Surveillance and Court Agreement (EFTA Surveillance Authority Decision No. 4/94/COL of 19 January 1994 - OJ L 231, 3.9.1994 and EEA Supplement to the OJ No. 32, 3.9.1994), as last amended by Decision No. 372/98/COL of 16 December 1998 (not yet published). A consolidated, updated version of the Guidelines is available on the Authority's homepage on the Internet at <http://www.efta.int>*



substantive State aid guidelines adopted by the Authority. The Guidelines contribute to increased transparency in the field of State aid by providing guidance on substantive and procedural matters to national authorities and interested parties.

The Authority has closely followed the development on new non-binding State aid acts being prepared by the European Commission and has contributed to the preparation of such acts. In October 1998, the Authority held a multilateral meeting in the field of State aid, in which developments mainly concerning new non-binding acts were discussed with experts of the EFTA States. Once such new acts have been discussed with the EFTA States and adopted by the Commission, the Authority adopts corresponding acts with the necessary adaptations to the EEA Agreement and includes them in the State Aid Guidelines.

The State Aid Guidelines were amended four times during 1998. In March, the Authority decided to introduce **guidelines on the application of EEA State aid provisions to short-term export-credit insurance**⁽²⁴⁾. These guidelines correspond to a communication on the same subject adopted by the European Commission in 1997 (OJ C 281, 17.9.97).

The objective of the new guidelines is to remove distortions of competition due to State aid in the marketable sector of the export-credit insurance business, i.e. the sector where there is competition between public or publicly supported export-credit insurers and private export-credit insurers. For this purpose the guidelines define marketable risks as commercial risks on non-public debtors established in EEA countries and most other OECD countries, with a maximum risk period of less than two years.

The rules identify factors distorting competition between private and public or publicly supported export-credit insurers and set out the actions required to eliminate such distortions.

The guidelines were adopted in the form of appropriate measures under the relevant State aid procedures. This implies that a recommendation was addressed to the EFTA States to amend, where necessary, their existing systems for export-credit insurance for marketable

risks in such a way that the granting of State aid of the kind identified in the guidelines was ended before 1 January 1999.

As requested in the Authority's decision, the EFTA States parties to the EEA Agreement have signified their agreement to respect the new guidelines. The Authority will in 1999 evaluate whether the existing arrangements of short-term export-credit insurance in the EFTA States meet the requirements of the new guidelines.

In November 1998, the Authority decided to introduce **new guidelines on national regional aid** (not yet published) corresponding to a communication on the same subject adopted by the European Commission (OJ No. C 74, 10.03.1998).

The changes provided for by the new guidelines mainly concern the procedure for determining the regions eligible for regional aid under the Article 61(3)(a) and (c) derogations and the conditions for granting aid in such regions. Compared to the previous guidelines, permissible aid intensities have been reduced. However, aid intensities in regions with a low population density (less than 12,5 inhabitants per square kilometre), falling under the Article 61(3)(c) derogation, may be higher than those otherwise prevailing. New rules on investment linked employment aid were also introduced. They enable the EFTA States to provide more support for labour-intensive investments and thus to contribute to the objective of stimulating employment. In view of the increasing pace of technological progress, certain categories of intangible investment, which did not previously qualify for investment aid, can now be financed within certain limits.

To ensure that all regional aid maps and all regional aid schemes will be in compliance with the new guidelines as of 1 January 2000, appropriate measures were addressed to the EFTA States. The Authority will in 1999 assess the steps to be taken by the EFTA States in this respect.

In November 1998, the Authority also decided to introduce a further set of rules on regional aid named **multisectoral framework on regional aid for large investment projects**, corresponding to a communication on the

⁽²⁴⁾ OJ No L 120 and EEA Supplement No 16, 23.04.1998.

same subject adopted by the European Commission (OJ No. C 107, 07.04.1998). These new rules apply from 1 January 1999, with an initial trial period of validity of three years.

The new rules imply that aid to very large capital-intensive investment projects is to be subjected to special scrutiny by the Authority, with the aim of limiting the distortive effects of such aid. The EFTA States are required to notify any proposal to award regional investment aid where the size of the project or the amount of the aid exceeds certain thresholds. The Authority will then determine, on a case-by-case basis, a maximum allowable aid intensity. In its assessment the Authority will take into account the market situation in the sector concerned, the capital/labour intensity of the project, and its beneficial impact on regional development. Depending on the circumstances in individual cases, the aid intensity ceilings for major projects will thus be set lower than or equal to the generally applicable regional aid ceiling.

The obligation to notify major investment projects separately was introduced as an appropriate measure. It has been agreed to by the EFTA States.

These new rules represent a novel, horizontal approach to address the sectoral impact of regional aid. They are in principle applicable to all sectors not covered by specific sectoral rules. They also replace the rules on aid to the textile and clothing industry. Other sectoral rules will continue to apply.

In December 1998, the Authority decided that the rules concerning **aid for rescuing and restructuring firms in difficulty**, due to expire on 31 December 1998, should continue to apply until 31 December 1999 pending adoption in the meantime of new rules on the same subject. The background to this decision was the postponement of the planned review of these guidelines by the European Commission until 1999.

Besides the above amendments to the State Aid Guidelines, the Authority has in the course of 1998 been engaged in the development of a number of other new guidelines in important areas, some of which were adopted by the European Commission before the end

of 1998. These include rules on aid for the motor vehicle industry, on aid elements in sales of land and buildings by public authorities, on aid for training and on the application of State aid rules to measures relating to direct business taxation. It can be expected that the Authority will adopt new guidelines in these areas in 1999.

5.2.2.3 Co-operation with the European Commission

Protocol 27 to the EEA Agreement lays down the various areas in which the European Commission and the Authority are to co-operate in order to ensure a uniform application of the State aid rules. Information and views on general policy issues were exchanged between the two authorities in meetings held at different levels. The practice established in 1994 of holding periodic meetings at Director level was continued. Formal consultations took place on the Commission's new drafts on non-binding State aid acts, thus enabling the Authority to submit its comments and those of the EFTA States to the Commission. Cross-representation of both authorities in multilateral meetings also continued. Furthermore, the Authority and the Commission informed each other of all State aid decisions. With regard to individual cases, further information was also provided on a case-by-case basis upon request by the other authority.

The co-operation between the two surveillance authorities in the field of State aid has worked well in practice. The close contacts and co-operation on different levels contributed to a homogenous application of the State aid rules throughout the EEA.

5.2.3 MAIN CASES

5.2.3.1 Statistics on cases

At the beginning of the reporting period, 27 State aid cases were under examination by the Authority, including 5 cases of new aid and 8 complaints. The remaining open cases concerned reviews of existing State aid schemes. Two of the cases were under formal investigation at the beginning of the year.

In 1998, 11 new cases of notified aid were registered and 4 new complaints were received.



In 13 cases of new aid the Authority was able to conclude that the notified aid was compatible with the functioning of the EEA Agreement – in some cases after adjustments during the notification procedure. Accordingly, it decided not to raise any objections in these cases. The Authority closed one complaint without further action. Decisions were taken in the two cases which were under formal investigation at the beginning of the year. No decision was taken by the Authority to open a formal State aid investigation in 1998.

At the end of 1998, 28 State aid cases were pending with the Authority, including 3 concerning new notified aid, 11 based on complaints, and the remainder relating to review of existing aid schemes.

5.2.3.2 Sectoral aid

5.2.3.2.1 Aid to shipbuilding

In March 1998, the EEA Joint Committee took a decision implying that the provisions of *Council Directive 90/684 on aid to shipbuilding* should continue to apply in the EEA context in 1998. Pursuant to Article 4 of that directive, the Authority decided later that month to maintain the common maximum **ceiling for operating aid to shipbuilding** at 9% of the contract value before aid. It was at the same time decided that the maximum level of aid permissible for the construction of small ships of a contract value of less than ECU 10 million as well as for ship conversions covered by the Directive should remain at 4,5%. The decision applied for the period as from 1 January 1998 until the OECD Agreement on shipbuilding subsidies would enter into force and until 31 December 1998 at the latest.

At the same time, the Authority decided not to raise objections to **prolongation of existing Norwegian aid schemes in support of the shipbuilding industry**. The decision covered prolongation in 1998 of the following three aid schemes: Grants for shipbuilding, new-buildings and conversions, Export credit guarantee for ships, and the Guarantee scheme for ship construction. These schemes were initially assessed and authorized by the Authority in 1995.

The Norwegian authorities have introduced two amendments to the Grant scheme for

shipbuilding. Firstly, the scheme now explicitly excludes contract-related aid for fishing vessels destined for the fleets of EEA countries. Secondly, the aid level for contracts signed after 31 December 1997 was lowered from 9% to 7% in respect of new ships whose contract value is ECU 10 million or more. A corresponding reduction of the aid level from 4,5% to 3,5% was also effected with respect to smaller vessels as well as major conversions.

By introducing the amendment concerning fishing vessels, the Norwegian authorities implemented an undertaking given in the context of the Authority's scrutiny of the same aid scheme in 1997. As for the reduced aid level, it implied that the operating aid to be provided to the Norwegian shipbuilding industry in 1998 was below the levels permitted within the EEA. As the schemes had otherwise not been subject to any substantive changes, the Authority concluded that they remained compatible with the EEA Agreement.

In December, the Authority decided to authorise State aid in support of an **R&D project undertaken by the research institute Marintek A/S** in co-operation with three *Norwegian* shipyards. The project aims at developing new production methods and reducing production time in hull construction. The Authority concluded that the aid for the project, to be provided by the Norwegian Research Council and the Norwegian Industrial and Regional Development Fund (SND), was within acceptable ceilings for the R&D activities concerned and also met other relevant conditions for such aid.

In the course of 1998, the Authority also decided on three occasions not to raise objections to **regional investment aid to Norwegian shipyards**. All the three shipyards concerned are small and medium-sized enterprises located in areas qualifying for regional aid. In all three instances the Authority concluded that the relevant conditions of the Shipbuilding Directive, including those concerning limitations on production capacity, were complied with.

5.2.3.2.2 Maritime transport

In July, the Authority decided to authorise a package of **tax-related State aid measures in favour of ship operating companies in Norway**. The measures consist of partial rebates

to shipping companies in respect of seafarers' personal income tax and social security tax as well as a preferential tax treatment of shipping companies.

According to the refund schemes for seafarers' employment and training, owners of qualifying ships can receive grants in respect of seafarers that are liable for taxation in Norway. As of the second half of 1998, the employment grants amount to 12% of gross wages. Supplementary grants may be paid in respect of trainees on board qualifying ships. In 1998, the total budget allocation for the refund schemes was NOK 415,2 million.



Competition and State Aid Directorate. Sitting from left to right: Director Amund Utne, Anny Tubbs, Ann-Kristin Hanssen. Standing from left to right: Monica Syrdal, Gudlaugur Stefánsson, Harald Evensen, Rolf Egil Tønnessen. Not present: Daniela Cummins.

The special tax regime for shipping companies is an option for companies whose sole activity is ownership or leasing of ships. It exempts such companies from regular corporate tax on profits derived from shipping, as long as the profits are retained in companies within the scheme. The exemption does not apply to interest, profits from net share trading, or income from other sources. Companies qualifying for the scheme are required to pay a so-called tonnage tax calculated on the basis of the size of the ships that they operate.

The aid schemes were assessed on the basis of guidelines on aid to the maritime sector adopted by the Authority in July 1997, corresponding to similar guidelines adopted by the European Commission in April 1997.

The refund schemes for employment and training of seafarers pursue objectives recognised in the guidelines on aid to maritime transport, namely to safeguard and increase employment of EEA seafarers, to secure recruitment and qualified training of seafarers and to improve the competitive position of companies employing such seafarers. The refund schemes were found to meet the relevant conditions of the guidelines.

The objective of the special tax arrangement for shipping companies is to enhance the competitiveness of EEA-based shipping activities in the global market, in the face of competition

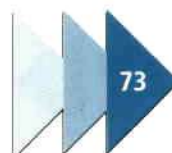
from operators based in third countries offering a virtually tax-free environment and high degree of freedom with respect to manning and safety requirements. The scheme was found to meet the relevant conditions for such aid in the Authority's guidelines on aid to the maritime transport sector.

In order to monitor further how the aid schemes contribute to their intended objectives and to ensure that the relevant conditions continue to be met, the Authority has requested the Norwegian authorities to submit detailed specific reports on the operation of the aid schemes on an annual basis.

5.2.3.3 Regional aid

In December 1997 the Authority decided to extend the validity of the **existing system of regional aid in Norway** until 30 April 1998. A proposal from the Norwegian Government on a continued system of regional investment aid in Norway was approved 28 April 1998. The revised system of regional investment aid in Norway implied in broad terms a continuation of the former regime.

The new map of assisted areas was authorized for the period of 1 May 1998 to 31 December 1999. The period of validity was set with reference to the fact that the Authority planned to adopt new guidelines on regional aid and to review the Norwegian system of regional investment aid before the end of 1999.



The assisted areas in Norway are divided into three target zones; A, B and C. They cover some 26% of the total population and qualify for regional aid according to Article 61(3)(c) of the EEA Agreement, notably with reference to their sparse population (4.4 inhabitants per square kilometre on average).

Target zone A consists of the county of Finnmark plus the northernmost parts of the county of Troms. The aid ceiling for large enterprises in zone A was set at 30% net grant equivalent (NGE), i.e. down from the previous level of 35% NGE. The adjustment was explained by an improvement of the economic situation in this region relative to the average in the EEA. The Authority agreed to allow a supplement of 15% (gross) for small and medium-sized enterprises (SMEs).

Target zone B covers other parts of northern Norway plus the most remote and sparsely populated areas in southern Norway. Target zone C covers other assisted areas in southern Norway plus the municipalities of Tromsø and Bodø in northern Norway. The maximum aid intensities for these target zones were maintained at 25% NGE plus 5% (gross) for SMEs in target zone B and 15% NGE plus 10% (gross) for SMEs in target zone C.

The geographical scope of the assisted areas was somewhat adjusted. The adjustments concerned relatively small parts of target zone B and target zone C.

In July 1998, the Authority decided to require the *Norwegian* Government to amend its system of **differentiated social security contributions** from employers.

Previously, in May 1997, the Authority had proposed a set of appropriate measures to Norway outlining a way for the system of employers' social security contributions to be compatible with the State aid rules of the EEA Agreement. The Norwegian Government was, however, of the opinion that the system fell outside the scope of the State aid provisions and declined to comply with the Authority's proposal. In November 1997, the Authority decided to open a formal investigation which was concluded by the Authority's decision in July 1998.

The substance of the matter concerns the regionally differentiated social security charges

levied on employers in relation to the salary of each employee. Lower contribution rates are applied in respect of employees residing in remote regions. In the opinion of the Authority, such a scheme involves State aid which is incompatible with the EEA Agreement to the extent the measures cannot be justified as transport aid to sparsely populated regions.

The Authority's decision required Norway to rectify the situation by 31 December 1998. The practical effect of the decision is that the Norwegian Government may maintain the existing system of differentiated social security contributions from employers for a majority of economic sectors. A condition is that eligible geographic areas are notified to and approved by the Authority.

The Authority found, however, that enterprises in certain sectors were not eligible for transport aid and could therefore not benefit from lower tax rates. According to the decision, that applies to enterprises in the electricity sector, in the oil sector, and to some enterprises in the mining and minerals industry. Furthermore, it applies to shipbuilding and steel production, to enterprises in freight transport by road (having more than 50 employees), to enterprises in telecommunications and in financial services. Branch offices in the latter sector only providing local services may, according to the decision, benefit from lower rates.

In September 1998, the Norwegian Government decided to bring an action before the EFTA Court applying for annulment of the Authority's decision. In November, the Norwegian Government asked the EFTA Court to order suspension of the application of the decision until final judgement. In December, the EFTA Court decided to grant the suspension of the application of the decision until the Court had delivered its judgement in the case.

In July, the Authority concluded in a decision that certain measures taken by the Icelandic authorities with the aim of facilitating investment in a **new aluminium smelter at Grundartangi, Iceland**, involved elements of State aid. However, the Authority also decided that the aid could be approved under the rules on regional aid.

The project was undertaken by the American company Columbia Ventures Corporation and

its Icelandic subsidiary, *Nordurál hf* (Nordic Aluminium Ltd.). The smelter has an annual production capacity of 60,000 tonnes, with the possibility of extension at a later stage. Total investment costs in the project were estimated at around USD 180 million.

In its decision, the Authority concluded that certain measures taken by the Icelandic authorities with respect to the tax treatment of the company, as well as financing arrangements concerning investments in site preparation and harbour installations, involved elements of State aid. The lease for the smelter site and the power contract for the supply of electricity to the smelter were, on the other hand, not considered to involve State aid. In total, the Authority estimated the aid elements to amount to a grant equivalent of USD 6 million, corresponding to 3,6% of eligible investment costs.

The objective of the Icelandic authorities' involvement in the project was *inter alia* to enhance regional development in Iceland. The smelter is located at *Grundartangi* on the northern side of *Hvalfjörður*, a location belonging to the *Vesturland* region (mid-western part of Iceland), which according to the prevailing map of assisted areas in Iceland qualifies for regional aid, up to a limit of 17% of eligible investment costs. In terms of employment and income generation, the project was considered to make a significant contribution to economic development in the southern part of the *Vesturland* region and also to make a measurable positive impact on the Icelandic national economy, helping to diversify its export industries. The measures taken by the Icelandic authorities were therefore found to be justified.

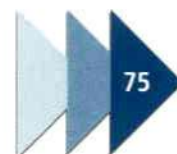
In May, the Authority decided to approve a proposal on **aid to develop and promote tourism activities in North Norway**. The proposal concerned an individual grant of NOK 1,9 million from Finnmark County Industry Fund to support a promotion programme of NOK 7,7 million administered by "Top of Europe Norway AS", a small company established to promote and co-ordinate tourism activities in North Norway.

In December, the Authority decided not to raise objections to a notification from *Norway* on **regional investment aid provided by the Local Enterprise Fund of Surnadal to**

Mabo AS. Mabo produces plastic pipe and pipe parts. Total investment costs were NOK 21,1 million. Surnadal municipality wanted to grant the company NOK 2,5 million in investment grant. The grant constituted 8,6% of the eligible investment costs, which is below the relevant maximum aid ceiling of 25% for Surnadal. The Authority therefore concluded that the aid qualified for exemption under Article 61(3)(c) of the EEA Agreement.

In December, the Authority decided not to raise objections to plans to **amend and prolong the application of higher aid intensities for two existing Norwegian regional aid schemes** within four municipalities in the County of Finnmark. Higher aid intensities for these municipalities, all with a high percentage of Sami population, were approved by the Authority in 1994 for a period limited to 31 December 1998. The Norwegian authorities proposed to reduce the intensity for an Investment grants scheme from 60 per cent gross to 50 per cent gross and to keep the aid intensity for a Company development grants scheme at 75 per cent gross in the four municipalities until 31 December 1999. The aid is confined to small and medium-sized enterprises. The rules and intensities foreseen for the two schemes were found to reflect the relevant criteria set out in the State Aid Guidelines. The Authority therefore concluded that the aid schemes continued to qualify for exemption under Article 61(3)(c) of the EEA Agreement until 31 December 1999.

In December, the Authority decided not to raise objections to plans to **amend and merge two existing Norwegian schemes**, "Regional investment grants", (*Investeringsstilskudd*) and "Grants for development of business and industry", (*Bedriftsutviklingsstilskudd*) into one scheme, "Regional development grants" (*Distriktsutviklingsstilskudd*). Both schemes are regional aid schemes administered partly by the Norwegian Industrial and Regional Development Fund (SND) and partly by the county municipality authorities. The Norwegian authorities were reminded of the requirement that the new scheme, like all other regional aid schemes, must comply with the new Guidelines on national regional aid from 1 January 2000. The Authority considered that the merger and amendment of the two schemes qualified for exemption under Article 61(3)(c) of the EEA Agreement until 31 December 1999.



5.2.3.4 Horizontal aid

Horizontal aid is a term referring to aid with horizontal objectives, which is neither regional nor sectoral in scope, such as aid to promote small and medium-sized enterprises, research and development, environmental protection, to create new employment or for rescuing/restructuring firms in difficulty.

During 1998, the Authority took no decision concerning aid schemes in this category. However, in a number of cases mentioned elsewhere in this report and including elements of such aid, the Authority has on occasion relied on the relevant guidelines on horizontal aid.

In October, the Authority was informed of a *Norwegian* company, **Rena Karton AS**, in financial difficulty and of measures, which the creditors, including the Norwegian Industrial and Regional Development Fund (SND), were considering to take to avert bankruptcy. Following a request by the Norwegian authorities, the Authority made a preliminary examination of the proposed rescue measures. The Authority indicated that the measures appeared to involve State aid, which, in the form planned, would most likely not be compatible with the relevant guidelines on aid for rescuing and restructuring firms in difficulty. However, the planned measures were not formally notified to the Authority. They were also not implemented by the creditors, and the company was subsequently declared bankrupt. Consequently, the Authority took no decision on this matter.

5.2.3.5 Public enterprises and public authorities' holdings

In October 1996, the Authority decided to open an investigation procedure with regard to a complaint against the *Norwegian Government's financing of the Arcus Group* (Arcus). The Authority concluded in a decision in December 1998 that Arcus had received illegal State aid.

Arcus is wholly owned by the Norwegian State and was established as a result of a demerger of a former State monopoly for production and trade in alcoholic beverages. Arcus, which took up its activities as of 1 January 1996, produces spirits and is active in imports, exports, wholesale and distribution of alcoholic beverages to retail outlets.

At the start of operations, production facilities and other assets were transferred from the State monopoly to Arcus. The Authority found that the transferred assets were undervalued by an amount of NOK 264 million (ECU 30.5 million). As a consequence, the State, which received shares in Arcus as a compensation for the handover of the assets, was undercompensated by the same amount. The transaction implied that Arcus received State aid of the same order.

Arcus also received a financial transfer of NOK 226 million (ECU 26 million) to cover restructuring costs and NOK 30 million (ECU 3.5 million) to cover costs related to a possible clean-up of contaminated ground at one of its production sites.

The restructuring provision has partly been used to cover personnel-related restructuring measures related to the former monopoly's contractual obligations towards its employees and partly to cover justified start-up costs for the new companies. This part of the provision was found not to constitute State aid. On the other hand, some NOK 100 million (ECU 11.5 million) of this provision have been recorded as extra-ordinary income for Arcus and was found to constitute State aid. Similarly, the unused part of the restructuring provision, which at the end of 1997 stood at NOK 57 million (ECU 6.5 million), was deemed to be State aid save for means used up to the date of the decision to cover personnel related measures as described. As to the clean-up provision, the Authority noted that it was highly uncertain when a requirement to clean up possibly might materialize and also what the costs of that would amount to. In light of these considerations, the Authority concluded that the provision of NOK 30 million (ECU 3.5 million) in financial means constituted State aid.

The aid measures had not been notified to the Authority and were put into effect without its approval. As they were found to be unlawful, the Authority required that they be recovered. According to the Authority's decision, recovery of aid related to the undervaluation of fixed assets can be in the form of the State receiving increased share capital, while financial transfers constituting aid must be paid back to the State, together with accrued interest.



Legal and Executive Affairs. Sitting from left to right: Helga Óttarsdóttir, Director Håkan Berglin, Anne-Lise H. Rolland. Standing from left to right: Matthildur Steinsdóttir, Bjarnveig Eiríksdóttir, Lorraine Deakin, Rolf Helmich Pedersen, Páll Ásgrímsson.

In December, the Authority took a decision, where it assessed and approved **Icelandic legislation on the New Business Venture Fund** (*Nýsköpunarsjóður atvinnulífsins*).

The establishment of the New Business Venture Fund (NBVF) was linked to comprehensive structural changes in the Icelandic financial market. These changes included the merger of four state-owned investment credit funds into two new entities, the Icelandic Investment Bank Ltd. (*Fjárfestingabanki atvinnulífsins hf.*) and the New Business Venture Fund. The combined equity capital of the "old" investment credit funds was split between the two new entities. The foundation capital of the NBVF was set at ISK 4 billion (approx. ECU 48,8 million). In addition, the NBVF is to receive ISK 1 billion (approx. ECU 12,2 million) from the proceeds of the Treasury's sale of its share capital in the Icelandic Investment Bank Ltd. as well as approx. ISK 700 million (ECU 8,5 million) for its Product Development and Marketing Department.

The objective of the NBVF is to promote development and growth in all sectors of the Icelandic economy through participation in innovation-oriented investment projects and support for development and marketing projects. The Fund's participation in investment projects will be predominantly in the form of share capital, but exceptionally in the form of

loans or credit guarantees. Support for development projects will be in the form of grants.

The Authority concluded that the venture capital equity financing, loans and guarantees by the NBVF will be provided on commercial terms and will not involve State aid. This conclusion was based *inter alia* on the observation that the legislation on the NBVF includes a number of detailed restrictions intended to limit the Fund's risk exposure and secure that returns on investments are commensurate with the risks involved.

Grants from the NBVF are as a main rule subject to the limits of *de minimis* aid, i.e. must not exceed the equivalent of ECU 100.000 to any one firm over a period of three years. The Authority does not object to such aid. Exceptionally, the NBVF may offer development grants in excess of the *de minimis* limits. In such cases the legislation obliges the NBVF to respect the provisions of the Authority's State Aid Guidelines on aid to small and medium-sized enterprises, aid for research and development or other types of aid, as applicable in the individual instances.

The NBVF operates an Export Credit Guarantee Department. However, the Authority's decision did not cover this Department, as it would be examined at a later stage on the basis of new State aid rules concerning short-term export-credit insurance.

It is recalled that in July 1997, the Authority adopted a decision concerning the **framework conditions for the Norwegian State Housing Bank**. By an application in September 1997, the complainant in that case, the Norwegian Bankers' Association, brought an action before the EFTA Court seeking annulment of the Authority's decision. In December 1997, the Authority lodged a request with the Court, asking for the application to be dismissed as inadmissible. However, following written submissions by the parties on the question of



admissibility and an oral hearing, the Court declared the application admissible in a decision in June 1998. Following written submissions by the parties on the substance of the case, an oral hearing took place in November 1998. At the end of the year, the Court's ruling in the case was still pending.

5.2.4 OTHER TASKS

5.2.4.1 Annual reporting on existing aid schemes

As is foreseen in the State Aid Guidelines, it has been the Authority's practice to request the submission of annual reports on new State aid schemes that it has authorized. The information in these reports is particularly focused on the annual aid expenditure under the schemes and its breakdown on main recipients as well as according to sectors, forms of aid, etc.

Furthermore, based on decisions by the Authority in 1995, *Iceland* and *Norway* have agreed to submit standardized annual reports on existing aid schemes. The *Liechtenstein* Government has informed the Authority that it operates no State aid, and the Authority has received no indication to the contrary.

5.2.4.2 State aid survey

According to Protocol 27 of the EEA Agreement, the Authority is charged with the responsibility to prepare periodically a quantitative survey of State aid in the EFTA States. Besides enabling the Authority to monitor the application of existing aid schemes, annual reports will be the primary source of information for such surveys. The Authority will draw up the State aid surveys in co-operation with the EFTA States. It aims to finalise its first survey in the course of 1999.

ANNEX I:

THE EFTA STATES ICELAND, LIECHTENSTEIN AND NORWAY

FACTS AND FIGURES *

	ICELAND	LIECHTENSTEIN	NORWAY
NAME OF STATE	REPUBLIC OF ICELAND	PRINCIPALITY OF LIECHTENSTEIN	KINGDOM OF NORWAY
SIZE IN KM ²	103 000	160	324 000
FOREST (%) OF TOTAL AREA	1	34.8	26
WATER (%)	2	-	5.3
CULTIVATED LAND (%)	1	24.3	3
1.12.1998 - POPULATION	275 277	31 717	4 440 850
1.1.1998 - FOREIGN RESIDENTS (% OF POP.)	1,6	37,6	3,5
1.1.1997 - POPULATION DENSITY (INHAB./KM ²)	2,6	193,3	13,7
GROSS DOMESTIC PRODUCT IN BILLION ECU (1997)	6,4	N/A	126
UNEMPLOYMENT RATE (1997)	2,3	1,6	4,1
HEAD OF GOVERNMENT	David Oddsson since 1991	Mario Frick since 1993	Kjell Magne Bondevik since 1997
NATIONAL HOLIDAY	17 June	15 August	17 May

* Source: Office of the EFTA Statistical Adviser, Luxembourg

ANNEX II:

EFTA SURVEILLANCE AUTHORITY

DIVISION OF RESPONSIBILITIES AMONG COLLEGE MEMBERS

80

KNUT ALMESTAD (PRESIDENT)	HANNES HAFSTEIN	BERND HAMMERMANN
GENERAL POLICIES CO-ORDINATION EXTERNAL RELATIONS ADMINISTRATION LEGAL & EXECUTIVE AFFAIRS STATE AID AND MONOPOLIES	FREE MOVEMENT OF GOODS (INCL. TECHNICAL BARRIERS TO TRADE, OTHER TRADE MATTERS, VETERINARY AND PHYTOSANITARY MATTERS) PUBLIC PROCUREMENT COMPETITION	FREE MOVEMENT OF PERSONS (INCL. MUTUAL RECOGNITION OF DIPLOMAS) RIGHT OF ESTABLISHMENT SOCIAL SECURITY FINANCIAL SERVICES AUDIOVISUAL AND TELECOMMUNICATION SERVICES TRANSPORT CAPITAL MOVEMENTS SOCIAL POLICIES CONSUMER PROTECTION ENVIRONMENT COMPANY LAW

ANNEX III:

EFTA SURVEILLANCE AUTHORITY ORGANIGRAMME

COLLEGE

GOODS	PERSONS, SERVICES AND CAPITAL	COMPETITION AND STATE AID	LEGAL & EXECUTIVE AFFAIRS	ADMINISTRATION
<p>TECHNICAL BARRIERS TO TRADE, INCLUDING INFORMATION PROCEDURES, PRODUCT SAFETY ETC.</p> <p>OTHER TRADE MATTERS, INCLUDING CUSTOMS DUTIES, CHARGES AND DISCRIMINATORY TAXATION, PROCESSED AGRICULTURAL PRODUCTS, FISH, ENERGY, INTELLECTUAL PROPERTY RIGHTS</p> <p>VETERINARY AND PHYTOSANITARY MATTERS</p> <p>PUBLIC PROCUREMENT</p>	<p>FREE MOVEMENT OF PERSONS, INCLUDING MUTUAL RECOGNITION OF DIPLOMAS</p> <p>RIGHT OF ESTABLISHMENT</p> <p>SOCIAL SECURITY</p> <p>FINANCIAL SERVICES Banking Securities trading Insurance</p> <p>AUDIOVISUAL SERVICES</p> <p>TELECOMMUNICATION SERVICES</p> <p>TRANSPORT Inland Road Maritime Civil aviation</p> <p>CAPITAL MOVEMENTS</p> <p>SOCIAL POLICIES</p> <p>CONSUMER PROTECTION</p> <p>ENVIRONMENT</p> <p>COMPANY LAW</p>	<p>COMPETITION RULES APPLICABLE TO ENTERPRISES</p> <p>PROHIBITION OF CARTELS</p> <p>PROHIBITION OF ABUSE OF DOMINANT POSITION</p> <p>CONTROL OF CONCENTRATIONS</p> <p>STATE AID</p> <p>REVIEW OF EXISTING AID</p> <p>EXAMINATION OF NEW AID MEASURES</p> <p>MONOPOLIES</p> <p>RULES ON PUBLIC UNDERTAKINGS</p>	<p>REPRESENTING THE AUTHORITY IN COURT PROCEEDINGS</p> <p>FORMAL PART OF INFRINGEMENT PROCEEDINGS</p> <p>ADVICE ON LEGAL QUESTIONS</p> <p>JURIST LINGUIST SERVICES</p> <p>LIBRARY</p> <p>MEETINGS OF THE COLLEGE</p> <p>ORAL, WRITTEN AND DELEGATION PROCEDURES, FOLLOW-UP OF COLLEGE DECISIONS</p> <p>PUBLICATION</p> <p>PRESS AND INFORMATION</p> <p>VISITORS GROUPS</p> <p>GENERAL REPORTS</p>	<p>HUMAN RESOURCES</p> <p>BUDGET PLANNING</p> <p>FINANCE CONTROL</p> <p>COMPUTER PLAN AND SUPPORT</p> <p>STAFF SOCIAL SECURITY</p> <p>OFFICE FACILITIES</p> <p>PROCUREMENT</p> <p>REGISTRY</p>

ANNEX IV:

IMPLEMENTATION STATUS OF DIRECTIVES IN VARIOUS SECTORS

EXPLANATORY NOTE

In this Annex the implementation status of the Directives which are part of the EEA Agreement in the various sectors is presented in *tabular* form. Reflecting the relevant entries made by the Authority's services in the Acquis Implementation Database (AIDA), two basic types of information are given in the tables.

SHADINGS

The Authority's understanding of the *actual implementation situation* is illustrated by the different shadings in the tables. The principles according to which the shadings appear are the following:

- (a) The fact that the respective field is left *blank (white)*, means that the EFTA State concerned has no duty to implement the Directive in question.

No duty to implement:



- (b) A field with a *light shading* means that the EFTA State in question has notified the Directive concerned as fully implemented, and also submitted to the Authority the legal texts of all the notified national measures.

Full implementation notified:



It should be noted that this shading will *not* appear in the table, even if an EFTA State has notified full implementation as described above, if the Authority or its services, after a preliminary examination of the legal texts received, or upon a detailed conformity assessment, are of the opinion that the Directive has *not* actually been fully implemented. (In that case one of the two shadings discussed below will appear, depending on whether implementation is considered to be only partial, or whether the measures notified by the EFTA State are not actually deemed to implement any provisions of the Directive in question.)

- (c) When a field has a *medium shading* it means either that the EFTA State in question has notified the Directive concerned as only partially implemented, or that the Authority or its services have come to the same conclusion following a preliminary examination of the notified legal texts or of a detailed conformity assessment.

Partial implementation:



- (d) A *dark shading* of the field means either that the Authority has received no notification relative to the Directive concerned from the EFTA State or, that following a preliminary examination of the legal texts that have been notified or of a detailed conformity assessment of the measures contained in the texts, the Authority or its services have concluded that no national measures exist in that State that would actually transpose any of the provisions of the Directive.

Non-implementation:



Abbreviations

When appropriate, certain additional information is given in the form of abbreviations which appear in the respective fields. Thus, the abbreviation "NNN" in a blank field means that, due to the circumstances prevailing in the EFTA State in question, *no implementing measures are considered necessary* for the time being. For instance, in the sector of mutual recognition of diplomas and professional qualifications, no implementing measures are necessary either in Iceland or in Norway with respect to the Directives relative to the film industry, since in those EFTA States, the respective activities are liberalised, and therefore no restrictions exist in the sense of the Directives. Consequently, the value "NNN" has been entered in the AIDA for both Iceland and Norway for all the four Directives concerned, and the abbreviation appears in the respective fields of the table.

The second abbreviation that may appear in a blank field is "TRP". This means that the EFTA State in question enjoys a *transitional period* for the implementation of the whole Directive concerned.

When a Directorate concludes that a Directive has not been properly implemented, it may, instead of proposing to the respective College member that formal proceedings be initiated, decide to send an *informal* letter to the EFTA State concerned inviting it to adopt the measures necessary to comply with the Directive or, to provide the Authority with information on the actual status of implementation. Whenever this kind of *Pre Article 31* letter is sent, the value "PRE" is entered into the AIDA, and the abbreviation appears in the respective field with medium or dark shading.

By the same token, if the Authority has sent a letter of formal notice or a reasoned opinion for non-implementation or partial implementation to the EFTA State, the corresponding value - "LFN" or "RDO", respectively - is entered into the AIDA, and thus also appears in the respective field. The abbreviation "EFC" means that the Authority has referred the case to the EFTA Court.

IMPLEMENTATION STATUS OF DIRECTIVES

Motor Vehicles	ISL	LIE	NOR
Type approval of motor vehicles and their trailers Directive 70/156 Annex II,1,1			
Type approval of motor vehicles (new Directive) Directive 92/53 Annex II,1,1			
Type approval of motor vehicles Directive 93/81 Annex II,1,1			
Permissible sound level and exhaust system of m.v. Directive 70/157 Annex II,1,2			
Permissible sound level and exhaust system Directive 92/97 Annex II,1,2			
Adaptation of sound level and exhaust system Directive 96/20 Annex II,1,2			
Emissions from motor vehicles Directive 70/220 Annex II,1,3			
Emissions from motor vehicles Directive 93/59 Annex II,1,3			
Amendment to Dir. 70/220 emissions Directive 94/12 Annex II,1,3			
Adapting to technical progress Dir. 70/220 Directive 96/44 Annex II,1,3			
Amending Dir. 70/220 emissions from motor vehicles Directive 96/69 Annex II,1,3			
Liquid fuel tanks and rear protective devices Directive 70/221 Annex II,1,4			
Adapting to technical progress Dir. 70/221 Directive 97/19 Annex II,1,4			
Space for rear registration plates Directive 70/222 Annex II,1,5			
Steering equipment for motor vehicles & trailers Directive 70/311 Annex II,1,6			
Steering equipment for motor vehicles & trailers Directive 92/62 Annex II,1,6			
Doors of motor vehicles & trailers Directive 70/387 Annex II,1,7			
Audible warning devices for motor vehicles Directive 70/388 Annex II,1,8			
Rear-view mirrors of motor vehicles Directive 71/127 Annex II,1,9			
Braking devices of cert. categ. of mot.veh.&trail. Directive 71/320 Annex II,1,10			
Braking devices Directive 91/422 Annex II,1,10			
Radio interference by engines of motor vehicles Directive 72/245 Annex II,1,11			

Meaning of shades:

No duty to implement:



Partial implementation



Full implementation notified*



Non-implementation



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

RDO: Reasoned opinion

PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

(*): Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented



Motor Vehicles (cont.)	ISL	LIE	NOR
Adaptation of radio interference			
Directive 95/54 Annex II,I,11			
Emissions of pollutants from diesel engines			
Directive 72/306 Annex II,I,12			
Adapting to technical progress Dir. 72/306			
Directive 97/20 Annex II,I,12			
Interior fittings of motor vehicles			
Directive 74/60 Annex II,I,13			
Devices to prevent unauthorized use of motor veh.			
Directive 74/61 Annex II,I,14			
Adaptation of devices to prevent unauthorized use			
Directive 95/56 Annex II,I,14			
Interior fittings of motor vehicles (steering)			
Directive 74/297 Annex II,I,15			
Steering wheel and column in an impact			
Directive 91/662 Annex II,I,15			
Interior fittings of motor vehicles (seat & anch.)			
Directive 74/408 Annex II,I,16			
Adapting to technical progress Dir. 74/408			
Directive 96/37 Annex II,I,16			
External projections of motor vehicles			
Directive 74/483 Annex II,I,17			
Reverse and speedometer equipment of motor veh.			
Directive 75/443 Annex II,I,18			
Adapting Directive 75/443			
Directive 97/39 Annex II,I,18			
Statutory plates and inscriptions for mot.veh.&tr.			
Directive 76/114 Annex II,I,19			
Anchorage for motor-vehicle safety belts			
Directive 76/115 Annex II,I,20			
Anchorage for safety belts			
Directive 90/629 Annex II,I,20			
Adapting to technical progress Dir. 76/115			
Directive 96/38 Annex II,I,20			
Lighting & light-signalling devices on mot.v.&tr.			
Directive 76/756 Annex II,I,21			
Lighting & light-signalling devices			
Directive 91/663 Annex II,I,21			
Amending Dir. 76/756 signalling devices			
Directive 97/28 Annex II,I,21			
Reflex reflectors for motor vehicles & trailers			
Directive 76/757 Annex II,I,22			
Adapting Directive 76/757			
Directive 97/29 Annex II,I,22			
End-outline marker lamps etc. for motor veh. & tr.			
Directive 76/758 Annex II,I,23			
Adapting to technical progress Dir. 76/758			
Directive 97/30 Annex II,I,23			

Motor Vehicles (cont.)	ISL	LIE	NOR
Direction indicator lamps for motor vehicles & tr. Directive 76/759 Annex II, I, 24			
Rear registration plate lamps for motor veh. & tr. Directive 76/760 Annex II, I, 25			
Adapting to technical progress Dir. 76/760 Directive 97/31 Annex II, I, 25			
Motor-vehicle headlamps (main- and/or dipped-beam) Directive 76/761 Annex II, I, 26			
Front fog lamps for motor vehicles Directive 76/762 Annex II, I, 27			
Motor-vehicle towing-devices Directive 77/389 Annex II, I, 28			
Adapting Dir. 77/389 regarding towing devices Directive 96/64 Annex II, I, 28			
Rear fog lamps for motor vehicles & trailers Directive 77/538 Annex II, I, 29			
Reversing lamps for motor vehicles & trailers Directive 77/539 Annex II, I, 30			
Adapting to technical progress Dir. 77/539 Directive 97/32 Annex II, I, 30			
Parking lamps for motor vehicles Directive 77/540 Annex II, I, 31			
Safety belts and restraint systems of motor veh. Directive 77/541 Annex II, I, 32			
Adapting Dir. 77/541 regarding safety belts Directive 96/36 Annex II, I, 32			
Field of vision of motor-vehicle drivers Directive 77/649 Annex II, I, 33			
Field of vision Directive 90/630 Annex II, I, 33			
Int. fittings of mot.v. (identif. of controls etc.) Directive 78/316 Annex II, I, 34			
Interior fittings (identif. of controls etc.) Directive 93/91 Annex II, I, 34			
Defrosting and demisting systems of motor vehicles Directive 78/317 Annex II, I, 35			
Wiper and washer systems of motor vehicles Directive 78/318 Annex II, I, 36			
Windscreen wiper tech. adaptation Directive Directive 94/68 Annex II, I, 36			
Heating systems for passenger compartm. of mot .v. Directive 78/548 Annex II, I, 37			
Wheel guards of motor vehicles Directive 78/549 Annex II, I, 38			
Wheel guards tech. adaptation Directive Directive 94/78 Annex II, I, 38			

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

TRP: Transition period

PRE: Pre Article 31 letter

LFN: Letter of formal notice

RDO: Reasoned opinion

EFC: Referral to EFTA Court

* Does not include those cases where the EFTA States have notified as fully implemented, but where the corresponding measures have not yet been adopted or do not have been only partially implemented.



Motor Vehicles (cont.)	ISL	LIE	NOR
Head restraints of seats of motor vehicles			
Directive 78/932 Annex II,I,39			
Sound level and exhaust system of motorcycles			
Directive 78/1015 Annex II,I,40			
Rear-view mirrors for two-wheeled motor vehicles			
Directive 80/780 Annex II,I,41			
Fuel consumption of motor vehicles			
Directive 80/1268 Annex II,I,42			
Fuel consumption			
Directive 93/116 Annex II,I,42			
Engine power of motor vehicles			
Directive 80/1269 Annex II,I,43			
Adapting to technical progress Dir. 80/1269			
Directive 97/21 Annex II,I,43			
Emission of gaseous pollutants from diesel engines			
Directive 88/77 Annex II,I,44			
Emission of gaseous pollutants from diesel engines			
Directive 91/542 Annex II,I,44			
Amending emissions from diesel engines			
Directive 96/1 Annex II,I,44			
Lateral protection of motor vehicles & trailers			
Directive 89/297 Annex II,I,45			
Spray-suppression systems			
Directive 91/226 Annex II,I,45a			
Masses and dimensions of M1			
Directive 92/21 Annex II,I,45b			
Masses and dimensions, technical adaptation			
Directive 95/48 Annex II,I,45b			
Safety glazing and glazing materials			
Directive 92/22 Annex II,I,45c			
Tyres			
Directive 92/23 Annex II,I,45d			
Speed limitation devices			
Directive 92/24 Annex II,I,45e			
Type approval of two or three-wheel motor vehicles			
Directive 92/61 Annex II,I,45f			
External projections forward of cab's rear panel			
Directive 92/114 Annex II,I,45g			
Braking of 2- or 3-wheelers			
Directive 93/14 Annex II,I,45h			
Controls, tell-tales etc. for 2- or 3-wheelers			
Directive 93/29 Annex II,I,45i			
Audible warning devices for 2- or 3-wheelers			
Directive 93/30 Annex II,I,45j			
Stands for 2- or 3-wheelers			
Directive 93/31 Annex II,I,45k			
Passenger hand holds on 2-wheelers			
Directive 93/32 Annex II,I,45l			

Motor Vehicles (cont.)	ISL	LIE	NOR
Protective devices (anti-vol) of 2- or 3-wheelers			
Directive 93/33 Annex II, I, 45m			
Statutory markings for 2- or 3-wheelers			
Directive 93/34 Annex II, I, 45n			
Lighting and light signalling on 2- or 3-wheelers			
Directive 93/92 Annex II, I, 45o			
Masses and dimensions of 2- or 3-wheelers			
Directive 93/93 Annex II, I, 45p			
Rear registration plate space of 2- or 3-wheelers			
Directive 93/94 Annex II, I, 45q			
Mechanical coupling devices			
Directive 94/20 Annex II, I, 45r			
Maximum design speed Directive			
Directive 95/1 Annex II, I, 45s			
Burning behaviour of materials			
Directive 95/28 Annex II, I, 45t			
Protection in event of side impact			
Directive 96/27 Annex II, I, 45u			
Frontal impact resistance			
Directive 96/79 Annex II, I, 45v			
Masses and dimensions			
Directive 97/27 Annex II, I, 45w			
Agriculture and Forestry Tractors	ISL	LIE	NOR
Type approval of tractors			
Directive 74/150 Annex II, II, 1			
Certain parts and characteristics of tractors			
Directive 74/151 Annex II, II, 2			
Maximum design speed & load platforms of tractors			
Directive 74/152 Annex II, II, 3			
Rear-view mirrors for tractors			
Directive 74/346 Annex II, II, 4			
Field of vision and windscreen wipers for tractors			
Directive 74/347 Annex II, II, 5			
Steering equipment of tractors			
Directive 75/321 Annex II, II, 6			
Radio interference produced by tractors			
Directive 75/322 Annex II, II, 7			
Braking devices of tractors			
Directive 76/432 Annex II, II, 8			



Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

RDO: Reasoned opinion

PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

* Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

Agriculture and Forestry Tractors (cont.)			ISL	LIE	NOR
Amending Dir. 76/432 on braking devices					
Directive	96/63	Annex II,II,8			
Passenger seats for tractors					
Directive	76/763	Annex II,II,9			
Driver-perceived noise level of tractors					
Directive	77/311	Annex II,II,10			
Roll-over protection structures of tractors					
Directive	77/536	Annex II,II,11			
Emissions from diesel engines for tractors					
Directive	77/537	Annex II,II,12			
Driver's seat on tractors					
Directive	78/764	Annex II,II,13			
Lighting and light-signalling devices on tractors					
Directive	78/933	Annex II,II,14			
Type-approval of lighting & signalling - tractors					
Directive	79/532	Annex II,II,15			
Coupling device and reverse of tractors					
Directive	79/533	Annex II,II,16			
Roll-over protection structures of tractors					
Directive	79/622	Annex II,II,17			
Operating space etc. of tractors					
Directive	80/720	Annex II,II,18			
Power take-offs of tractors					
Directive	86/297	Annex II,II,19			
Rear roll-over protection of narrow track tractors					
Directive	86/298	Annex II,II,20			
Controls of tractors					
Directive	86/415	Annex II,II,21			
Front roll-over protection - narrow track tractors					
Directive	87/402	Annex II,II,22			
Certain components & characteristics of tractors					
Directive	89/173	Annex II,II,23			
Lifting and Mechanical Handling Appliances			ISL	LIE	NOR
Lifting and mechanical handling appliances					
Directive	84/528	Annex II,III,2			
Electrically operated lifts					
Directive	84/529	Annex II,III,3			
Self-propelled industrial trucks					
Directive	86/663	Annex II,III,4			
Lifts					
Directive	95/16	Annex II,III,5			
Household Appliances			ISL	LIE	NOR
Electric ovens, labelling of energy consumption					
Directive	79/531	Annex II,IV,2	NNN		NNN

Household Appliances (cont.)	ISL	LIE	NOR
Noise emitted by household appliances			
Directive 86/594 Annex II,IV,3			
Labelling of household appliances			
Directive 92/75 Annex II,IV,4			
Energy labelling of household appliances			
Directive 94/2 Annex II,IV,4a			
Energy labelling of washing machines			
Directive 95/12 Annex II,IV,4b			
Amending Directive 95/12	LFN		
Directive 96/89 Annex II,IV,4b			
Energy labelling of tumble dryers			
Directive 95/13 Annex II,IV,4c			
Labelling of combined washer-driers	LFN		
Directive 96/60 Annex II,IV,4d			
Gas Appliances	ISL	LIE	NOR
Gas appliances			
Directive 90/396 Annex II,V,2			
Hot-water boilers			
Directive 92/42 Annex II,V,3			
Construction Plant and Equipment	ISL	LIE	NOR
Noise emission of construction plant and equipment			
Directive 79/113 Annex II,VI,1			
Construction plant and equipment			
Directive 84/532 Annex II,VI,2			
Compressors			
Directive 84/533 Annex II,VI,3			
Tower cranes			
Directive 84/534 Annex II,VI,4			
Welding generators			
Directive 84/535 Annex II,VI,5			
Power generators			
Directive 84/536 Annex II,VI,6			
Concrete-breakers and picks			
Directive 84/537 Annex II,VI,7			
Roll-over protective structures			
Directive 86/295 Annex II,VI,8			
Falling-object protective structures			
Directive 86/296 Annex II,VI,9			
Excavators, dozers and loaders			
Directive 86/662 Annex II,VI,10			
Noise limitation by excavators, dozers etc.			
Directive 95/27 Annex II,VI,10			

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

RDO: Reasoned opinion

PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

*1 Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority seems not to have been implemented, or to have been only partially implemented.



Other Machines			ISL	LIE	NOR
Lawnmowers					
Directive	84/538	Annex II,VII,1			
Pressure Vessels			ISL	LIE	NOR
Aerosol dispensers					
Directive	75/324	Annex II,VIII,1			
Aerosol dispensers					
Directive	94/1	Annex II,VIII,1			
Pressure vessels					
Directive	76/767	Annex II,VIII,2			
Seamless steel gas cylinders					
Directive	84/525	Annex II,VIII,3			
Seamless aluminium gas cylinders					
Directive	84/526	Annex II,VIII,4			
Welded steel gas cylinders					
Directive	84/527	Annex II,VIII,5			
Simple pressure vessels					
Directive	87/404	Annex II,VIII,6			
Measuring Instruments			ISL	LIE	NOR
Measuring instruments & metrological control - FD					
Directive	71/316	Annex II,IX,1			
5 - 50 kg bar and 1 g - 10 kg cylindrical weights					
Directive	71/317	Annex II,IX,2			
Gas volume meters					
Directive	71/318	Annex II,IX,3			
Meters for liquids other than water					
Directive	71/319	Annex II,IX,4			
Meas. standard mass per storage volume of grain					
Directive	71/347	Annex II,IX,5			
Ancillary equipment for non-water liquid meters					
Directive	71/348	Annex II,IX,6			
Calibration of tanks of vessels					
Directive	71/349	Annex II,IX,7			
Non-automatic weighing machines (old)					
Directive	73/360	Annex II,IX,8			
Material measures of length					
Directive	73/362	Annex II,IX,9			
Weights of 1 mg - 50 kg above medium-accuracy					
Directive	74/148	Annex II,IX,10			
Cold-water meters					
Directive	75/33	Annex II,IX,11			
Making up by volume of prepacked liquids					
Directive	75/106	Annex II,IX,12			
Bottles used as measuring containers					
Directive	75/107	Annex II,IX,13			
Continuous totalizing weighing machines					
Directive	75/410	Annex II,IX,14			

Measuring Instruments (cont.)	ISL	LIE	NOR
Making up by weight or volume prepackaged product			
Directive 76/211 Annex II, IX, 15			
Clinical mercury-in-glass thermometers			
Directive 76/764 Annex II, IX, 16			
Alcoholometers and alcohol hydrometers			
Directive 76/765 Annex II, IX, 17			
Alcohol tables			
Directive 76/766 Annex II, IX, 18			
Electrical energy meters			
Directive 76/891 Annex II, IX, 19			
Taximeters			
Directive 77/95 Annex II, IX, 20			
Measuring systems for liquids other than water			
Directive 77/313 Annex II, IX, 21			
Automatic checkweighing & weight grading machines			
Directive 78/1031 Annex II, IX, 22			
Hot water meters			
Directive 79/830 Annex II, IX, 23			
Units of measurement			
Directive 80/181 Annex II, IX, 24			
Prepackaged products - nom. quantities, capacities			
Directive 80/232 Annex II, IX, 25			
Tyre pressure gauges for motor vehicles			
Directive 86/217 Annex II, IX, 26			
Non-automatic weighing instruments (NAWI)			
Directive 90/384 Annex II, IX, 27			
Electrical Equipment	ISL	LIE	NOR
Low Voltage Directive (LVD)			
Directive 73/23 Annex II, X, 1			
Electrical Ex Equipment Directive			
Directive 76/117 Annex II, X, 2			
Implementation of Electrical Ex Equip. Directive			
Directive 79/196 Annex II, X, 3			
Electrical Equipment			
Directive 97/53 Annex II, X, 3			
Electrical Ex in Mines Directive			
Directive 82/130 Annex II, X, 4			
New Annex A to Dir. 82/130			
Directive 94/44 Annex II, X, 4			
Electro-medical equipment			
Directive 84/539 Annex II, X, 5			
Electromagnetic Compatibility Directive (EMC)			
Directive 89/336 Annex II, X, 6			
Amending EMC Directive			
Directive 92/31 Annex II, X, 6			

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-Implementation:



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

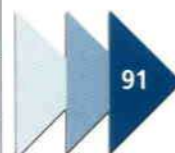
TRP: Transition period

RDO: Reasoned opinion

PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

(*) Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority feels not to have been implemented, or to have been only partially implemented.



Electrical Equipment (cont.)			ISL	LIE	NOR
Active Implantable Medical Devices (AIMD)					
Directive	90/385	Annex II,X,7			
ATEX Directive					
Directive	94/9	Annex II,X,7a			
New Annex I for Dir. 79/196					
Directive	94/26	Annex II,X,7b			
Textiles			ISL	LIE	NOR
Quantitative analysis of ternary fibre mixtures					
Directive	73/44	Annex II,XI,3			
Quantitative analysis of binary textile					
Directive	96/73	Annex II,XI,4a			
Textile names					
Directive	96/74	Annex II,XI,4b			
Adapting to technical progress Dir. 96/74				LFN	
Directive	97/37	Annex II,XI,4b			
Foodstuffs			ISL	LIE	NOR
Colourants					
Directive	62/2645	Annex II,XII,1		TRP	
Preservatives					
Directive	64/54	Annex II,XII,2		TRP	
Purity of preservatives					
Directive	65/66	Annex II,XII,3		TRP	
Use of preservatives on citrus fruit					
Directive	67/427	Annex II,XII,4		TRP	
Antioxidants					
Directive	70/357	Annex II,XII,5		TRP	
Cocoa and chocolate					
Directive	73/241	Annex II,XII,6		TRP	
Sugars for human consumption					
Directive	73/437	Annex II,XII,7		TRP	
Emulsifiers, stabilizers and thickeners					
Directive	74/329	Annex II,XII,8		TRP	
Honey					
Directive	74/409	Annex II,XII,9		TRP	
Dehydrated preserved milk					
Directive	76/118	Annex II,XII,11		TRP	
Erucic acid in oils and fats					
Directive	76/621	Annex II,XII,12		TRP	
Pesticides in fruit and vegetables - basic act					
Directive	76/895	Annex II,XII,13		TRP	
Pesticides in fruit and vegetables - annex					
Directive	93/58	Annex II,XII,13		TRP	
Pesticides in fruit and vegetables - annex					
Directive	96/32	Annex II,XII,13		TRP	
Pesticide residues - general amendment					
Directive	97/41	Annex II,XII,13		TRP	

Foodstuffs (cont.)	ISL	LIE	NOR
Coffee and chicory extracts			
Directive 77/436 Annex II,XII,14		TRP	
Materials and articles - vinyl chloride			
Directive 78/142 Annex II,XII,15		TRP	
Purity criteria for miscellaneous additives			
Directive 78/663 Annex II,XII,16		TRP	
Purity of miscellaneous additives - amendment			
Directive 92/4 Annex II,XII,16		TRP	
Purity criteria for antioxidants			
Directive 78/664 Annex II,XII,17		TRP	
Labelling of foodstuffs - basic act			
Directive 79/112 Annex II,XII,18		TRP	
Labelling - categories			
Directive 93/102 Annex II,XII,18		TRP	
Labelling - packaging gases			
Directive 94/54 Annex II,XII,18		TRP	
Labelling - sell out stocks			
Directive 95/42 Annex II,XII,18		TRP	
Labelling - food containing sweeteners			
Directive 96/21 Annex II,XII,18		TRP	
Labelling - QUID			
Directive 97/4 Annex II,XII,18		TRP	
Fruit jams, jellies and marmalades			
Directive 79/693 Annex II,XII,19		TRP	
Pesticides - sampling methods			
Directive 79/700 Annex II,XII,20		TRP	
Sugars - methods of analysis			
Directive 79/796 Annex II,XII,21		TRP	
Coffee and chicory - methods of analysis			
Directive 79/1066 Annex II,XII,22		TRP	
Dehydrated preserved milk - methods of analysis			
Directive 79/1067 Annex II,XII,23		TRP	
Symbol - materials in contact with foodstuffs			
Directive 80/590 Annex II,XII,24		TRP	
Vinyl chloride monomer - methods of analysis			
Directive 80/766 Annex II,XII,25		TRP	
Natural mineral waters			
Directive 80/777 Annex II,XII,26		TRP	
Natural mineral waters - amendment			
Directive 96/70 Annex II,XII,26		TRP	
Erucic acid in oils and fats - methods of analysis			
Directive 80/891 Annex II,XII,27		TRP	
Vinyl chloride - methods of analysis			
Directive 81/432 Annex II,XII,28		TRP	
Purity of additives - methods of analysis			
Directive 81/712 Annex II,XII,29		TRP	

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

TRP: Transition period

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Foodstuffs (cont.)			ISL	LIE	NOR
Migration constituents of plastic materials					
Directive	82/711	Annex II,XII,30		TRP	
Migration constituents of plastic materials					
Directive	93/8	Annex II,XII,30		TRP	
Migration constituents of plastic materials					
Directive	97/48	Annex II,XII,30		TRP	
Lactoproteins - caseins and caseinates					
Directive	83/417	Annex II,XII,32		TRP	
Labelling - EEC numbers					
Directive	83/463	Annex II,XII,33		TRP	
Ceramic articles					
Directive	84/500	Annex II,XII,34		TRP	
Caseins and caseinates - methods of analysis					
Directive	85/503	Annex II,XII,35		TRP	
Simulants - testing migration of plastics					
Directive	85/572	Annex II,XII,36		TRP	
Sampling and analysis of foodstuffs - basic act					
Directive	85/591	Annex II,XII,37	NNN	TRP	NNN
Pesticides in cereals - basic act					
Directive	86/362	Annex II,XII,38		TRP	
Pesticides in cereals - annex					
Directive	93/57	Annex II,XII,38		TRP	
Pesticides in cereals and fruit - annex					
Directive	94/29	Annex II,XII,38		TRP	
Pesticides in cereals - annex					
Directive	95/39	Annex II,XII,38		TRP	
Pesticides in cereals - annex					
Directive	96/33	Annex II,XII,38		TRP	
Pesticides in food of animal origin - basic act					
Directive	86/363	Annex II,XII,39		TRP	
Caseins and caseinates - sampling methods					
Directive	86/424	Annex II,XII,40		TRP	
Labelling of alcoholic beverages					
Directive	87/250	Annex II,XII,41		TRP	
Preserved milk - sampling methods					
Directive	87/524	Annex II,XII,42		TRP	
Extraction solvents - basic act					
Directive	88/344	Annex II,XII,43		TRP	
Extraction solvents - 1st amendment					
Directive	92/115	Annex II,XII,43		TRP	
Extraction solvents - amendment					
Directive	97/60	Annex II,XII,43		TRP	
Flavourings - basic act					
Directive	88/388	Annex II,XII,44		TRP	
Food additives - framework Directive					
Directive	89/107	Annex II,XII,46		TRP	
Food additives - traditional foods					
Directive	94/34	Annex II,XII,46	NNN	TRP	NNN
Purity of miscellaneous additives					
Directive	96/77	Annex II,XII,46		TRP	

Foodstuffs (cont.)	ISL	LIE	NOR
Purity of sweeteners in foodstuffs			
Directive 95/31 Annex II,XII,46a		TRP	
Purity criteria for colourants			
Directive 95/45 Annex II,XII,46b		TRP	
Quick frozen foodstuffs			
Directive 89/108 Annex II,XII,47		TRP	
Materials and articles in contact with food			
Directive 89/109 Annex II,XII,48		TRP	
Labelling of foodstuffs - lot numbers			
Directive 89/396 Annex II,XII,49		TRP	
Labelling of foodstuffs - lot numbers			
Directive 92/11 Annex II,XII,49		TRP	
Official control of foodstuffs			
Directive 89/397 Annex II,XII,50		TRP	
Food for particular nutritional uses - basic act			
Directive 89/398 Annex II,XII,51		TRP	
Plastic materials and articles			
Directive 90/128 Annex II,XII,52		TRP	
Plastic materials and articles - amendment			
Directive 92/39 Annex II,XII,52		TRP	
Plastic materials and articles - amendment			
Directive 93/9 Annex II,XII,52		TRP	
Plastic materials and articles - amendment			
Directive 95/3 Annex II,XII,52		TRP	
Plastic materials and articles - amendment			
Directive 96/11 Annex II,XII,52		TRP	
Nutritional labelling			
Directive 90/496 Annex II,XII,53		TRP	
Pesticides in fruit and vegetables			
Directive 90/642 Annex II,XII,54		TRP	
Pesticides in fruit and vegetables - annex			
Directive 94/30 Annex II,XII,54		TRP	
Pesticides in fruit and vegetables - annex			
Directive 95/38 Annex II,XII,54		TRP	
Pesticides in fruit and vegetables - annex			
Directive 95/61 Annex II,XII,54		TRP	
Infant formulae and follow-on formulae			
Directive 91/321 Annex II,XII,54a		TRP	LFN
Quick-frozen food - monitoring temperatures			
Directive 92/1 Annex II,XII,54c		TRP	
Quick-frozen food - sampling and analysis			
Directive 92/2 Annex II,XII,54d		TRP	
Scientific co-operation			
Directive 93/5 Annex II,XII,54g	NNN	TRP	NNN
Plastic materials and articles - cellulose film			
Directive 93/10 Annex II,XII,54h		TRP	

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

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Foodstuffs (cont.)			ISL	LIE	NOR
Plastic materials and articles - cellulose film					
Directive	93/111	Annex II,XII,54h		TRP	
Rubber teats and soothers - release of substances					
Directive	93/11	Annex II,XII,54i		TRP	
Hygiene of foodstuffs					
Directive	93/43	Annex II,XII,54j		TRP	
Hygiene of foodstuffs - bulk liquid oils and fats					
Directive	96/3	Annex II,XII,54j		TRP	
Nectars without sugars and honey					
Directive	93/45	Annex II,XII,54k		TRP	
Fruit juices					
Directive	93/77	Annex II,XII,54m		TRP	
Additional control measures for foodstuffs					
Directive	93/99	Annex II,XII,54n		TRP	
Energy restricted diets					
Directive	96/8	Annex II,XII,54p		TRP	
Medicinal Products			ISL	LIE	NOR
First Directive PMP					
Directive	65/65	Annex II,XIII,1			LFN
Homeopathic pharmaceuticals					
Directive	92/73	Annex II,XIII,1			
Standards and testing PMP					
Directive	75/318	Annex II,XIII,2			
Testing/amending annex					
Directive	91/507	Annex II,XIII,2			
Second Directive PMP					
Directive	75/319	Annex II,XIII,3			LFN
Colouring matters					
Directive	78/25	Annex II,XIII,4			
VMP					
Directive	81/851	Annex II,XIII,5			
Homeopathic veterinary pharmaceuticals					
Directive	92/74	Annex II,XIII,5			
Standards and testing VMP					
Directive	81/852	Annex II,XIII,6			
Standards and testing/Annex modified					
Directive	92/18	Annex II,XIII,6			
Protection of experimental animals					
Directive	86/609	Annex II,XIII,7	PRE		
High-tech and biotech					
Directive	87/22	Annex II,XIII,8			
Pricing of pharmaceuticals					
Directive	89/105	Annex II,XIII,9			LFN
Immunological PMP					
Directive	89/342	Annex II,XIII,10			
Radiopharmaceuticals					
Directive	89/343	Annex II,XIII,11			

Medicinal Products (cont.)			ISL	LIE	NOR
Human blood					
Directive 89/381	Annex II, XIII, 12				
Immunological VMP					
Directive 90/677	Annex II, XIII, 13				
Good manufacturing practice					
Directive 91/356	Annex II, XIII, 15				
Good manufacturing practice/VMP					
Directive 91/412	Annex II, XIII, 15a				
Wholesale distribution					
Directive 92/25	Annex II, XIII, 15b				LFN
Classification for supply					
Directive 92/26	Annex II, XIII, 15c				
Labelling of pharmaceuticals					
Directive 92/27	Annex II, XIII, 15d				LFN
Advertising of pharmaceuticals					
Directive 92/28	Annex II, XIII, 15e				
Narcotic precursors					
Directive 92/109	Annex II, XIII, 15f				
Narcotic precursors/Annex modified					
Directive 93/46	Annex II, XIII, 15f				
Fertilisers			ISL	LIE	NOR
Fertilizers Directive					
Directive 76/116	Annex II, XIV, 1				
Fertilizers Directive					
Directive 93/69	Annex II, XIV, 1				
Fertilizers - EC marketing					
Directive 97/63	Annex II, XIV, 1				
Analysis of fertilizers					
Directive 77/535	Annex II, XIV, 2				
Analysis of fertilizers					
Directive 93/1	Annex II, XIV, 2				
Analysis of fertilisers					
Directive 95/8	Annex II, XIV, 2				
High nitrogen fertilizers					
Directive 80/876	Annex II, XIV, 3				
Detonation of hi-N fertilizers					
Directive 87/94	Annex II, XIV, 4				
Trace elements in fertilizers					
Directive 89/284	Annex II, XIV, 5				
Analysis of fertilizers, add					
Directive 89/519	Annex II, XIV, 6				
Trace elements in fertilizers, add					
Directive 89/530	Annex II, XIV, 7				

Meaning of shades:

No duty to implement:

Full implementation notified*

Partial implementation:

Non-implementation:

Meaning of abbreviations:

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Dangerous Substances	ISL	LIE	NOR
Substance Directive - basic act			
Directive 67/548 Annex II,XV,1	LFN		
Substance Directive - child res.fast.			
Directive 91/410 Annex II,XV,1			
Substance Directive - 15th TA			
Directive 91/632 Annex II,XV,1	LFN		
Substance Directive - 7th amendment			
Directive 92/32 Annex II,XV,1	LFN		
Substance Directive - 16th TA			
Directive 92/37 Annex II,XV,1	LFN		
Substance Directive - 17th TA			
Directive 92/69 Annex II,XV,1	LFN		
Substance Directive - 20th TA			
Directive 93/101 Annex II,XV,1			
Substance Directive - polymers			
Directive 93/105 Annex II,XV,1	LFN		
Substance Directive - 18th TA			
Directive 93/21 Annex II,XV,1	LFN		
Substance Directive - 19th TA			
Directive 93/72 Annex II,XV,1	LFN		
Substance Directive - pesticides			
Directive 93/90 Annex II,XV,1			
Substance Directive - EC number			
Directive 96/56 Annex II,XV,1			
Non-ionic detergents			
Directive 73/404 Annex II,XV,2			
Anionic detergents			
Directive 73/405 Annex II,XV,3			
Restrictions Directive			
Directive 76/769 Annex II,XV,4			
Restrictions Directive - asbestos			
Directive 91/659 Annex II, XV,4	NNN	NNN	NNN
Restrictions Directive - nickel			
Directive 94/27 Annex II,XV,4	NNN	NNN	NNN
Aerosol restrictions - 13th amendment			
Directive 94/48 Annex II,XV,4	NNN	NNN	NNN
CMR restrictions - 14th TA			
Directive 94/60 Annex II,XV,4			
Restrictions - chlorinated solvents			
Directive 96/55 Annex II,XV,4			
CMR restrictions - 3rd TA			
Directive 97/10 Annex II,XV,4			
HCE restrictions - 15th TA			
Directive 97/16 Annex II,XV,4			LFN
CMT restrictions - 16th amendment			
Directive 97/56 Annex II,XV,4			
Restriction on lamp oils			
Directive 97/64 Annex II,XV,4			
Pesticides Directive			
Directive 78/631 Annex II,XV,5	NNN	NNN	NNN

Dangerous Substances (cont.)			ISL	LIE	NOR
PPP Directive old					
Directive	79/117	Annex II, XV, 6	NNN	NNN	NNN
PPP Directive					
Directive	90/335	Annex II, XV, 6	NNN	NNN	NNN
Non-ionic detergent biodegradability					
Directive	82/242	Annex II, XV, 7			
GLP Directive					
Directive	87/18	Annex II, XV, 8			
Inspection of GLP					
Directive	88/320	Annex II, XV, 9			
Inspection of GLP - amending Annex					
Directive	90/18	Annex II, XV, 9			
Preparations Directive					
Directive	88/379	Annex II, XV, 10	LFN		
Preparations Directive - SDS					
Directive	93/112	Annex II, XV, 10	LFN		
Preparations Directive - 3rd TA					
Directive	93/18	Annex II, XV, 10	LFN		
Aspiration hazard					
Directive	96/65	Annex II, XV, 10			
Batteries Directive					
Directive	91/157	Annex II, XV, 11			
Batteries Directive - amending					
Directive	93/86	Annex II, XV, 11			
PPP Directive new					
Directive	91/414	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive new - amendment					
Directive	93/71	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - active substances					
Directive	94/37	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - uniform principles					
Directive	94/43	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - amending Annexes II and III					
Directive	94/79	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - amending Annexes II and III					
Directive	95/35	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - environment					
Directive	95/36	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - ecotox studies					
Directive	96/12	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - analytical methods					
Directive	96/46	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - amending Annexes II and III					
Directive	96/68	Annex II, XV, 12a	NNN	NNN	NNN
PPP Directive - uniform principles					
Directive	97/57	Annex II, XV, 12a	NNN	NNN	NNN

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

RDO: Reasoned opinion

PRE: Pre-Article 31 letter

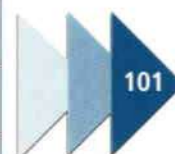
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Dangerous Substances (cont.)			ISL	LIE	NOR
Fastenings on preparations					
Directive	91/442	Annex II,XV,12b			
Risk assessment of new chemicals			LFN		
Directive	93/67	Annex II,XV,12d			
Cosmetics			ISL	LIE	NOR
Cosmetics - basic act					
Directive	76/768	Annex II,XVI,1			
Cosmetics - 14th TA					
Directive	92/8	Annex II,XVI,1			
Cosmetics - 15th TA					
Directive	92/86	Annex II,XVI,1			
Cosmetics - 6th amendment					
Directive	93/35	Annex II,XVI,1			
Cosmetics - 16th TA					
Directive	93/47	Annex II,XVI,1			
Cosmetics - 17th TA					
Directive	94/32	Annex II,XVI,1			
Cosmetics - 18th TA					
Directive	95/34	Annex II,XVI,1			
Cosmetics - 19th TA					
Directive	96/41	Annex II,XVI,1			
Cosmetics - 20th TA			LFN		LFN
Directive	97/1	Annex II,XVI,1			
Cosmetics - animal testing			LFN		
Directive	97/18	Annex II,XVI,1			
Cosmetics - 1st Directive on analysis					
Directive	80/1335	Annex II,XVI,2			
Cosmetics - 2nd Directive on analysis					
Directive	82/434	Annex II,XVI,3			
Cosmetics - 3rd Directive on analysis					
Directive	83/514	Annex II,XVI,4			
Cosmetics - 4th Directive on analysis					
Directive	85/490	Annex II,XVI,5			
Cosmetics - 5th Directive on analysis					
Directive	93/73	Annex II,XVI,6			
Cosmetics - 6th Directive on analysis					
Directive	95/32	Annex II,XVI,7			
Cosmetics - 7th Directive on analysis					
Directive	96/45	Annex II,XVI,8			
Cosmetics - confidentiality rules			LFN		
Directive	95/17	Annex II,XVI,9			
Environment Protection			ISL	LIE	NOR
Noise from aircrafts				NNN	
Directive	80/51	Annex II,XVII,2			
Lead in petrol					
Directive	85/210	Annex II,XVII,3			

Environment Protection (cont.)			ISL	LIE	NOR
Noise from jets					
Directive	89/629	Annex II, XVII, 5		NNN	
Sulphur in fuels new					
Directive	93/12	Annex II, XVII, 6			
Packaging and packaging waste					
Directive	94/62	Annex II, XVII, 7			
Volatile organic compounds emissions			LFN		LFN
Directive	94/63	Annex II, XVII, 8			
Information Technology			ISL	LIE	NOR
Approval of Terminal Equipment Directive					
Directive	91/263	Annex II, XVIII, 4			
Satellite earth station equipment					
Directive	93/97	Annex II, XVIII, 4			
General TBT			ISL	LIE	NOR
Information procedure on draft technical reg.					
Directive	83/189	Annex II, XIX, 1			
Information procedure/ second amendment					
Directive	94/10	Annex II, XIX, 1			
General Product Safety					
Directive	92/59	Annex II, XIX, 3a			
New approach Directives/amendments					
Directive	93/68	Annex II, XIX, 3c			
Labelling of footwear					
Directive	94/11	Annex II, XIX, 3e			
Crystal glass					
Directive	69/493	Annex II, XIX, 3g			
Construction Products			ISL	LIE	NOR
Construction products					
Directive	89/106	Annex II, XXI, 1			
Personal Protection Equipment			ISL	LIE	NOR
Personal protective equipment					
Directive	89/686	Annex II, XXII, 1			
Personal protective equipment					
Directive	93/95	Annex II, XXII, 1			
Personal protective equipment - amending Dir. 89/686					
Directive	96/58	Annex II, XXII, 1			



Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

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Toys			ISL	LIE	NOR
Safety of toys Directive	88/378	Annex II, XXIII, 1			
Machinery			ISL	LIE	NOR
Machinery Directive	89/392	Annex II, XXIV, 1			
Machinery Directive	93/44	Annex II, XXIV, 1			
Tobacco			ISL	LIE	NOR
Labelling of tobacco products Directive	89/622	Annex II, XXV, 1			
Tobacco Directive (snus) - amending Directive	92/41	Annex II, XXV, 1			
Tar yield of cigarettes Directive	90/239	Annex II, XXV, 2			
Cultural Goods			ISL	LIE	NOR
Return of cultural objects Directive	93/7	Annex II, XXVIII, 1	PRE	RDO	
Explosives for Civil Use			ISL	LIE	NOR
Explosives for civil use Directive	93/15	Annex II, XXIX, 1			
Medical Devices			ISL	LIE	NOR
Medical devices Directive	93/42	Annex II, XXX, 1			
Recreational Craft			ISL	LIE	NOR
Recreational craft Directive	94/25	Annex II, XXXI, 1			
Product Liability			ISL	LIE	NOR
Product liability Directive	85/374	Annex III			
Energy			ISL	LIE	NOR
Prices of crude oil Directive	76/491	Annex IV, 3			

Energy (cont.)			ISL	LIE	NOR
Heat generators					
Directive	78/170	Annex IV,4			
Substitute fuel components in petrol			NNN		NNN
Directive	85/536	Annex IV,6			
Transit of electricity			NNN		
Directive	90/547	Annex IV,8			
Transit of gas			NNN		NNN
Directive	91/296	Annex IV,9			
Hydrocarbon licensing			NNN	NNN	
Directive	94/22	Annex IV,12			
Intellectual Property			ISL	LIE	NOR
Protection of topographies of semiconductor prod.					
Directive	87/54	Annex XVII,1			
Trade marks law					
Directive	89/104	Annex XVII,4			
Software Directive					
Directive	91/250	Annex XVII,5			
Rental-, lending-, copy-right					
Directive	92/100	Annex XVII,7			
Copyright, satellite broadcast/cable retransm.					
Directive	93/83	Annex XVII,8			
Duration of copyright/other related rights					
Directive	93/98	Annex XVII,9			
Animal Health			ISL	LIE	NOR
Intra Com. trade in bovine animals and swine			NNN	TRP	
Directive	64/432	Annex I,1,1			
Amending Dir. 64/432 trade cattle and swine			NNN	TRP	
Directive	91/499	Annex I,1,1			
Control CSF			NNN	TRP	
Directive	91/687	Annex I,1,1			
Balai animals			NNN	TRP	
Directive	92/65	Annex I,1,1			
Animal health - Intra Com. trade sheep and goats			NNN	TRP	NNN
Directive	91/68	Annex I,1,2			
Animal health - Intra Com. movement of equidae			NNN	TRP	
Directive	90/426	Annex I,1,3			
Animal health - movement of equidae			NNN	TRP	
Directive	92/36	Annex I,1,3			
Animal health - Intra Com. trade poultry			NNN	TRP	
Directive	90/539	Annex I,1,4			
Poultry			NNN	TRP	
Directive	93/120	Annex I,1,4			

Meaning of shades:

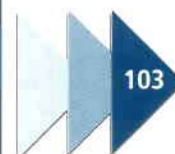
No duty to implement: 
Full implementation notified*: 

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Animal Health (cont.)			ISL	LIE	NOR
Animal health - placing on the mkt. aquaculture					
Directive	91/67	Annex I,I,5		TRP	
Amending Dir. 91/67 Aquaculture					
Directive	93/54	Annex I,I,5		TRP	
Animal health - Intra Com. trade in bovine embryos			NNN	TRP	
Directive	89/556	Annex I,I,6	NNN	TRP	
Amending Dir. 89/556 Bovine embryos			NNN	TRP	
Directive	93/52	Annex I,I,6	NNN	TRP	
Animal health - Intra Com. trade bovine semen			NNN	TRP	
Directive	88/407	Annex I,I,7	NNN	TRP	
Amending Dir. 89/556 Bovine semen			NNN	TRP	
Directive	93/60	Annex I,I,7	NNN	TRP	
Animal health - Intra Com. trade porcine semen			NNN	TRP	
Directive	90/429	Annex I,I,8	NNN	TRP	
Animal health - Intra Com. trade fresh meat			NNN	TRP	
Directive	72/461	Annex I,I,9	NNN	TRP	
Animal health - Intra Com. trade poultry meat			NNN	TRP	
Directive	91/494	Annex I,I,10	NNN	TRP	
Amending Dir. 91/494 Poultry meat			NNN	TRP	
Directive	92/116	Annex I,I,10	NNN	TRP	
Poultry meat			NNN	TRP	
Directive	93/121	Annex I,I,10	NNN	TRP	
Animal health - meat products			NNN	TRP	
Directive	80/215	Annex I,I,11	NNN	TRP	
Control of Foot and Mouth Disease (FMD)			NNN	TRP	
Directive	85/511	Annex I,I,12	NNN	TRP	
Control of Foot and Mouth Disease			NNN	TRP	
Directive	90/423	Annex I,I,13	NNN	TRP	
Control of Classical Swine Fever (CSF)			NNN	TRP	
Directive	80/217	Annex I,I,14	NNN	TRP	
Control of CSF			NNN	TRP	
Directive	91/685	Annex I,I,14	NNN	TRP	
Control of African Horse Sickness (AHS)			NNN	TRP	
Directive	92/35	Annex I,I,14a	NNN	TRP	
Control of Avian influenza			NNN	TRP	
Directive	92/40	Annex I,I,14b	NNN	TRP	
Control of Newcastle disease			NNN	TRP	
Directive	92/66	Annex I,I,14c	NNN	TRP	
Control of fish diseases				TRP	
Directive	93/53	Annex I,I,14d		TRP	
Control of SVD and general control Directive			NNN	TRP	
Directive	92/119	Annex I,I,14e	NNN	TRP	
Animal disease notification			NNN	TRP	
Directive	82/894	Annex I,I,15	NNN	TRP	
Mixed Group			ISL	LIE	NOR
Heat treated milk			NNN	TRP	
Directive	92/46	Annex I,I,31a	NNN	TRP	

Mixed Group (cont.)			ISL	LIE	NOR
Derogations milk					
Directive	92/47	Annex I,I,31b	NNN	TRP	
Animal waste					
Directive	90/667	Annex I,I,32		TRP	LFN
Medicated feedingstuffs					
Directive	90/167	Annex I,I,33	NNN	TRP	
Rabbit meat and farmed game meat					
Directive	91/495	Annex I,I,34	NNN	TRP	
Wild game and wild game meat					
Directive	92/45	Annex I,I,34a	NNN	TRP	
Products of other animals					
Directive	92/118	Annex I,I,34b		TRP	
Zoonoses					
Directive	92/117	Annex I,I,34c	NNN	TRP	
Mutual assistance					
Directive	89/608	Annex I,I,35	NNN	TRP	
Milk hygiene					
Directive	89/362	Annex I,I,74	NNN	TRP	
Checks on untreated milk					
Directive	89/384	Annex I,I,75	NNN	TRP	
Public Health			ISL	LIE	NOR
Fresh meat					
Directive	64/433	Annex I,I,18	NNN	TRP	
Fresh meat					
Directive	92/5	Annex I,I,18	NNN	TRP	
Derogations fresh meat					
Directive	91/498	Annex I,I,19	NNN	TRP	
Fresh poultry meat					
Directive	71/118	Annex I,I,20	NNN	TRP	
Meat products					
Directive	77/99	Annex I,I,21	NNN	TRP	
Temporary derogations on health rules					
Directive	92/120	Annex I,I,21a	NNN	TRP	
Minced meat					
Directive	88/657	Annex I,I,22	NNN	TRP	LFN
Minced meat					
Directive	92/110	Annex I,I,22	NNN	TRP	LFN
Egg products					
Directive	89/437	Annex I,I,23	NNN	TRP	
Egg products					
Directive	91/684	Annex I,I,23	NNN	TRP	
Fishery products					
Directive	91/493	Annex I,I,24		TRP	
Fishery products - vessels					
Directive	92/48	Annex I,I,24a		TRP	

Meaning of shades:

No duty to implement



Partial implementation:



Full implementation notified*



Non-implementation



Meaning of abbreviations:

NNN: No measures necessary

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Public Health (cont.)			ISL	LIE	NOR
Molluscs					
Directive	91/492	Annex I,I,25		TRP	
Hormones					
Directive	81/602	Annex I,I,26	NNN	TRP	
Hormones					
Directive	85/358	Annex I,I,27	NNN	TRP	
Hormones in livestock					
Directive	88/146	Annex I,I,28	NNN	TRP	
Residues					
Directive	86/469	Annex I,I,29	NNN	TRP	
Derogations - small percentage meat					
Directive	83/201	Annex I,I,68	NNN	TRP	
Hormones in animals					
Directive	88/299	Annex I,I,73	NNN	TRP	
Zootechnics			ISL	LIE	NOR
Zootechnics for pure breed bovines					
Directive	77/504	Annex I,I,36	NNN	TRP	
Zootechnical standards for breeding pigs					
Directive	88/661	Annex I,I,37	NNN	TRP	
Zootechnics on pure breeding sheep and goats					
Directive	89/361	Annex I,I,38	NNN	TRP	
Zootechnics - Intra Com. trade equidae					
Directive	90/427	Annex I,I,39	NNN	TRP	
Zootechnics - equine competitions					
Directive	90/428	Annex I,I,40	NNN	TRP	
Zootechnics - pure breed animals					
Directive	91/174	Annex I,I,41	NNN	TRP	
Acceptance - pure bred bovines for breeding					
Directive	87/328	Annex I,I,81	NNN	TRP	
Zootechnics - pure breeding pigs					
Directive	90/118	Annex I,I,90	NNN	TRP	
Zootechnics - hybrid pigs					
Directive	90/119	Annex I,I,91	NNN	TRP	
Feeding Stuffs			ISL	LIE	NOR
Additives					
Directive	70/524	Annex I,II,1			
Additives					
Directive	91/508	Annex I,II,1			
Additives					
Directive	91/620	Annex I,II,1			
Additives					
Directive	92/113	Annex I,II,1			
Additives					
Directive	92/64	Annex I,II,1			
Additives					
Directive	92/99	Annex I,II,1			

Feeding Stuffs (cont.)			ISL	LIE	NOR
Additives					
Directive	93/107	Annex I,II,1			
Additives					
Directive	93/114	Annex I,II,1			
Additives					
Directive	93/27	Annex I,II,1			
Additives					
Directive	93/55	Annex I,II,1			
Additives					
Directive	94/17	Annex I,II,1			
Additives					
Directive	94/41	Annex I,II,1			
Additives					
Directive	94/50	Annex I,II,1			
Additives			NNN		NNN
Directive	94/77	Annex I,II,1			NNN
Additives					NNN
Directive	95/37	Annex I,II,1			NNN
Guidelines for additives					
Directive	87/153	Annex I,II,2			
Guidelines for additives					
Directive	94/40	Annex I,II,2			
Guidelines for additive assessment					
Directive	95/11	Annex I,II,2			
Enzymes					
Directive	93/113	Annex I,II,2a			
Straight feedingstuffs					
Directive	77/101	Annex I,II,3			
Compound feedingstuffs					
Directive	79/373	Annex I,II,4			
Compound feedingstuffs					
Directive	91/681	Annex I,II,4			
Ingredients of compound feedingstuffs					
Directive	92/87	Annex I,II,4b			
Feedingstuffs for nutritional purpose					
Directive	93/74	Annex I,II,4c			
List of uses for particular nutritional purpose					
Directive	94/39	Annex I,II,4d			
List of animal feedingstuffs					
Directive	95/9	Annex I,II,4d			
Energy value of dog and cat food					
Directive	95/10	Annex I,II,4e			
Compound feedingstuffs - package					
Directive	80/511	Annex I,II,5			
Labelling compound feedingstuffs					
Directive	82/475	Annex I,II,6			

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

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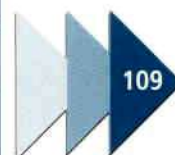
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Feeding Stuffs (cont.)			ISL	LIE	NOR
Energy value - compound					
Directive	86/174	Annex I,II,7			
Labelling compound					
Directive	91/357	Annex I,II,8			
Bioproteins					
Directive	82/471	Annex I,II,9			
Bioproteins					
Directive	93/26	Annex I,II,9			
Bioproteins					
Directive	93/56	Annex I,II,9			
Certain products used in animal nutrition					
Directive	95/33	Annex I,II,9			
Guidelines- bioproteins					
Directive	83/228	Annex I,II,10			
Methods of sampling and analysis					
Directive	70/373	Annex I,II,12			
First Com. Dir. - methods of analysis					
Directive	71/250	Annex I,II,13			
Second Com. Dir. - methods of analysis					
Directive	71/393	Annex I,II,14			
Third Com. Dir. - methods of analysis					
Directive	72/199	Annex I,II,15			
Analysis and control of feedingstuffs					
Directive	93/28	Annex I,II,15			
Fourth Com. Dir. - methods of analysis					
Directive	73/46	Annex I,II,16			
Analysis and control of feedingstuffs					
Directive	92/89	Annex I,II,16			
Fifth Com. Dir. - methods of analysis					
Directive	74/203	Annex I,II,17			
Sixth Com. Dir. - methods of analysis					
Directive	75/84	Annex I,II,18			
First Com. Dir. - methods of sampling					
Directive	76/371	Annex I,II,19			
Seventh Com. Dir. - methods of analysis					
Directive	76/372	Annex I,II,20			
Analysis and control of feedingstuffs					
Directive	92/95	Annex I,II,20			
Analysis and control					
Directive	94/14	Annex I,II,20			
Eighth Com. Dir. methods of analysis					
Directive	78/633	Annex I,II,21			
Ninth Com. Dir. - methods of analysis					
Directive	81/715	Annex I,II,22			
Tenth Com. Dir. methods of analysis					
Directive	84/425	Annex I,II,23			
Analysis and control of feedingstuffs					
Directive	93/70	Annex I,II,23a			
Analysis and control					
Directive	93/117	Annex I,II,23b			

Feeding Stuffs (cont.)			ISL	LIE	NOR
Undesirable substances					
Directive 74/63	Annex I,II,24				
Undesirable substances					
Directive 92/63	Annex I,II,24				
Undesirable substances					
Directive 92/88	Annex I,II,24				
Undesirable substances					
Directive 94/16	Annex I,II,24				
Seeds			ISL	LIE	NOR
Marketing beet seed					
Directive 66/400	Annex I,III,1				
Marketing of fodder plant seed					
Directive 66/401	Annex I,III,2				
Marketing of fodder plant seed					
Directive 92/19	Annex I,III,2				
Marketing of cereal seed					
Directive 66/402	Annex I,III,3				
Marketing of cereal seed					
Directive 93/2	Annex I,III,3				
Marketing of seed oil and fibre plants					
Directive 69/208	Annex I,III,4				
Seed of oil and fibre plants			NNN		NNN
Directive 92/107	Annex I,III,4				
Marketing of seed of oil and fibre plants			NNN		NNN
Directive 92/9	Annex I,III,4				
Common catalogue - agricultural plants					
Directive 70/457	Annex I,III,5				
Marketing of vegetable seed					
Directive 70/458	Annex I,III,6				
Conditions for inspecting vegetable varieties					
Directive 72/168	Annex I,III,7				
Conditions for examining agricultural varieties					
Directive 72/180	Annex I,III,8				
Avena fatua in fodder plant and cereal seed					
Directive 74/268	Annex I,III,9				
Limiting the marketing of Poa pratensis					
Directive 75/502	Annex I,III,10				
Marketing of seed as "basic seed"					
Directive 86/109	Annex I,III,13				
Crop isolation conditions - spinach etc.					
Directive 89/14	Annex I,III,15				



Meaning of shades:

No duty to implement:

Full implementation notified:

Partial implementation:

Non-implementation:

Meaning of abbreviations:

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Free Movement of Workers			ISL	LIE	NOR
Public Policy, Security and Health					
Directive	64/221	Annex V,1			
Free Movement of Workers					
Directive	68/360	Annex V,3			
Extention of the Scope of Dir. 64/221					
Directive	72/194	Annex V,5			
Education of Children of Migrant Workers					
Directive	77/486	Annex V,6			
Mutual Recognition - Professionals			ISL	LIE	NOR
First General System					
Directive	89/48	Annex VII,1			
Second General System				RDO	RDO
Directive	92/51	Annex VII,1a			
Amendment 1994 to Second General System			LFN	RDO	NNN
Directive	94/38	Annex VII,1a			NNN
Amendment 1995 to Second General System					NNN
Directive	95/43	Annex VII,1a			NNN
Amendment 1997 to Second General System					NNN
Directive	97/38	Annex VII,1a			NNN
Lawyers' Services				LFN	
Directive	77/249	Annex VII,2			
Acquired Rights in Medical Professions					
Directive	81/1057	Annex VII,3			
Doctors					
Directive	93/16	Annex VII,4			
Nurses					
Directive	77/452	Annex VII,8			
Training for Nurses				NNN	
Directive	77/453	Annex VII,9			
Dentists					
Directive	78/686	Annex VII,10			
Training for Dentists				NNN	
Directive	78/687	Annex VII,11			
Veterinarians					
Directive	78/1026	Annex VII,12			
Training for Veterinarians				NNN	
Directive	78/1027	Annex VII,13			
Midwives				PRE	
Directive	80/154	Annex VII,14			
Training for Midwives				NNN	
Directive	80/155	Annex VII,15			
Training for Pharmacists				NNN	
Directive	85/432	Annex VII,16			
Pharmacists					
Directive	85/433	Annex VII,17			
Architects				PRE	NNN
Directive	85/384	Annex VII,18			

Mutual Recognition - Industry etc.			ISL	LIE	NOR
Transitional Wholesale Trade					
Directive	64/222	Annex VII,20			
Wholesale Trade					
Directive	64/223	Annex VII,21			
Intermediaries in Industries					
Directive	64/224	Annex VII,22			
Retail Trade					
Directive	68/363	Annex VII,23			
Transitional Retail Trade					
Directive	68/364	Annex VII,24			
Coal Trade					
Directive	70/522	Annex VII,25			
Transitional Coal Trade					
Directive	70/523	Annex VII,26			
Transitional Toxic Products					
Directive	74/556	Annex VII,27			
Toxic Products					
Directive	74/557	Annex VII,28			
Itinerant Activities					
Directive	75/369	Annex VII,29			
Commercial Agents					
Directive	86/653	Annex VII,30			
Transitional Manufacturing and Processing					
Directive	64/427	Annex VII,31			
Manufacturing and Processing					
Directive	64/429	Annex VII,32			
Mining and Quarrying					
Directive	64/428	Annex VII,33			
Provision of Electricity, Gas and Water					
Directive	66/162	Annex VII,34			
Food Manufacturing and Beverage					
Directive	68/365	Annex VII,35			
Transitional Food Manufacturing and Beverage					
Directive	68/366	Annex VII,36			
Exploration for Petroleum and Gas					
Directive	69/82	Annex VII,37			
Transport, Travel, Storage, Warehousing					
Directive	82/470	Annex VII,38			
First Film Industry			NNN		NNN
Directive	63/607	Annex VII,39	NNN		NNN
Second Film Industry			NNN		NNN
Directive	65/264	Annex VII,40	NNN		NNN
Film Distribution			NNN		NNN
Directive	68/369	Annex VII,41	NNN		NNN
Film Production			NNN		NNN
Directive	70/451	Annex VII,42	NNN		NNN

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

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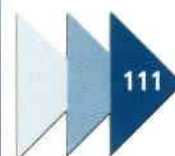
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Mutual Recognition - Other			ISL	LIE	NOR
Real Estate and Business Services					
Directive	67/43	Annex VII,43			
Personal Services					
Directive	68/367	Annex VII,44			
Transitional Personal Services					
Directive	68/368	Annex VII,45			
Various Activities			LFN		
Directive	75/368	Annex VII,46			
Hairdressing					
Directive	82/489	Annex VII,47			
Establishment in Agriculture				LFN	
Directive	63/261	Annex VII,48			
Agricultural Holdings				LFN	
Directive	63/262	Annex VII,49			
Services in Agriculture				LFN	
Directive	65/1	Annex VII,50			
Transfer between Holdings					
Directive	67/530	Annex VII,51			
Agricultural Leases					
Directive	67/531	Annex VII,52			
Access to Cooperatives					
Directive	67/532	Annex VII,53			
Forestry and Logging					
Directive	67/654	Annex VII,54			
Access to Credits					
Directive	68/192	Annex VII,55			
Access to Aid				LFN	
Directive	68/415	Annex VII,56			
Agricultural and Horticultural				LFN	
Directive	71/18	Annex VII,57			
Right of Establishment			ISL	LIE	NOR
Right of Movement and Residence					
Directive	73/148	Annex VIII,3			
Residence after Activity					
Directive	75/34	Annex VIII,4			
Extension of Scope					
Directive	75/35	Annex VIII,5			
Right of Residence					
Directive	90/364	Annex VIII,6			
Residence after Occupation					
Directive	90/365	Annex VIII,7			
Residence for Students					
Directive	93/96	Annex VIII,8			
Banking			ISL	LIE	NOR
Post BCCI				PRE	
Directive	95/26	Annex IX,2			

Banking (cont.)			ISL	LIE	NOR
Abolition of Restrictions on Freedom in Banking					
Directive 73/183	Annex IX, 14				
First Banking			LFN	RDO	
Directive 77/780	Annex IX, 15				
Amendment 1996 to First Banking			NNN	NNN	NNN
Directive 96/13	Annex IX, 15				
Second Banking				RDO	
Directive 89/646	Annex IX, 16				
Own Funds of Credit Institutions					
Directive 89/299	Annex IX, 17				
Amendment 1991 to Own Funds					
Directive 91/633	Annex IX, 17				
Amendment 1992 to Own Funds					
Directive 92/16	Annex IX, 17				
Solvency Ratio for Credit Institutions					
Directive 89/647	Annex IX, 18				
Definition of Multilateral Development Banks					
Directive 94/7	Annex IX, 18				
Amendment 1995 to Solvency Ratio					
Directive 95/15	Annex IX, 18				
Second Amendment 1995 to Solvency Ratio					
Directive 95/67	Annex IX, 18				
Definition of Multilateral Development Banks					
Directive 91/31	Annex IX, 19				
Deposit-Guarantee Scheme					
Directive 94/19	Annex IX, 19a				
Consolidated Supervision of Credit Institutions				PRE	
Directive 92/30	Annex IX, 20				
Annual and Consolidated Accounts of Banks				PRE	
Directive 86/635	Annex IX, 21				
Publication of Annual Accounts of Bank Branches					
Directive 89/117	Annex IX, 22				
Money Laundering				RDO	
Directive 91/308	Annex IX, 23				
Large Exposures of Credit Institutions					
Directive 92/121	Annex IX, 23a				
Insurance			ISL	LIE	NOR
Reinsurance					
Directive 64/225	Annex IX, 1				
First Non-Life Insurance				PRE	PRE
Directive 73/239	Annex IX, 2				
Abolition of Restrictions in Non-Life Insurance					
Directive 73/240	Annex IX, 3				
Co-insurance				RDO	
Directive 78/473	Annex IX, 4				

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*



Non-implementation:



Meaning of abbreviations:

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Insurance (cont.)			ISL	LIE	NOR
Tourist Assistance					
Directive	84/641	Annex IX,5			
Legal Expense Insurance				RDO	
Directive	87/344	Annex IX,6			
Second Non-Life Insurance				PRE	
Directive	88/357	Annex IX,7			
Third Non-Life Insurance				PRE	
Directive	92/49	Annex IX,7a			
First Motor Insurance					
Directive	72/166	Annex IX,8			
Second Motor Insurance					
Directive	84/5	Annex IX,9			
Third Motor Insurance					
Directive	90/232	Annex IX,10			
First Life Assurance					
Directive	79/267	Annex IX,11			
Second Life Assurance					
Directive	90/619	Annex IX,12			
Third Life Assurance					
Directive	92/96	Annex IX,12a			
Insurance Accounts				PRE	
Directive	91/674	Annex IX, 12b			
Insurance Intermediary					
Directive	77/92	Annex IX,13			
Stock Exchange and Securities			ISL	LIE	NOR
Admission of Securities to Stock Exchange Listing				NNN	
Directive	79/279	Annex IX,24			
Listing Particulars to be Published				NNN	
Directive	80/390	Annex IX,25			
Amending LPD				NNN	NNN
Directive	94/18	Annex IX, 25			
Disclosure of Information by Listed Companies				NNN	
Directive	82/121	Annex IX,26			
Major Holdings in Listed Companies					
Directive	88/627	Annex IX,27			
Requirements for Prospectuses on Public Offerings					
Directive	89/298	Annex IX,28			
Insider Dealing					
Directive	89/592	Annex IX,29			
UCITS					
Directive	85/611	Annex IX,30			
Capital Adequacy				PRE	
Directive	93/6	Annex IX,30a			
Investment Services				RDO	
Directive	93/22	Annex IX,30b			

Audio-Visual Services			ISL	LIE	NOR
Television Without Frontiers					
Directive	89/552	Annex X, 1			
Standards for Television Signals			LFN	NNN	LFN
Directive	95/47	Annex X1a,It,XVIII4i			
Telecommunication Services			ISL	LIE	NOR
Frequency Bands for Mobile Communications					
Directive	87/372	Annex XI, 1			
Open Network Provision Framework					
Directive	90/387	Annex XI, 2			
Competition in Telecom Services					
Directive	90/388	Annex XI, 3			
Cable Networks					
Directive	95/51	Annex XI, 3			
Full Competition					
Directive	96/19	Annex XI, 3			
Mobile Telephony					
Directive	96/2	Annex XI, 3			
Competition in Satellite Telecom Services					
Directive	94/46	Annex XI, 3			
Frequency Bands for Public Radio Paging					
Directive	90/544	Annex XI, 4			
Frequency Band for DECT					
Directive	91/287	Annex XI, 5			
ONP Leased Lines					
Directive	92/44	Annex XI, 5b			
ONP Voice Telephony				LFN	
Directive	95/62	Annex XI, 5c			
1997 Amendment to ONP Framework and Leased Lines					
Directive	97/51	Annex XI,2,5b			
Competition in Telecom Terminal Equipment					
Directive	88/301	Annex XIV,12			
Inland Transport			ISL	LIE	NOR
Combined Transport of Goods			NNN		
Directive	92/106	Annex XIII, 13			
Road Transport			ISL	LIE	NOR
Maximum Dimensions and Weights in Road Transport					
Directive	96/53	Annex XIII, 15a			
1996 Roadworthiness Tests					
Directive	96/96	Annex XIII, 16a			

Meaning of shades:

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Road Transport (cont.)			ISL	LIE	NOR
Tread Depth of Tyres					
Directive	89/459	Annex XIII, 17			
Safety Belts					
Directive	91/671	Annex XIII, 17a			
Speed Limitation Devices					
Directive	92/6	Annex XIII, 17b			
Road Transport of Dangerous Goods					
Directive	94/55	Annex XIII, 17e			
Amendment 1996 to Road Transp. of Dangerous Goods					
Directive	96/86	Annex XIII, 17e			
Fuel in Fuel Tanks					
Directive	68/297	Annex XIII, 18			
Taxes on Vehicles for Road Transport of Goods					
Directive	93/89	Annex XIII, 18a			
Admission and Mutual Recognition in Road Transport					
Directive	96/26	Annex XIII, 19			
Minimum Level of Training in Road Transport					
Directive	76/914	Annex XIII, 22			
Standard Checking Procedures in Road Transport					
Directive	88/599	Annex XIII, 23			
Driving Licences					
Directive	91/439	Annex XIII, 24a			
Amendment 1996 to Driving Licences (Model)				TRP	
Directive	96/47	Annex XIII, 24a		TRP	
Amendment 1997 to Driving Licences				TRP	
Directive	97/26	Annex XIII, 24a		TRP	
First Carriage of Goods by Road					
Directive	62/2005	Annex XIII, 25			
Vehicles Hired Without Drivers			NNN		
Directive	84/647	Annex XIII, 29	NNN		
Rail Transport			ISL	LIE	NOR
Development of Railways			NNN	NNN	
Directive	91/440	Annex XIII, 37	NNN	NNN	
Railway Infrastructure and Charging of Fees.			NNN	NNN	
Directive	95/19	Annex XIII, 41a	NNN	NNN	
Licencing of Railways			NNN	NNN	
Directive	95/18	Annex XIII, 42a	NNN	NNN	
Transport of Dangerous Goods by Rail			NNN	NNN	
Directive	96/49	Annex XIII, 42b	NNN	NNN	
Amendment 1996 to Dangerous Goods by Rail			NNN	NNN	
Directive	96/87	Annex XIII, 42b	NNN	NNN	
Transport by Inland Waterways			ISL	LIE	NOR
Chartering & Pricing in Inland Waterway Transport			NNN	NNN	NNN
Directive	96/75	Annex XIII, 45	NNN	NNN	NNN
Access to Occupation in Inland Waterways			NNN	NNN	NNN
Directive	87/540	Annex XIII, 46	NNN	NNN	NNN

Transport by Inland Waterways (cont.)			ISL	LIE	NOR
Boatmasters' Certificates in Inland Waterways					
Directive	91/672	Annex XIII, 46a	NNN	NNN	NNN
Inland Waterway Boatmasters' Certificate Directive					
Directive	96/50	Annex XIII, 46a	NNN	NNN	NNN
Technical Requirements in Inland Waterways Vessels					
Directive	82/714	Annex XIII, 47	NNN	NNN	NNN
Navigability Licences for Inland Waterway Vessels					
Directive	76/135	Annex XIII, 48	NNN	NNN	NNN
Maritime Transport			ISL	LIE	NOR
Pilotage in North Sea and English Channel					
Directive	79/115	Annex XIII, 54		NNN	
Seafarer Minimum Training					
Directive	94/58	Annex XIII, 54a		NNN	
Vessels Carrying Dangerous Goods					
Directive	93/75	Annex XIII, 55a		NNN	PRE
1996 Amendment to Vessels Carrying Dangerous Goods					
Directive	96/39	Annex XIII, 55a		NNN	RDO
1997 Amendment to Vessels Carrying Dangerous Goods					
Directive	97/34	Annex XIII, 55a		NNN	RDO
Ship Inspection and Survey					
Directive	94/57	Annex XIII, 55b		NNN	
1997 Amendment to Ship Inspection and Survey					
Directive	97/58	Annex XIII, 55b		NNN	
Port State Control					
Directive	95/21	Annex XIII, 56b		NNN	PRE
Identity Card for Port State Control					
Directive	96/40	Annex XIII, 56ba		NNN	
Marine Equipment					
Directive	96/98	Annex XIII, 56d		NNN	
Aviation			ISL	LIE	NOR
Aviation-Procurement of ATM Equipment					
Directive	93/65	Annex XIII, 66c	NNN	TRP	
Aviation-Procurement of ATM Equipment, amendment I					
Directive	97/15	Annex XIII, 66c	NNN	TRP	PRE
Investigation of Civil Aviation Accidents					
Directive	94/56	Annex XIII, 66d		TRP	
Aviation-Mutual Acceptance of Licences					
Directive	91/670	Annex XIII, 68a		TRP	
Free Movement of Capital			ISL	LIE	NOR
Capital Movements					
Directive	88/361	Annex XII, 1	LFN		RDO

Meaning of shades:

No duty to implement:



Partial implementation:



Full implementation notified*:



Non-implementation:



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

RDO: Reasoned opinion

PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

(*): Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority decided not to have been implemented, or to have been only partially implemented.



Health and Safety at Work			ISL	LIE	NOR
Exposure to Vinyl Chloride Monomer at Work					RDO
Directive 78/610	Annex XVIII,2				
Exposure to Chemical, Physical & Biological Agents					
Directive 80/1107	Annex XVIII,3				
Indicative Limit Values					
Directive 91/322	Annex XVIII,3a				
Second List of Indicative Limit Values					
Directive 96/94	Annex XVIII,3b				
Exposure to Metallic Lead at Work					
Directive 82/605	Annex XVIII,4				
Asbestos					
Directive 83/477	Annex XVIII,5				
Exposure to Noise at Work				LFN	
Directive 86/188	Annex XVIII,6				
Banning of Certain Agents and Work Activities					
Directive 88/364	Annex XVIII,7				
Improvement of Safety and Health at Work			LFN	LFN	PRE
Directive 89/391	Annex XVIII,8				
Safety and Health Requirements for the Workplace					
Directive 89/654	Annex XVIII,9				
Work Equipment					
Directive 89/655	Annex XVIII,10				
Amendment 1995 to Work Equipment					
Directive 95/63	Annex XVIII,10				
Protective Equipment					
Directive 89/656	Annex XVIII,11				
Manual Handling of Loads					
Directive 90/269	Annex XVIII,12				
Display Screen Equipment					
Directive 90/270	Annex XVIII,13				
Carcinogens at Work					
Directive 90/394	Annex XVIII,14				
Biological Agents					
Directive 90/679	Annex XVIII,15				
Amendment 1993 to Biological Agents					
Directive 93/88	Annex XVIII,15				
Amendment 1995 to Biological Agents					
Directive 95/30	Annex XVIII,15				
Amendment 1997 No 1 to Biological Agents					
Directive 97/59	Annex XVIII,15				
Amendment 1997 No 2 to Biological Agents					
Directive 97/65	Annex XVIII,15				
Short-term Employment					
Directive 91/383	Annex XVIII,16				
Medical Treatment on Board Vessels				NNN	RDO
Directive 92/29	Annex XVIII,16a				
Temporary or Mobile Construction Sites					
Directive 92/57	Annex XVIII,16b				
Safety and Health Signs at Work					
Directive 92/58	Annex XVIII,16c				

Health and Safety at Work (cont.)			ISL	LIE	NOR
Pregnant and Breastfeeding Workers					
Directive	92/85	Annex XVIII,16d			
Mineral Extracting Industries (Drilling)					
Directive	92/91	Annex XVIII,16e			
Surface and Underground Mineral-Extracting Ind.				NNN	
Directive	92/104	Annex XVIII,16f			
Work on Board Fishing Vessels				NNN	
Directive	93/103	Annex XVIII,16g			
Labour Law			ISL	LIE	NOR
Collective Redundancies					
Directive	75/129	Annex XVIII,22			
Transfer of Undertakings					
Directive	77/187	Annex XVIII,23			
Employer's Insolvency					
Directive	80/987	Annex XVIII,24			
Employer's Information Obligation					
Directive	91/533	Annex XVIII,25			
Amendment to Collective Redundancies Directive					
Directive	92/56	Annex XVIII,26			
Working Time				PRE	
Directive	93/104	Annex XVIII,28			
Protection of Young People				PRE	
Directive	94/33	Annex XVIII,29			
Equal Treatment of Men and Women			ISL	LIE	NOR
Equal Pay					
Directive	75/117	Annex XVIII,17			
Equal Access to Work					
Directive	76/207	Annex XVIII,18			
Equal Social Security					
Directive	79/7	Annex XVIII,19			
Equal Occupational Schemes					
Directive	86/378	Annex XVIII,20			
Amendment 1996 to Equal Occupational Schemes					
Directive	96/97	Annex XVIII,20			
Equal Treatment of Self-employed					
Directive	86/613	Annex XVIII,21			
Consumer Protection			ISL	LIE	NOR
Prices of Foodstuffs					
Directive	79/581	Annex XIX,1			



Meaning of shades:

No duty to implement:



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Non-implementation:



Meaning of abbreviations:

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*11 Does not include Directives when the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

Consumer Protection (cont.)			ISL	LIE	NOR
Amending Directives on Indication of Prices					
Directive	95/58	Annex XIX,1	NNN	NNN	NNN
Misleading Advertising					
Directive	84/450	Annex XIX,2			
Contracts Outside Business Premises					
Directive	85/577	Annex XIX,3			
Consumer Credits					
Directive	87/102	Annex XIX,4			
Dangerous Imitations					
Directive	87/357	Annex XIX,5			
Prices of Non-food Products					
Directive	88/314	Annex XIX,6			
Package Travel					
Directive	90/314	Annex XIX,7			
Unfair Terms					
Directive	93/13	Annex XIX,7a			
Purchase of Immovables on Timeshare Basis				LFN	
Directive	94/47	Annex XIX,7b			
Environment - General			ISL	LIE	NOR
Environment Impact Assessment				PRE	
Directive	85/337	Annex XX, 1			
Information on the Environment					
Directive	90/313	Annex XX, 2			
Questionnaire - Incineration of Hazardous Waste			NNN	NNN	NNN
Directive	98/184	Annex XX, 21c			
Environment - Water			ISL	LIE	NOR
Surface Water Intended for Drinking Water					
Directive	75/440	Annex XX, 3			
Certain Dangerous Substances Discharged into Water					
Directive	76/464	Annex XX, 4			
Sampl./Analy. of Surf. Water intend. for Drinking Water					
Directive	79/869	Annex XX, 5			
Protection of Groundwater					
Directive	80/68	Annex XX, 6			
Quality of Water for Human Consumption					
Directive	80/778	Annex XX, 7			
Mercury Disch. by the Chlor-Alk. Electrolysis Ind.					
Directive	82/176	Annex XX, 8			
Cadmium Discharges					
Directive	83/513	Annex XX, 9			
Mercury Discharges by other Sectors					
Directive	84/156	Annex XX, 10			
Discharges of Hexachlorocyclohexane					
Directive	84/491	Annex XX, 11			
Limit Values and Quality Objectives for Discharges					
Directive	86/280	Annex XX, 12			

Environment - Water (cont.)	ISL	LIE	NOR
Urban Waste Water Treatment Directive 91/271 Annex XX, 13			
Protection of Waters Against Nitrates Directive 91/676 Annex XX, 13a			
Environment - Air	ISL	LIE	NOR
Air Quality Standards for Sulphur Dioxide Directive 80/779 Annex XX, 14			
Lead in the Air Directive 82/884 Annex XX, 15			
Air Pollution from Industrial Plants Directive 84/360 Annex XX, 16			
Air Quality Standards for Nitrogen Dioxide Directive 85/203 Annex XX, 17			
Pollution by Asbestos Directive 87/217 Annex XX, 18			
Large Combustion Plants Directive 88/609 Annex XX, 19	NNN	NNN	NNN
Amendment to Large Combustion Plants Directive 94/66 Annex XX, 19	NNN	NNN	NNN
New Waste Incineration Plants Directive 89/369 Annex XX, 20			
Existing Waste Incineration Plants Directive 89/429 Annex XX, 21		NNN	
Air Pollution by Ozone Directive 92/72 Annex XX, 21a			
Incineration of Hazardous Waste Directive 94/67 Annex XX, 21b		NNN	
Environment - Biotechnology etc.	ISL	LIE	NOR
Major Accident Hazards ("Seveso") Directive 82/501 Annex XX, 23			
Contained Use of Genetically Modified Organisms Directive 90/219 Annex XX, 24		RDO	
Contained Use of GMO's Amendment Directive 94/51 Annex XX, 24		RDO	PRE
Deliberate Release of GMO's Directive 90/220 Annex XX, 25		RDO	
Technical Progress Adaptation-GMO's Directive 94/15 Annex XX, 25		RDO	



Meaning of shades:

No duty to implement



Partial implementation



Full implementation notified*



Non-implementation



Meaning of abbreviations:

NNN: No measures necessary

LFN: Letter of formal notice

TRP: Transition period

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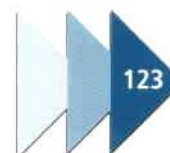
PRE: Pre Article 31 letter

EFC: Referral to EFTA Court

(*): Does not include Directives which the EFTA States have notified as fully implemented, but which the Authority deems not to have been implemented, or to have been only partially implemented.

Environment - Waste			ISL	LIE	NOR
Disposal of Waste Oils					
Directive 75/439	Annex XX, 26				
Waste Framework					
Directive 75/442	Annex XX, 27				
Waste from the Titanium Dioxide Industry					
Directive 78/176	Annex XX, 28			NNN	
Surv. & Monit. of Waste from the Titan. Diox. Ind.					
Directive 82/883	Annex XX, 30			NNN	
Sewage Sludge					
Directive 86/278	Annex XX, 32				
Hazardous Waste					
Directive 91/689	Annex XX, 32a	PRE			
Amendment to Hazardous Waste					
Directive 94/31	Annex XX, 32a	NNN	NNN	NNN	NNN
Pollution from Titanium Dioxide Industry					
Directive 92/112	Annex XX, 32b			NNN	
Public Procurement			ISL	LIE	NOR
Abolition of restrictions etc. - public works					
Directive 71/304	Annex XVI,1				
Public works contracts - Authorities					
Directive 93/37	Annex XVI,2				
Public supply contracts - Authorities					
Directive 93/36	Annex XVI,3				
Utilities (supply, service and works contracts)					
Directive 93/38	Annex XVI,4				
Legal remedies - Authorities					
Directive 89/665	Annex XVI,5	PRE			
Legal remedies - Utilities					
Directive 92/13	Annex XVI,5a	PRE			
Public service contracts - Authorities					
Directive 92/50	Annex XVI,5b				
Company Law - Basic			ISL	LIE	NOR
First Company Law					
Directive 68/151	Annex XXII,1				PRE
Second Company Law					
Directive 77/91	Annex XXII,2				PRE
Amendment to Second Company Law					
Directive 92/101	Annex XXII,2				PRE
Third Company Law					
Directive 78/855	Annex XXII,3				PRE
Sixth Company Law					
Directive 82/891	Annex XXII,5			NNN	
Eleventh Company Law					
Directive 89/666	Annex XXII,8				PRE
Twelfth Company Law					
Directive 89/667	Annex XXII,9				

Company Law - Accounting	ISL	LIE	NOR
Fourth Company Law Directive 78/660 Annex XXII,4		PRE	RDO
Amendment to Fourth Company Law Directive Directive 94/8 Annex XXII, 4		PRE	NNN
Seventh Company Law Directive 83/349 Annex XXII,6		PRE	RDO
Eighth Company Law Directive 84/253 Annex XXII,7		PRE	RDO
State Aid	ISL	LIE	NOR
Transparency Directive Directive 80/723 Annex XV,1		NNN	
Amendment to Transparency Directive Directive 93/84 Annex XV,1		NNN	
Shipbuilding Directive Directive 90/684 Annex XV,1b	NNN	NNN	NNN





ANNEX V

EFTA SURVEILLANCE AUTHORITY

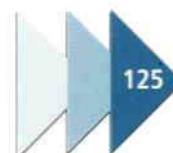


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A COMPARATIVE LIST OF NOTICES ADOPTED BY THE EUROPEAN COMMISSION AND THE AUTHORITY IN THE FIELD OF COMPETITION



Topic	EFTA Surveillance Authority Notice	Commission Notice
Mergers and joint ventures	Notice regarding restrictions ancillary to concentrations <i>OJ 1994 L 153/3 and EEA Supplement to the OJ 1994 15/02</i>	Notice regarding restrictions ancillary to concentrations <i>OJ 1990 C 203/5</i>
	Notice regarding the concentrative and cooperative operations under the act on the control of concentrations between undertakings referred to in point 1 of Annex XIV to the EEA Agreement (Council Reg. (EEC) No 4064/89) <i>OJ 1994 L 153/7 and EEA Supplement to the OJ 1994 15/06</i>	Notice regarding the concentrative and cooperative operations under Council Regulation (EEC) No 4064/89 <i>OJ 1990 C 203/10</i>
	Notice concerning the assessment of cooperative joint ventures pursuant to Article 53 of the EEA Agreement <i>OJ 1994 L 186/58 and EEA Supplement to the OJ 1994 22/04</i>	Notice concerning the assessment of cooperative joint ventures pursuant to Article 85 of the EEC Treaty <i>OJ 1993 C 43/2</i>
	Not yet adopted	Notice on the concept of full-function joint ventures under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings <i>OJ 1998 No C 66/1</i>
	Not yet adopted	Notice on the concept of concentration under Council Regulation (EEC) No 4064/89 on the control of concentration between undertakings <i>OJ 1998 No C 66/5</i>
	Not yet adopted	Notice on the concept of undertakings concerned under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings <i>OJ 1998 No C 66/14</i>
	Not yet adopted	Notice on the calculation of turnover under Council Regulation (EEC) No 4064/89 on the control of concentrations between undertakings <i>OJ 1998 No C 66/25</i>
	Not yet adopted	Notice concerning alignment of procedures for processing mergers under the ECSC and EC Treaties <i>OJ 1998 No C 66/36</i>
	Not yet adopted	Information on the assessment of full-function joint ventures pursuant to the competition rules of the European Community <i>OJ 1998 No C 66/38</i>
Exclusive purchasing and distribution	Notice concerning the acts referred to in points 2 and 3 of Annex XIV to the EEA Agreement (Commission Reg. (EEC) No 1983/83 and (EEC) No 1984/83 on the application of Art. 53(3) of the EEA Agreement to categories of exclusive distribution and purchasing agreements <i>OJ 1994 L 153/13 and EEA Supplement to the OJ 1994 15/12</i>	Notice concerning Commission Regulations (EEC) No 1983/83 and (EEC) No 1984/83 of 22 June 1983 on the application of Article 85(3) of the Treaty to categories of exclusive distribution and exclusive purchasing agreements <i>OJ 1984 C 101/2</i>



Topic	EFTA Surveillance Authority Notice	Commission Notice
Motor vehicle distribution and servicing agreements	Notice modifying the notice concerning the acts referred to in points 2 and 3 of Annex XIV to the EEA Agreement (Commission Reg. (EEC) No 1983/83 and (EEC) No 1984/83) on the application of Article 53(3) of the EEA Agreement to categories of exclusive distribution and purchasing agreements <i>OJ 1994 L 186/69 and EEA Supplement to the OJ 1994 22/17</i>	Notice modifying the notice concerning Commission Regulations (EEC) No 1983/83 and (EEC) No 1984/83 of 22 June 1983 on the application of Article 85(3) to categories of exclusive distribution and purchasing agreements <i>OJ 1992 C 121/2</i>
Commercial agents	Notice concerning the act referred to in point 4 of Annex XIV to the EEA Agreement (Reg. (EEC) No 123/85) on the application of Article 53(3) of the EEA Agreement to certain categories of motor vehicle distribution and servicing agreements <i>OJ 1994 L 153/20 and EEA Supplement to the OJ 1994 15/19</i>	Notice concerning Regulation (EEC) No 123/85 of 12 December 1984 on the application of Article 85(3) to certain categories of motor vehicle distribution and servicing agreements <i>OJ 1985 C 17/4</i>
	Notice clarifying the activities of motor vehicle intermediaries <i>OJ 1994 L 186/70 and EEA Supplement to the OJ 1994 22/18</i>	Notice clarifying the activities of motor vehicle intermediaries <i>OJ 1991 C 329/30</i>
	Notice on exclusive dealing contracts with commercial agents <i>OJ 1994 L 153/23 and EEA Supplement to the OJ 1994 15/22</i>	Notice on exclusive dealing contracts with commercial agents <i>OJ 1962 139/2921</i>
Cooperation between enterprises	Notice concerning agreements, decisions and concerted practices in the field of cooperation between enterprises <i>OJ 1994 L 153/25 and EEA Supplement to the OJ 1994 15/24</i>	Notice concerning agreements, decisions and concerted practices in the field of cooperation between enterprises <i>OJ 1968 C 84/14</i>
Imports from third countries	Notice concerning imports into the territory covered by the EEA Agreement of third countries' goods falling within the scope of the EEA Agreement <i>OJ 1994 L 153/29 and EEA Supplement to the OJ 1994 15/28</i>	Notice concerning imports into the Community of Japanese goods falling within the scope of the Rome Treaty <i>OJ 1972 C 111/13</i>
Subcontracting agreements	Notice of the EFTA Surveillance Authority concerning its assessment of certain subcontracting agreements in relation to Article 53(1) of the EEA Agreement <i>OJ 1994 L 153/30 and EEA Supplement to the OJ 1994 15/29</i>	Commission Notice of 18 December 1978 concerning its assessment of certain subcontracting agreements in relation to Article 85(1) of the EEC Treaty <i>OJ 1979 C 1/2</i>
Agreements of minor importance	Notice on agreements of minor importance which do not fall within Article 53(1) of the EEA Agreement <i>OJ 1994 L 153/32 and EEA Supplement to the OJ 1994 15/31</i>	Notice on agreements of minor importance which do not fall within Article 85(1) of the Treaty establishing the European Economic Community <i>OJ 1986 C 231/2</i>
	Notice updating the notice on agreements of minor importance of 12 January 1994 <i>OJ 1996 C 281/20 and EEA Supplement to the OJ 1996 43/10</i>	Notice concerning the updating of the 1986 communication on agreements of minor importance <i>OJ 1994 C 368/20</i>
	Notice on agreements of minor importance which do not fall under Article 53(1) of the EEA Agreement <i>OJ 1998 L 200/55 and EEA Supplement to the OJ 1998 28/13</i>	Notice on agreements of minor importance which do not fall under Article 85(1) of the Treaty establishing the European Community <i>OJ 1997 C 372/13</i>

Topic	EFTA Surveillance Authority Notice	Commission Notice
Definition of the relevant market	Notice on the definition of the relevant market for the purpose of competition law within the EEA <i>OJ 1998 L 200/48 and EEA Supplement to the OJ 1998 28/3</i>	Notice on the definition of the relevant market for the purposes of Community competition law <i>OJ 1997 C 372/5</i>
Cross-border credit transfers	Notice on the application of the EEA competition rules to cross-border credit transfers <i>OJ 1997 C 301/7 and EEA Supplement to the OJ 1997 41/43</i>	Notice on the application of the EC competition rules to cross-border credit transfers <i>OJ 1995 C 251/3</i>
Access to the file	Not yet adopted	Notice on the internal rules of procedure for processing requests for access to the file in cases pursuant to Articles 85 and 86 of the EC Treaty, Articles 65 and 66 of the ECSC Treaty and Council Regulation (EEC) No 4064/89 <i>OJ 1997 No C 23/3</i>
Fines	Notice on the non-imposition or reduction of fines in cartel cases <i>OJ 1997 C 282/8 and EEA Supplement to the OJ 1997 39/1</i>	Notice on the non-imposition or reduction of fines in cartel cases <i>OJ 1996 C 207/4</i>
	Not yet adopted	Guidelines on the method of setting fines imposed pursuant to Article 15(2) of Regulation No 17 and Article 65(5) of the ECSC Treaty <i>OJ 1998 C 9/3</i>
Cooperation with national courts	Notice on cooperation between national courts and ESA in applying Articles 53 and 54 to the EEA Agreement <i>OJ 1995 C 112/7 and EEA Supplement to the OJ 1995 16/01</i>	Notice on cooperation between national courts and the Commission in applying Articles 85 and 86 of the EEC Treaty <i>OJ 1993 C 39/6</i>
Cooperation with national competition authorities	Not yet adopted	Notice on cooperation between national competition authorities and the Commission in handling cases falling within the scope of Articles 85 or 86 of the EC Treaty <i>OJ 1997 No C 313/3</i>
Postal sector Telecommunications	Not yet adopted	Notice on the application of the competition rules to the postal sector and on the assessment of certain state measures relating to postal services <i>OJ 1998 No C 39</i>
	Guidelines on the application of EEA competition rules in the telecommunications sector <i>OJ 1994 L 153/35 and EEA Supplement to the OJ 1994 15/34</i>	Guidelines on the application of the EEC competition rules in the telecommunication sector <i>OJ 1991 C 233/2</i>
	Not yet adopted	Notice on the application of the competition rules to access agreements in the telecommunications sector <i>OJ 1998 C 265/2</i>
	Not yet adopted	Notice concerning procedures for communications to the Commission pursuant to Articles 4 and 5 of Commission Regulation (EEC) No 1617/93 of 25 June 1993 on the application of Article 85(3) to certain categories of agreements, decisions and concerted practices concerning joint planning and coordination of schedules, joint operations, consultations on passenger and cargo tariffs on scheduled air services and slot allocation at airports.
Aviation	Not yet adopted	





Sitting, from left to right: Dag Harald Johannessen, Håkan Berglin, Lilja Vidarsdóttir, Hannes Hafstein (College Member), Knut Almestad (President), Bernd Hammermann (College Member), Amund Utne, Lars Lindh, Lars-Åke Erikson.

The women are from left to right: Lorraine Deakin, Kristín Anna Jónsdóttir, Bjarnveig Eiríksdóttir, Jenny Davídsdóttir, Anny Tubbs, Elín Rósa Sigurdardóttir, Sólveig Georgsdóttir, Anne-Louise Resberg, Isabel Tribler, Kjerstin Ongre, Christina Sand, Daniela Cummins, Beate Espenes, Helga Óttarsdóttir, Ann-Kristin Hanssen, Inger-Lise Thorkildsen, Frøydis Gundersen.

The men are from left to right: Dieter Herrmann, Rolf Helmich Pedersen, Páll Ásgrímsson, Tor Arne Solberg-Johansen, Jónas Fr. Jónsson, Brynjulfr Melhuus, Arthur Szalay, Brynjólfur Sandholt, Hallgrímur Ásgeirsson, Daníel Vidarsson, Tore N. Thomassen, Rolf Egil Tønnessen, Lars Gråberg, Gudlaugur Stefánsson.

Not present: Harald Evensen, Ásthildur Hjaltadóttir, Anne-Gina Kristoffersen, Thomas Langeland, Rakel Nygaard, Ólafur Oddgeirsson, Anne-Lise H. Rolland, Björn Thorarensen, Kjetil Volle.



EFTA SURVEILLANCE AUTHORITY

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