## **EUROPEAN COMMISSION**



Brussels, C(2014)

final

Dear President.

The Commission would like to thank the Camera dei Deputati for its Opinion concerning the Commission's Annual Report 2012 on subsidiarity and proportionality {COM(2013) 566 final}.

The Commission appreciates the positive comments of the Camera dei Deputati on the Annual Report.

The Commission agrees with the Camera dei Deputati that it is very important not only to ensure the respect of the principle of subsidiarity for new legislation where regulation is necessary, but also to identify cases where EU legislation is not necessary or where existing legislation should be repealed or modified.

As regards the use of the right for national Parliaments to issue reasoned opinions, the Commission observes that while it appears that national Parliaments increasingly communicate with each other in relation to the use of that instrument, the Commission will continue to assess each reasoned opinion individually. Furthermore, if a yellow or an orange card procedure is triggered, the Commission will come to a global conclusion on whether to withdraw, amend or maintain its proposal on the basis of the subsidiarity arguments put forward in the reasoned opinions. The Commission works on the basis of the thresholds in Protocol No 2 of the Lisbon Treaty as agreed by the Member States.

The Commission assesses the compliance with the principles of subsidiarity and proportionality at different stages of the policy preparation process. For all major new initiatives the Commissions develops and publishes a roadmap providing a preliminary description of the planned measures. Roadmaps also include an initial justification for action in terms of subsidiarity and proportionality. When, in view of the significance of the initiative's expected impacts, an impact assessment needs to be carried out, this will need to demonstrate, on the one hand, the need for and added value of EU action and, on the other, the proportionality of the proposed measure. All draft impact assessments are thoroughly scrutinised by the Impact Assessment Board, whose positive opinion is in principle required before a proposal is adopted. In its opinions, the Board frequently (in around 1/3 of the cases) recommends improvements to the impact assessments to better demonstrate the initiative's compliance with the principles of subsidiarity and/or proportionality. Finally, the explanatory memorandum accompanying all legislative proposals submitted to the legislator needs to explain how the proposed action complies with these principles. More information on the process can be found at the Impact Assessment Board website: http://ec.europa.eu/smart-regulation/impact/iab/iab en.htm

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Regarding comparability and compatibility of impact assessment methods, the three institutions agreed in 2006 on an Inter-Institutional Common approach to impact assessment that clarifies the roles of each institution and sets down the rules to follow in the preparation of impact assessments. According to this agreement, Council and Parliament should ensure comparability with the Commission's impact assessment when carrying out their own impact assessment work. More information on the Common approach can be found at: <a href="http://ec.europa.eu/smart-">http://ec.europa.eu/smart-</a>

regulation/impact/ia\_in\_other/docs/ii\_common\_approach\_to\_ia\_en.pdf)

The Commission agrees with the importance of applying the 'think small first' principle and has over the past years strengthened its focus on tailoring legislation to the needs of microenterprises and SMEs. Since 2012, microenterprises should be excluded from the scope of proposed legislation unless the proportionality of them being covered can be proven. This element should be assessed as part of the SME test conducted in the framework of impact assessments.

As regards the comments of the Camera dei Deputati on relations between the Commission and national Parliaments, the Commission confirms its commitment to the political dialogue in all forms. The Commission is contributing to the national Parliaments' information on and engagement in EU affairs, not only by replying to national Parliaments' opinions, but also by providing information. Further to a request from the Speakers' Conference, the Commission now provides national Parliaments with documents further to Protocols No. 1 and 2 as well as documents which it previously only sent to the Council. Since early December 2013, it also alerts national Parliaments to the launch of public consultations.

The Commission would also like to stress that it has repeatedly confirmed its availability to appear before national Parliaments, and it refers to the particular engagement that it has taken in this regard in the context of the European Semester. Furthermore, the Commission points to its regular participation in COSAC meetings and in other inter-parliamentary conferences. Finally, the Commission remains open to examine concrete suggestions on how to further strengthen the relations, in the framework of the Treaties in force and in full respect of the respective prerogatives of the EU institutions and of the institutional balance at EU level more generally.

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

Yours faithfully,

Maroš Šefčovič Vice-President