



EUROPEAN COMMISSION

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Dear Chair,

The Commission would like to thank the Sénat for its Opinion on strengthening the European Union's trade policy.

Trade defence instruments are an essential tool for our industry to be able to act against unfair practices such as dumping or subsidisation. It is therefore important that these instruments are sharpened in order to remain effective in addressing these proliferating practices.

The different elements of the modernisation and new methodology, if adopted by the legislator, will ensure the effectiveness of our instruments also in the future. In addition, the change in the application of the lesser duty rule would send a strong signal to our partners and will give us the necessary leverage in case of raw material distortions.

In this sense, the agreement reached in the Council on 13 December 2016 is an important step in the right direction, and we appreciate France's support throughout the procedure. We are counting on the continued support of France in order to be able to conclude these ongoing files as soon as possible.

An open trade policy can only work on fair terms, which trade defence instruments help to ensure.

The Commission would also like to thank the Sénat for its comments on the "Amended proposal for a Regulation of the European Parliament and of the Council on the access of third-country goods and services to the Union's internal market in public procurement and procedures supporting negotiations on access of Union goods and services to the public procurement markets of third countries" {COM(2016) 34 final}.

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The Commission is engaged in discussions with Member States to find a way forward and the necessary backing for the adoption of the International Procurement Instrument. The Commission agrees on the need for such an instrument that would support the European Union's efforts to promote reciprocity through trade agreements, as this would provide the European Union with the leverage to negotiate more effectively with third countries to open their procurement markets towards levels of openness similar to the European Union's.

The Commission has taken note of the suggestion of the Sénat concerning the "Proposal for a Regulation of the European Parliament and of the Council protecting against the effects of the extra-territorial application of legislation adopted by a third country and actions based thereon or resulting therefrom (recast)" {COM(2015) 48 final}.

With regard to the permanent structure which the Sénat suggests should be established, the Commission would like to point out that the necessary channels already exist to enable the relevant services of the European Union's External Action Service to raise these issues with the relevant authorities in the United States.

The current legislative proposal is not intended to introduce substantive changes into the existing legislation. The purpose of the proposal is simply to codify Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom¹ and, at the same time, to make a necessary 'technical' amendment to an existing article of that act with a view to delegating powers to the Commission for establishing the criteria for the application of a provision already contained therein.

The Commission hopes that these clarifications address the issues raised by the Sénat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Cecilia Malmström
Member of the Commission*

¹ OJ L 309, 29.11.1996, p. 1.