

MONDAY 23 NOVEMBER 2009

Present

Bradshaw, L
Dykes, L
Freeman, L (Chairman)
James of Blackheath, L
Paul, L
Rowe-Beddoe, L
Walpole, L

Memorandum submitted by the European Commission

Examination of Witnesses

Witness: **Dr Alexander Italianer**, Chair, Impact Assessment Board, European Commission, (via video link), examined.

Chairman: Good afternoon once again. Thank you very much indeed for coming. We plan to finish on the hour. As a matter of courtesy, before asking you, Dr Italianer, to introduce yourself, and perhaps also you would be kind enough before we go through the prepared questions and just to talk a bit about how the Impact Assessment Board is structured, I am going to go round the table and the television will follow and ask each of my colleagues to say who they are, their political persuasion (although that is not a factor in our Select Committees; we are definitely seeking to reach a considered, non-partisan view in our reports) and perhaps just a brief word about their background.

Lord Rowe-Beddoe: Good afternoon. David Rowe-Beddoe. I am an independent cross-bencher. I have a business background and the cultural performing arts.

Lord Paul: I am Swraj Paul. I am a Labour member and my background is manufacturing industry.

Lord James of Blackheath: David James, Conservative backbencher. Principally my career was with Lloyds Bank and Ford Motor Company.

Chairman: Perhaps I ought to say by way of my background that I used to be, a long time ago, the Minister for Better Regulation!

Lord Walpole: Robin Walpole, cross-bencher. I have been here for 20 years. Before that I was mainly in local government but I have been farming and looking after the countryside.

Lord Dykes: I am Lord Hugh Dykes in the House of Lords, the EU spokesman for the Liberal Democrat Party, the third party, with a financial and City of London background originally.

Lord Bradshaw: My name is Bill Bradshaw. I am mainly concerned with transport. I am a Liberal Democrat.

Q56 Chairman: Dr Italianer, for the record and our shorthand writer, would you like to introduce yourself and perhaps talk a bit about the Impact Assessment Board before we turn to question one?

Dr Italianer: Absolutely. Good afternoon, my Lords. It is a pleasure to be with you. The weather here in Brussels is absolutely dreadful and I think this is a very efficient way of communicating. I am accompanied by John Watson, who is the head of the Impact Assessment Unit in the Secretariat General and is also my Secretary in the Impact Assessment Board. I will say maybe two words about myself. I am an economist by training. I have a PhD in econometrics. I did a lot of econometric work on the benefits and the costs of the Single Market and of the Single Currency, which are not unfamiliar to you. I have had various jobs in the Commission since I joined in 1985. I became the Chairman of the newly set up Impact Assessment Board at the end of 2006. The Board became operational in early 2007. It is a group of high-level Commission officials that is independent with respect to the other services. It works directly under the authority of President Barroso. My four other

colleagues are directors and are all appointed in a personal capacity but they come from the various strands in the Commission that also form the various components of a typical impact assessment. That is to say they come from the industry department, from the economics department but also the social and employment department and the DG for environment, so although they speak in a personal capacity they have this professional background. We meet approximately every two weeks or as often as is necessary. We go through the various impact assessments that are being submitted to us. Since we started we have been looking at something like 300 impact assessments, so it is quite a lot, and, effectively, although each of us has a small staff, we invest quite a lot personally in the analysis of the impact assessments. The main evidence of our independence is the fact that the opinions that we write on the draft impact assessments are publicly available. It is quite rare that inside a public administration body dissenting opinions come out publicly, but this is one of the cases where this happens. Once the Commission decides on a policy proposal --- ([video link interrupted](#))

Q57 Chairman: We lost a bit of the transmission there. Do you think you would be kind enough to repeat the last 30 seconds?

Dr Italianer: The last 30 seconds were a description of why the Impact Assessment Board can be seen to be independent. That is to say because of the publication of the opinions it gives on draft impact assessments. They are put on our website so that the interested public can see the critical analysis of the draft impact assessment in its early versions.

Chairman: We now proceed to questions and the first question is from Lord Rowe-Beddoe.

Q58 Lord Rowe-Beddoe: Good afternoon again, Dr Italianer. This Committee has recently scrutinised the proposed legislation on the rights of ship passengers¹. We note in the dossier that the draft impact assessment was submitted to the Board three times. This is a three-part

¹ Council document (11990/08)

question. Could you explain to the Committee how an impact assessment is normally produced; what the Impact Assessment Board is looking for when assessing the draft; and, lastly, whether the rights of ship passengers dossier was a typical example of the process?

Dr Italianer: Thank you very much for this question, my Lord. I will say one brief word about how an impact assessment is normally produced because it is a fairly elaborate process. I would say that the most important characteristic is that an impact assessment is being produced by the service or the department that is also responsible for the corresponding policy initiative. The idea behind an impact assessment is that it is an aid to decision-making although it should not replace decision-making. Sometimes people confuse these two roles and they think that an impact assessment will determine what the policy proposal should be. That is not the objective. The objective is to give an overview of the various possible policy options and their impact so that the decision-makers, the policy-makers if you like, can take an informed decision. Very briefly, the stages that are being run through before arriving at an impact assessment are in the very first instance through a document that is called a roadmap, which is a kind of scoping paper that in a few pages sets out what the problem is about. It is a seminal version of the impact assessment, if you like. This is followed by a consultation process. I know that you want to ask some questions about consultation so I will not give too many details at this stage. The idea is that all relevant stakeholders are involved. This consultation can take various forms and the idea is that this can also be done repeatedly. Some impact assessments are in fact the result of very elaborate consultation with stakeholders. The next stage is that the service puts together a group of interested departments in the Commission and starts drafting an impact assessment. That is done in parallel with the development of the proposal so there is a kind of cross-fertilisation between the analysis and development of the proposal. Before it comes to the finalisation of the proposal - and this is all at the level of services - the draft of the impact assessment is being

submitted, ideally several weeks before a meeting of our Impact Assessment Board, but if need be we can operate very quickly, for instance through a written procedure. We then analyse the content of the impact assessment. That brings me to the second part of your question. We check whether the draft has a well-formulated, what we call, problem definition, that the objectives that are being sought by the initiative are well-specified, that the options that are being studied are realistic, that there is indeed a case for EU intervention and subsidiarity is being analysed. And then our scrutiny focuses on the measurement or the assessment of the impact of the various options, there is comparison, and at the end of the process there are arrangements for the monitoring and evaluation of the initiative, and this is related to the question of ex-post evaluation, which is I know something you would like to discuss. What may happen in this scrutiny process is that the Board after discussion with the relevant department may come to the conclusion that the draft is of insufficient quality on one or more of the various aspects that I enumerated, and in such a case the Board may ask the relevant service to resubmit another version which is then analysed to see to what extent the recommendations that the Board puts in its written opinion are being taken into account. Very rarely that may happen and it really is the exception to the rule that we ask the service to come back for a third time. I think this has happened only in four cases in 2008 and in 2009 it never happened. So in that sense the example that you mentioned in your question, the rights of passengers, was an exceptional case. Although we are quite scrupulous in our Board and we ask for resubmissions in about one third of the cases, and that rate has not changed this year as compared to previous years, it is very rare that we ask for a third resubmission.

Q59 Lord Rowe-Beedoe: Thank you very much. Could I ask one supplementary? Therefore in this instance and normally when you seek resubmissions is it because the scoping work and the consultation process had not been clearly understood or was it more in the method of evaluation?

Dr Italianer: There may be various causes for asking for resubmission. One cause may be insufficient scoping. In this particular example on the rights of ship passengers there were various issues at hand. In the first instance, it was not at all clear if a certain number of the rights that were being looked at in this particular proposal were already covered by all passenger transport activities that were covered by public service obligations, so it was not even clear to which type of activities the initiative was supposed to apply. Secondly, there was a scoping issue as regards the extent to which there was cross-border activity involved because many passengers are being shipped, if they are at all, inside Member States, so these two elements were two of the main reasons why we had to come back to it. Then there was an issue of substance on the costs, which were not sufficiently elaborated and on which we had to come back. This was in that sense quite an exceptional case.

Q60 Lord Paul: Dr Italianer, in January, new impact assessment guidelines were issued. To what extent have these new guidelines improved the quality of impact assessment? Have your staff encountered some difficulties in following these guidelines?

Dr Italianer: Thank you for your question, my Lord. I will maybe say one word about the changes that were being introduced in these guidelines. In fact, they were the result of a very long consultation process and also an evaluation process, so we applied the procedures that we ask others to do to our own improvements. In fact, I think the changes that were introduced were quite consensual. They concerned improvements in internal procedures and also procedures in relation to third parties. They concerned improvements in the way the problem definition is being looked at, in particular as regards subsidiarity. We introduced an explicit subsidiarity test, if you like. Also improvement of consultation was an important topic. And finally the services, through the guidelines, received improved guidance on how to measure certain impacts like social impacts, consumer impacts, impacts on small and medium-sized enterprises, competition and so on. It was a step up towards better quality of

impact assessment. Our impression - but this is no more than an impression - is that these improvements in the guidelines have been generally welcomed by the staff. They have made it easier for them to live up to the standard that is being looked for. You should remember that not everybody who is preparing impact assessments does so on a regular basis. Some services are doing this for the first time and although they get assistance, I think the better the guidelines are the easier this is. I would say that, generally speaking, through the new guidelines we have tried to raise the standard. As you know, I have a mathematical background. If one raises the standard and if the rate of resubmissions stays the same then, mathematically speaking, the quality of the reports should have increased, but that is nothing more than a mathematical inference!

Q61 Chairman: Thank you. I am going to ask questions three and four which I am going to link. One of our previous witnesses argued that there was both some tension and also a lack of completeness in looking at what we have listed in the questions as five different aspects of an impact assessment to take account of the economic, environmental and social impacts, the on-going administrative burdens involved and the one-off initial compliance costs. My question is: are you satisfied (video link interrupted) that you are able to ensure that all these various aspects are taken account of in an impact assessment?

Dr Italianer: I assume that your question also covers the compliance costs issue?

Q62 Chairman: I am sorry, obviously by compliance costs we mean the initial costs as opposed to the on-going administrative burdens?

Dr Italianer: I think this is a very good question. There are many people who think that administrative burdens should have a prime role when deciding on legislation and also in proposing this at European level they draw the parallel with national systems where sometimes departments have objectives in terms of administrative burdens and so on. In fact,

in the impact assessment we try to take a broader view by not only looking at the administrative aspects but also the economic, environmental and social aspects and also looking at the benefits as opposed to the costs. We are generally satisfied that all these aspects are being covered, although we are trying to improve the assessment of the social and environmental impacts because this is not always easy to quantify. For instance, in the field of environment, often the benefits are made visible over a longer time period and they have to be expressed in quality of life and so on. There are techniques for doing so. However, a comprehensive picture cannot always be expressed in euros or in pounds if you want. Compliance costs are certainly also being looked at, perhaps more than people know from the outside, but compliance costs can come in various sorts. They can relate to investment, they can relate to opportunity cost, there is a time dimension in there, there can be distributional issues, so it is not easy to express costs and benefits on the basis of one single denominator, but I would say that, generally speaking, even proposals that have very little quantification use non-quantitative techniques that allow you to get a good assessment of all these aspects at the same time.

Chairman: Thank you. We will now move to question five. Lord James of Blackheath?

Q63 Lord James of Blackheath: Dr Italianer, this question comes in three parts and I think it will be easier if you take each part separately. The European Parliament is supposed to be going to produce impact assessments of their proposed amendments but this does not seem to be a very regular practice. How effective do you think this could be and what could be done to encourage it?

Dr Italianer: Thank you very much for your question. I think it is a very relevant one because I would say that impact assessments in the Commission have a double role. They are part of a culture change whereby all our staff are made more aware through the impact assessment process of assembling good evidence for good policy, but the policy proposal

from the Commission is not the end of the process, it is the start of a legislative process, so when it comes to the European Parliament we think that when there are important amendments (and it should not be for each and every amendment but when there are important amendments) it would also be of use for members of the Parliament and for Council ministers, for that matter, to use the same techniques to analyse what the impact of the various amendments would be. We have an arrangement with Council and Parliament that in principle they would make these assessments. The Parliament has started doing so in a limited number of cases. This arrangement is coming to an end and we are reviewing it and we hope that with the new College, the new Commission, and with the two other institutions, we will be able to arrive at an agreement that would lead to the greater use of these techniques in the legislative process.

Q64 Lord James of Blackheath: That probably leads to the second part quite nicely which is what do you think concerning the possibility that the Commission should produce an impact assessment of European Parliament amendments when they significantly modify the original text of the proposal? It sounds like a question with only one answer to me!

Dr Italianer: The Commission has already offered to look at such requests, and in particular when it comes to very technical economic modelling, that is something that we could do. Where for instance the changes in the Parliamentary process are changes in certain parameters that can be easily simulated with economic models, then that could certainly be done. However, I think to do this on a systematic basis would require a policy decision. From our contacts with Council and Parliament until now, I know that both institutions were not much inclined to ask the Commission to make this analysis of their amendments because they might perhaps have had the idea that the analysis might not be completely unbiased given the role the Commission itself plays in the legislative process. However, if these issues can be overcome, I am sure that we can find a way forward.

Q65 Lord James of Blackheath: That takes us to the third part which seems to me to be quite complicated in that sense. Could the impact assessments of individual Member States be regarded as a useful assessment of amendments that they would like to negotiate in Council? To that I would like to add: should the European Parliament or the Council on receiving these approaches actually stimulate an approach from the Member States to produce a negotiation for an amendment that would meet their case, or is that complicating the issue too far?

Dr Italianer: It would complicate the case but on the other hand we have seen in the evaluation of our impact assessment system that there is a huge request for regional and national impact assessments of policy proposals, so from the Commission's perspective we very much welcome it if Member States do impact assessments. I would say to the extent that an impact assessment done by one or several Member States serves as a *pars pro toto* in a sense, it could give a good indication of an amendment and so in that sense I think it could help the decision-making in the Council.

Q66 Lord James of Blackheath: I am wondering if there is a sort of subtext to this question that if the Member State does not like what it is getting, should the impact assessment be the occasion for them to be encouraged to seek something which is more modified to their terms?

Dr Italianer: A Member State is always entitled to make a proposal in the context of the Council process that is more to its liking. However, I think it would be useful in a national context if the Member States can also demonstrate what would be the impact of that proposal. For instance, if it went against the objectives of the initiative I think the case would be more difficult than if it went in the direction of better achieving the objective that is being looked for. I should not hide from you that there are some policy proposals where there is a distribution issue between Member States which also forms part of the negotiations. For instance, there was a very ambitious proposal, and it has now been concluded, on the

reduction of CO₂ in the European Union. Clearly there was a distributive issue involved there: who is going to bear the cost; who has to achieve which CO₂ reductions? In that case it is a little bit of a zero sum game. If one Member State has to reduce more than another Member State, as with communicating vases, in that case an individual impact assessment would perhaps be of less use because it would be to the detriment of another Member State.

Lord James of Blackheath: Dr Italianer, thank you for those answers. I will pass you back to the Chairman.

Chairman: Lord Dykes has a supplementary.

Q67 Lord Dykes: Thank you, Dr Italianer. Just coming back to the middle subject area of the three that we have been considering and that is the question of impact assessments on EP amendments. Can I ask you for a brief clarification of that because presumably the difficulty would be that if the EP was not specifically requesting that from the Commission on a particular piece of legislation from time to time, that would be, as it were, direct interference in the EP's own constitutional position in deciding its response and its proposals for legislation. That might be very awkward anyway but also it would be something that would arise probably only rarely, very infrequently. How do you feel about that?

Dr Italianer: My Lord, you are absolutely right, and I think this is one of the reasons, to my knowledge, there have been no, or at least very few, requests to the Commission. Of course the Parliament has to remain the master of its own prerogatives. However, that does not mean that in a very technical proposal or on a technical aspect of a proposal, which like I said required modelling or something, we could not put at the disposal of the Parliament the methods that we have used. We could even use a consultant to run a particular simulation with the parameters that the Parliament would like to look at, but that would be some kind of technical assistance, if you like.

Q68 Lord Dykes: Even then only if the Parliament says, “Would you please do that for us”?

Dr Italianer: Of course, there is no reason why the Commission would interfere.

Chairman: Can we now move to question six and Lord Bradshaw.

Q69 Lord Bradshaw: Good afternoon. It is a simple question really. The work programme contains several items which escape impact assessment and impact assessment is performed on some comitology proposals and on other items outside the annual programme. Should all the proposals made by comitology be subject to impact assessments?

Dr Italianer: Thank you, my Lord. That is a very relevant question because if I look at the statistics over the past years, what I note is that more and more impact assessments are actually being done outside the annual work programme from the Commission. You are asking why there are several items that escape impact assessment. We could perhaps have a written correspondence about this question because, as far as I know, the only items that escape impact assessments are those items that are either some kind of report without any policy proposals or that are consultative documents like Green Papers which, by definition, are the start of the consultative process. As far as we have been able to check, there is hardly any item in the work programme that escapes an impact assessment, but we can perhaps clarify that in writing if you want to. Secondly, on the comitology proposals, why have we started to ask services to make impact assessments? The reason is that the Commission would like impact assessments to be performed on any proposal that has either a significant impact or that is sensitive in a political sense. There are items outside the work programme, for instance in the area of financial regulation, which is a very hot topic and which we could not foresee when the work programme for this year was being prepared, or there are important comitology proposals that do have an economic impact where it would be useful to do an impact assessment. Let me give you an example. We have framework legislation which is called the Ecodesign Directive and it is a very broad framework Directive that allows us to

take measures for individual items like refrigerators in terms of their environmental characteristics. It is very useful when a particular measure is being proposed, such as on refrigerators, to have an impact assessment to know what this means for the refrigerator industry. On the other hand, I think it would be going a bit too far if all comitology proposals were accompanied by an impact assessment given their sheer number. In 2008, for instance, we had 1,258 comitology proposals. In this year for the first ten months alone we have had almost 800, so it is not really practical. What we are trying to do is to spot those proposals that really have an economic impact such as the refrigerator example that I gave you.

Chairman: We now have approximately 20 minutes left so I am going to ask my colleagues to be as concise as they can. Lord Walpole is going to group questions seven, eight and nine.

Q70 Lord Walpole: Dr Italianer, these three questions are very much on the same subject and they are the ones that really matter to the small and medium-sized industries that we get in the countryside and around small towns and market towns and that sort of thing. The SME test is intended to encourage the Commission to “think small first” when developing draft legislation. Do you think this has been effective?

Dr Italianer: Thank you for your question, my Lord. Small and medium-sized enterprises are of course the backbone of the economy and they are extremely important. It is one of the reasons why the Commission has put forward the Small Business Act and the “think small first” principles. That being said, I must say that the nature of the initiatives that the Commission is taking is very broad and in some cases it has no business-related impact whatsoever, so in actual fact you will not find the SME component being looked at in particular. But I must say as the Impact Assessment Board we look at this systematically. You will also find in the annual reports of the Board that this is one of the items that is being looked at, but the proposals do not always lend themselves to really single out SMEs. Let me give you one example. It is perhaps somewhat of an exotic example but quite appropriate for

the countryside. In the countryside we have a lot of what we call non-road mobile machinery. It is the kind of things that you put behind a tractor when you go onto your land. We have certain environmental requirements there and maybe looked at this --- (video link interrupted)

Chairman: We are back on air.

Q71 Lord Walpole: Sorry about that. This is one of the things you expect to go wrong in the countryside, not in the middle of London and Brussels, I would have thought! You were talking about heaving farm machinery around the countryside and that is something that I feel very strongly about. (video link interrupted) What we have got out of the small business representatives is they have argued that the consultation process is unnecessarily complex and that therefore small businesses are unable to respond adequately. Do you think this is a fair assessment and, if so, is there scope for making the process more accessible?

Dr Italianer: Thank you for your question, my Lord; it is an extremely relevant one. I think there is one part of the complexity about which we cannot do much and that is the fact that EU legislation of course comes very often in the form of Directives and will then be translated into national legislation, so this means that if they look at a draft Directive, for instance, it will be very hard for them to visualise what it actually means for them. That can only be done at the national level so there is not much we can do about that. Where we can do something is about streamlining the consultation process and we have now, in the Commission at least, centralised this. There is one single website and it is called Your Voice in Europe and there you will find all the consultations grouped. I just had a look this afternoon. This ranges from the interconnection of business registers to reform of the fisheries policy. So at least on our side we are trying to streamline this to a one-stop shop in terms of consultation.

Q72 Lord Walpole: My final question then is with regards to the consultations we understand that responses are received from individual small businesses, from large

businesses, from representative bodies, NGOs, et cetera. What weight does the Commission give to responses from each of these types of organisation? Or do we have to get someone extremely good to write our applications, or whatever it is, so that we get it right?

Dr Italianer: That is again a very good question. We actually distinguish between two types of contributions. One is individual contributions, and this can be an individual SME or it can be a multi-national company, or there could be a contribution from an organisation that claims to be representative of a group of stakeholders, like for instance a business organisation. That is actually the only distinction we make in terms of the volume when it comes to the weight. Apart from that, the only thing we require is that when in an impact assessment the consultation is being discussed that a balanced view is given that covers all the stakeholders. Sometimes we criticise services for not having consulted one group of stakeholders, so what matters is whether the stakeholders are representative, not how big or small they are, because, as you know, political sensitivity can matter very much for individuals or even for SMEs.

Lord Walpole: That is very helpful, thank you.

Chairman: We will now turn to questions 10 and 11, Lord Dykes?

Q73 Lord Dykes: Dr Italianer, you mentioned a while back in your presentation the question of ex-post impact assessments, and putting that altogether, if I may, just to keep it brief as well, you will remember the Council conclusions on better regulation at the end of May this year saying that there should be an ex-post evaluation of relevant pieces of legislation in place. Have you managed so far to really get going with the procedures and programmes to respond to that, if you think that is a good idea, as I assume you do? How can the actual benefits of ex-post impact assessments be maximised? ([video link interrupted](#))

Dr Italianer: I take it that your question was to what extent we have been able to implement the conclusions?

Q74 Lord Dykes: How can the benefits of ex-post impact assessment systems be maximised and - because it is a bit puzzling for outsiders - how would the ex-post impact assessment differ from evaluation? (video link interrupted)

Dr Italianer: Ex-post impact assessment, in our jargon, we would call ex-post evaluation but I think it is basically the same thing. We are actually strongly encouraging our departments to engage in ex-post evaluation because whenever they are reviewing legislation for which they are responsible, the natural starting point should be ex-post evaluation before they go into a new impact assessment. In fact, this has already been done in a couple of important cases. For instance, there is an evaluation of the so-called IPPC Directive which has to do with the pollution prevention and control measures that are imposed on industry. The new proposal that the Commission made, and the impact assessment, was based originally on an ex-post evaluation and there are now several ex-post evaluations going on. (video link interrupted) I was mentioning several ex-post evaluations that were on-going including in the environmental area and in the food legislation area. Given the hundreds of impact assessments that have been made in the past couple of years, I would expect that several years from now many of them would be the subject of an ex-post evaluation when it comes to the policy review process.

Q75 Lord Dykes: Thank you for your great forbearance and patience. We need an impact assessment on this video system we have got here!

Dr Italianer: I can promise you the next time I will come to London!

Chairman: Our last two questions, 12 and 13, Lord Rowe-Beddoe?

Q76 Lord Rowe-Beddoe: We will take 12 and 13 together, Dr Italianer. They are to do with the priorities of the Better Regulation agenda and what you think they should be for the new Commission once it is in place. Then the second part is how do you view the intention of

Commissioner Barroso to move the better regulation portfolio out of DG Enterprise to his direct control? What do you think would be the benefit of that arrangement?

Dr Italianer: Thank you, my Lord, for this forward-looking question. I think what is very important for President Barroso is to complete the policy circle and to get into place this chain of ex-ante and ex-post evaluations that we just discussed, and I expect this to gain in importance in the coming years. The second most important future aspect I would say is delivery, to actually implement the system in a successful way. If I may give you an example from your own country. Your Government published last month the forward regulatory programme in which 430 measures are being announced. Out of those measures, as far as I can see, there were only some 40 or so that contained assessment of costs and benefits and, out of those 40, three-quarters are EU legislation (but that is not so important!) Only to indicate that even a government like your own Government, which is one of the most advanced governments in terms of doing impact assessments, still faces enormous challenges here, and these challenges are also important for us. I think to actually deliver on this agenda for us is very important for new legislation but also for the body of existing legislation. This also explains why President Barroso has brought together all these elements under his own authority because he has not only integrated the services of DG Enterprise, which was dealing with simplification of legislation and administrative burden, but he has also recently put the ex-post evaluation assessment unit from the budgetary department under his own services here in the Secretariat General. I would say that all the services that are important for better regulation are now grouped under his authority and that gives him all the instruments from his central position to steer this agenda, which is very much a horizontal agenda, through the whole Commission.

Q77 Chairman: I think that concludes our session unless any of my colleagues have got any pressing questions. I do not see anyone round the table wishing to ask any more. Thank you

very much indeed, Dr Italianer, and also Mr Watson for his support to you I am sure. We hope to produce our report in the new year and we will make sure that we send you an autographed copy!

Dr Italianer: Thank you, Lord Chairman, and my Lords. I appreciate the interest you have taken in this subject, which is very important for President Barroso, and on which I think we have made big strides forward in the past years. However, there is still a lot to do and with your help I am sure that we will be able to have a successful agenda in the coming years.

Chairman: Thank you. The public session is now closed.