



EUROPEAN COMMISSION

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C(2018) 5138 final*

Dear President,

The Commission would like to thank the Senát for its Opinion on the proposal for a Regulation of the European Parliament and of the Council establishing a European Labour Authority {COM(2018)131 final}.

This proposal, presented within the framework of the Social Fairness Package, forms part of a series of Commission initiatives to deliver on the European Pillar of Social Rights and to support fair and well-functioning labour markets. It aims to contribute to the overall strengthening of the Internal Market, which is one of the priorities of the Juncker Commission.

Over the last decade, the number of mobile citizens almost doubled to reach 17 million in 2017. The Commission submitted several proposals to ensure that the EU legislative framework on free movement of workers, freedom to provide services and social security coordination is fit to respond to the social and economic reality in the Member States and to the challenges of the increased mobility across Europe. However, concerns remained regarding the effective application and enforcement of these rules. The proposal to create a European Labour Authority aims at addressing this aspect, by ensuring that the Authority can provide relevant information and services to individuals and employers, as well as support Member States in cooperation, information exchange, concerted and joint inspections, risk assessment, capacity building, mediation, and cooperation in the event of cross-border labour market disruptions.

The Commission welcomes the Senát's support for the objectives of the proposal on fostering fair mobility, and takes seriously its doubts relating to the establishment of a new body to fulfil this task. The Commission is pleased to have this opportunity to provide a number of clarifications regarding its proposal and trusts that these will allay the Senát's concerns.

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The Commission believes that the European Labour Authority will contribute to ensuring fair labour mobility in the internal market, and thus help enhance the confidence of citizens in the European Union. The Commission proposed an Authority to be charged with tasks which were considered to be carried out insufficiently or not at all. It thoroughly examined the current situation in the Impact Assessment accompanying the proposal. A public consultation and several targeted consultations informed the Impact Assessment, showing that there is a need to provide operational support to national authorities in various areas of cross-border cooperation, as well as a need to provide readily available information to citizens about their rights and obligations. Furthermore, based on several studies produced in the context of the European Platform tackling undeclared work and by social security coordination experts, the Impact Assessment shows the limitations of the current framework with respect to the exchange of information, organising joint or concerted inspections, administrative capacities in dealing with cross-border cases, dispute mediation and finding support in the event of labour market disruptions with cross-border implications. Likewise, the Impact Assessment extensively reports on the adverse impact of lack of awareness and adequate information amongst citizens and companies on the actual possibility to exercise their mobility rights.

Furthermore, the proposal fully respects the current distribution of competences between the European Union and national authorities: the tasks of the Authority, as listed in Article 5 and subsequent provisions, are designed to provide a support function to national authorities for operational activities on cross-border labour mobility and social security coordination matters, and to apply existing EU rules in these fields. The Commission believes this will lead to improved enforcement of existing legislation, which, as indicated by the Sénat, is a priority.

Specific concerns were raised by the Sénat regarding the financial implications of the set-up of the new Authority. The Commission has carefully estimated staff and budgetary needs in light of the tasks to be carried out by the Authority. The Impact Assessment and the Legal Financial Statement transparently report the methods of calculation and the allocation of resources.

The Sénat's Opinion has been made available to the relevant Commission services. Discussions concerning the proposal are now underway between the Commission and the co-legislators, the European Parliament and the Council. The Commission remains hopeful that an agreement can be reached in the near future.

In parallel, an Advisory Group on the European Labour Authority has been established, bringing together representatives of Member States, the European Parliament, European level social partners and other stakeholders. While not participating in the legislative process, the task of the Group is to advise the Commission on how to build the future Authority, taking into account good practices and anticipate and address possible challenges.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Senát and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Věra Jourová
Member of the Commission*