

# Table of Contents

The Authors	3
List of Abbreviations	11
Introduction EFTA and EEA	13
Part I. The EFTA	15
Chapter 1. Genesis and Historical Development	15
Chapter 2. Institutional Framework	20
§1. MEMBERSHIP AND TERRITORIAL APPLICATION	
§2. INSTITUTIONS	20
I. The EFTA Council	20
II. Organs, Committees and Other Bodies Assisting the EFTA Council	22
A. Vaduz Committees Entrusted with the Updating of the EFTA Convention	22
B. Pre-Vaduz Committees Entrusted with Specific Tasks	22
C. Pre-Vaduz Committees with Horizontal Mandates	23
D. Pre-Vaduz Committees with Technical Mandates	25
III. The EFTA Secretariat	25
Chapter 3. Activities	27
§1. INTRA-EFTA ACTIVITIES	27
I. Substantive Rules Applicable to Intra-EFTA Trade	28
A. Free Movement of Goods	29
B. TBT	30
C. State Aid, Public Undertakings, Monopolies and Competition Rules	31
D. Intellectual Property Rights	32
E. Movement of Persons, Social Security and Mutual Recognition of Diplomas	32
	5

## Table of Contents

F. Investment and Establishment	33
G. Trade in Services	34
H. Land and Air Transport	35
I. Public Procurement	35
J. Economic and Monetary Policy Cooperation	36
II. Procedure for Updating the EFTA Convention	36
§2. THIRD-COUNTRY RELATIONS	37
I. Declarations on Cooperation	37
II. FTAs	38
A. The Scope	40
B. Institutional Set-up under the FTAs	42
C. Dispute Settlement under the FTAs	43
III. Technical Cooperation	44
Chapter 4. Enforcement Mechanisms	46
§1. THE CONSULTATION PHASE	46
§2. THE ARBITRATION PROCEDURE	47
I. The Arbitration Tribunal	47
II. Implementation of Arbitral Awards	48
III. Non-implementation of Arbitral Awards	48
Chapter 5. Finance	50
Chapter 6. Network with Other Organizations	52
Part II. The EEA	53
Chapter 1. Genesis and Historical Development of the EEA	53
§1. THE LUXEMBOURG PROCESS	53
§2. THE DELORS INITIATIVE	55
I. The <i>Acquis Communautaire</i>	55
II. Decision-making	56
III. The Surveillance Mechanism	57
IV. The Judicial Architecture	58
V. The Final Agreement	60
Chapter 2. Characteristics of the EEA	63
§1. A SPECIAL RELATION WITH THE EU TREATIES	63
I. The Extension of the Internal Market	63

## Table of Contents

II. Homogeneity with EU law	67
A. The Cut-off Date	68
B. Rules ‘Identical in Substance’	69
C. Homogeneity and the SCA	72
D. ECJ Rulings Relevant in an EEA Context	73
E. A Duty to Homogeneous Interpretation for the EU Courts?	75
F. When Homogeneity Fails	76
III. General Principles Inspired by the EU Treaties	77
A. Direct Effect and Supremacy	77
B. State Liability	79
C. Fundamental Rights	81
§2. AN AGREEMENT OF PUBLIC INTERNATIONAL LAW NATURE	83
I. The Structure of the EEA Agreement	83
II. The Dynamic Development of the EEA	84
A. Dynamic Development within the Fields Already Covered by the EEA Agreement	85
B. Dynamic Development beyond the Fields Already Covered by the EEA Agreement	87
C. Technical Updates of the EEA Agreement through the EEA Enlargement Agreements	88
 Chapter 3. Institutional Set-up	 89
§1. THE EEA COUNCIL	89
I. Functions of the EEA Council	90
II. Organization and Composition	91
§2. THE EEA JOINT COMMITTEE	91
I. Functions	91
A. Exchanges of Views and Information	92
B. Decisions in the Cases Provided for by the EEA Agreement	93
II. Organization and Composition	93
A. Composition	93
B. Voting Arrangements	94
C. Procedural Aspects of the Joint Committee’s Work	95
§3. THE EEA JOINT PARLIAMENTARY COMMITTEE	96
I. Functions	96
II. Organization and Composition	97
§4. EEA CONSULTATIVE COMMITTEE	98
I. Functions	98
II. Organization and Composition	99
§5. THE STANDING COMMITTEE OF THE EFTA STATES	100
I. Functions	101

## Table of Contents

A. Preparations of the Meetings of the EEA Institutions	101
B. Administration and Management of the Rules of the EEA Agreement	102
II. Organization and Composition	104
A. General Aspects	104
B. Voting Arrangements	105
C. Subcommittees and Working Groups	105
D. Financial Mechanism Committee	106
§6. THE EFTA SURVEILLANCE AUTHORITY	108
I. Tasks and Status	108
II. The College	110
III. The Organization	112
§7. THE EFTA COURT	113
I. Organizational Issues	113
II. The Judges	114
III. The Registrar and Other Officials and Servants of the Court	114
IV. Privileges and Immunities	115
V. Procedural Issues	115
§8. EEA EFTA FORUM OF ELECTED REPRESENTATIVES FROM LOCAL AND REGIONAL AUTHORITIES	117
Chapter 4. The Decision-Making Process in the EEA	118
§1. PARTICIPATION IN DECISION-SHAPING	120
I. Participation in the Policy Development Phase	120
II. Participation in the Policy Decision Phase	121
III. Participation in the Policy Implementation Phase	122
A. Involvement in the Preparation of Delegated Acts	123
B. Involvement in the Adoption of Implementing Acts	124
1. Involvement in the Committees	124
2. Involvement in the Appeal Committees	125
IV. Assessment of the EFTA States' Involvement in the EU's Policy Cycle	125
§2. COOPERATION WITH A VIEW TO ENSURING THE GOOD FUNCTIONING OF THE EEA AGREEMENT	126
§3. DECISION-MAKING IN THE EEA	128
I. Scope of the Simplified Procedure for Amendments of the EEA Agreement	128
II. Different Stages of the Procedure Leading to an Amendment of the EEA Agreement	129
A. The Procedure Preceding the Discussions in the EEA Joint Committee	129

## Table of Contents

1. Procedures to be Followed in the EFTA Pillar	129
2. Procedures to be Followed in the EU Pillar	130
B. The Procedure within the EEA Joint Committee	131
1. Considerations Related to the Principle of Homogeneity	132
2. Overcoming a Lack of Agreement on Amending an Annex between the Contracting Parties	133
 Chapter 5. The Enforcement Mechanism	 136
§1. SURVEILLANCE	136
I. General Surveillance of the Transposition and Application of the EEA Agreement	136
A. The Authority's Enforcement Policy	136
B. The Role of Complainants	139
C. Indirect Supervision via the EU Pillar	139
II. Special Surveillance	140
A. Public Procurement	140
B. Competition	143
1. The Substantive EEA Competition Rules	144
2. Attribution of Competence and Cooperation Rules	145
3. The Procedural EEA Competition Rules	147
C. State Aid	148
1. The Substantive EEA State Aid Provisions	149
2. The Procedural EEA State Aid Provisions	150
3. Cooperation between the European Commission and the EFTA Surveillance Authority	152
4. State Aid to Fisheries	152
 §2. JUDICIAL CONTROL	 153
I. The Infringement Procedure	153
II. Disputes between EFTA States	155
III. Advisory Opinions	156
A. Differences with Article 267 TFEU	156
B. Different Questions of Competence and Procedure	159
IV. The Annulment Procedure	162
A. Jurisdiction	162
B. Procedural Questions	163
C. Intensity in Control	164
V. Actions for Failure to Act	164
VI. Interim Measures	165
 Chapter 6. Cross-Pillar Dispute Settlement	 166
§1. DISPUTE SETTLEMENT PROCEDURE UNDER ARTICLE 111 EEA AGREEMENT	166
I. Parties to the Dispute	166

**Table of Contents**

II. Dispute Settlement Procedure	167
A. Disputes Concerning the Interpretation of Provisions of the EEA Agreement Which Are Identical in Substance to the Corresponding Rules in EU Law	168
B. Disputes Concerning the Scope or Duration of Safeguard Measures Taken in accordance with Articles 111(3) or 112 EEA Agreement or the Proportionality of Rebalancing Measures Taken in accordance with Article 114 EEA Agreement	170
C. <i>Other Disputes</i>	172
§2. OTHER RELEVANT PROVISIONS OF THE EEA AGREEMENT	172
Chapter 7. Finance	175
§1. FINANCING OF EFTA PARTICIPATION IN EU ACTIVITIES	175
§2. FINANCING THE EFTA SURVEILLANCE AUTHORITY AND THE EFTA COURT	176
Chapter 8. Publications and Addresses	177
§1. PUBLICATIONS	177
§2. ADDRESSES	178
Selected Bibliography	181
Index	185