

EUROPEAN COMMISSION

Brussels, 11.4.2016
C(2016) 2151 final

Dear Chair,

The Commission would like to thank the House of Lords for its Opinion concerning the Commission Work Programme for 2016 (COM(2015) 610 final), and for its support to the overall approach focussed on a limited number of new key initiatives in 2016 in line with the political priorities set out at the beginning of the mandate.

The Commission takes good note of, and thanks the House of Lords for, the substantive input provided. Some of the questions raised in the Opinion address the detail of specific proposals announced in the Work Programme and for which preparatory work is still ongoing. The Commission will bear in mind the issues raised in the Opinion during this work and will be happy to reply to possible questions and comments on detail once these initiatives have been adopted by the Commission.

At this stage the Commission would like to make the following comments in reply to the key points raised in the Opinion of the House of Lords. Responses to the more specific observations in the Opinion are provided in the attached annex.

With regard to the House of Lords' observations on the political dialogue with national Parliaments and on the latter's role in the preparation of EU decision-making, the Commission is pleased to confirm that it wishes to maintain the frequency of Commissioners' visits to national Parliaments at the level achieved in 2015. These visits give both parties the opportunity for a direct exchange and for the Commission they are a valuable means to listen to the views of national Parliaments and, through them, those of citizens.

The Commission wishes to further enhance this engagement, and announced in the Work Programme that it would take further steps to ensure a strong voice for national Parliaments in European policy-making. The Commission sees this as an ongoing process to ensure that national Parliaments have clear and meaningful ways of making their views on European issues known, while respecting the competences of the institutions and the institutional balance established by the Treaties.

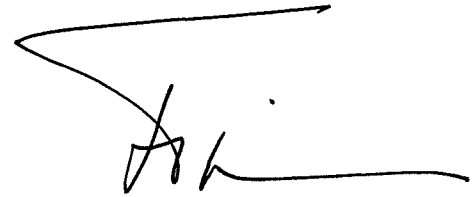
*Lord BOSWELL
Chairman of the European Union Committee
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On the question of the enhanced political dialogue the Commission has stated several times that is open to consider any proposal put forward within the framework of the political dialogue that enjoys broad support amongst national Parliaments. This commitment was recently reiterated in the Commission's reply to the Contribution of the LIV COSAC in Luxembourg¹. As the House of Lords' Opinion acknowledges with regard to the initiative on food waste, the Commission took account of the views expressed in the joint initiative when devising the proposal on the circular economy tabled in December 2015.

With regard to the involvement of the regional Parliaments, the Commission believes that they can also contribute to the political dialogue through their representation at national level. In that regard, regional parliaments with legislative powers should also be consulted where appropriate by their respective national Parliaments for the purposes of the subsidiarity control mechanism under Protocol No 2 to the Treaties.

The Commission hopes that these responses and the further answers provided in the annex are of use to the House of Lords and looks forward to continuing our political dialogue in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Frans Timmermans', with a long horizontal line extending to the right.

*Frans Timmermans
First Vice-President*

¹ <http://www.cosac.eu/54-luxembourg-2015/plenary-meeting-of-the-liv-cosac-29-november-1-december-2015>

ANNEX

Mid-term review of the Multiannual Financial Framework

In the context of the agreement reached on the 2016 budget, the European Parliament, the Council and the Commission gave a firm commitment to prevent the build-up of a payments backlog in the future. The actions to be taken will include the careful monitoring of implementation, not least in accordance with the Payment Plan agreed for 2015-2016, and the updating of forecasts. These will be the subject of interinstitutional meetings on payments, which will take place at political level three times during the year.

A New Boost for Jobs, Growth and Investment

The Commission shares the House of Lords' view on the importance of reducing food waste. The Action Plan presented on 2 December 2015 as part of the Circular Economy Package foresees a number of actions to reduce food waste including a common measurement methodology, improved date marking, and tools to meet the global Sustainable Development Goal to halve food waste by 2030.

A Connected Digital Single Market

Alongside a first set of measures on copyright, the Commission proposed on 9 December 2015 digital contract rules to better protect consumers and help businesses expand online sales. Their speedy adoption by the legislator should enhance access for consumers and businesses to digital goods and services across Europe, which is an essential element of the Digital Single Market Strategy set out in May 2015. There is always a degree of trade-off between the benefits of legal certainty that comes with harmonisation – which of course become stronger the greater the share of cross-border trade – and the risks that harmonisation will in some Member States lower the standards. This has been looked at in the impact assessment and a strong case can be made that the balance in the Commission's proposal is the right approach.

A series of additional measures implementing the Strategy will follow in 2016, including the review of the Audiovisual Media Services Directive. In the review the Commission will aim to protect users and foster competitiveness and innovation while keeping in mind the key objectives of the Directive: creating and ensuring the proper functioning of the internal market for audiovisual media services, contributing to the promotion of cultural diversity, and safeguarding media freedom and pluralism. Preliminary results of the public consultation revealed very large support for maintaining the country of origin principle, considered critical for the functioning of the internal market, as it provides legal certainty and fosters investments, media pluralism and availability of content.

A Resilient Energy Union with a Forward-Looking Climate Change Policy

In the State of the Energy Union report issued on 18 November 2015 the Commission took stock of the progress already achieved towards building the Energy Union. A package of measures on security of gas supply was proposed in February, and the remaining measures referred to in the House of Lords' Opinion will follow in 2016. As regards energy governance in particular, the Commission will come forward in 2016 with proposals outlining the main

elements of governance of the Energy Union, including streamlining planning and reporting obligations.

A Deeper and Fairer Internal Market with a Strengthened Industrial Base

As regards labour mobility, the Commission presented on 8 March 2016 a targeted revision of the Posting of Workers Directive, including rules on remuneration, temporary agency workers and long-term posting, with a view to preventing abuses. On the same date, the Commission launched a public consultation on the basis of a preliminary outline on the European Pillar of Social Rights; this is part of strengthening the Economic and Monetary Union, while non-euro Member States remain free to participate if they wish.

The Commission is also committed to developing a new Skills Agenda for Europe as well as supporting the participation of working parents in the labour market. These are key components of our jobs and growth agenda. Concerning the New Start for Working Parents and Carers, the Commission welcomes that the House of Lords shares the aim of the initiative. The respect for subsidiarity is a key concern of this Commission and will be duly reflected also in this case. This initiative follows the withdrawal of the proposal for a Maternity Leave Directive, on which the European Parliament and the Council were unable to agree, and thus requires a thorough political deliberation. The concrete shape of the initiative will depend on the outcome of the ongoing consultation and if the Commission concludes that there is a need for action at EU level, a second phase of the social partners' consultation on the content will be launched. The House of Lords is most welcome to make its contribution to the preparatory process.

The Commission regrets that it has had to withdraw the proposal on the standard VAT return due to lack of agreement in the Council. Simplification of the VAT system remains a priority of this Commission and further simplification measures have been outlined in the VAT Action Plan presented on 23 March 2016.

The Commission would like to confirm that the Financial Transaction Tax (FTT) will respect the competences, rights and obligations of Member States not participating in the enhanced cooperation. The design of the proposal neither has an impact on the freedom of non-participating Member States to exercise their own tax competence in whatever manner they see fit, nor does it lead to an application of the FTT as such in the territories of non-participating Member States.

A Reasonable and Balanced Free Trade Agreement with the US

The Commission welcomes a wide public debate on the Transatlantic Trade and Investment Partnership (TTIP), and the negotiations for the TTIP are the most transparent trade negotiations ever conducted by the EU. There are, however, many misunderstandings still circulating in the public domain and the Commission has responded by redoubling its engagement with the public and by making the negotiations as transparent as possible. In this context, the Commission is engaged with stakeholders and the general public via organising numerous meetings (including regular meetings of special Advisory Group and dedicated full day meetings during each round, involving not only the negotiators but also both chief negotiators) and dialogues with civil society (since 2014, over 2,800 participants with representatives of over 400 different civil society organisations attended meetings), participating in debates and other TTIP related events in Member States, etc. The Commission is also working on a Sustainability Impact Assessment, and the results of the

draft report are expected in 2016. The Commission is aware that its efforts alone are not enough to reach all citizens, and has therefore called also on Member States' governments, Members of the European Parliament and Members of national Parliaments to also do their fair share of engagement, ensuring there is a fact-based discussion.

An Area of Justice and Fundamental Rights Based on Mutual Trust

Following a first set of measures on firearms put forward on 18 November 2015 in the aftermath of the Paris terror attacks, the Commission adopted on 2 December 2015 a proposal for a Directive to combat terrorism and an Action Plan to step up the fight against the illegal trafficking of firearms and explosives. These are important elements of the European Agenda on Security aimed at supporting Member States in protecting people in full compliance with fundamental rights.

Towards a New Policy on Migration

In addition to the Border Management Package proposed on 15 December 2015, the Commission is working on a wide range of better migration management issues, to reduce irregular flows of persons and to offer safer, legal channels for both those in need of international protection and those who seek to enter the EU for economic reasons. The wide range of proposals made by the Commission seeks to restore a stable and predictable situation in migration management, including reinforced mechanisms for humanitarian access to the EU. The latest European Council conclusions of 17-18 March focused on the EU-Turkey Joint Action Plan to break the business model of smugglers driving the irregular migration flows, to bring emergency support to the humanitarian situation in Greece, and to take practical steps by mobilising the efforts of all to support a solution.

A Stronger Global Actor

The Commission has reviewed the European Neighbourhood Policy to provide for a more tailor-made approach to supporting our Eastern and Southern neighbourhood, and is actively contributing to the Global Strategy on Foreign and Security Policy that is currently being prepared by the High Representative/Vice-President.

The Commission continues to work towards a further concretisation of the accession perspective for candidate countries, and has strengthened the partnership with Turkey, including on migration management. The meeting of EU Heads of State or Government with Turkey of 18 March 2016 reconfirmed the commitment to implement the Joint Action Plan activated on 29 November 2015 and further deepened cooperation aimed at ending irregular migration from Turkey to the EU. Once irregular crossings have been substantially reduced, a Voluntary Humanitarian Admission Scheme will be activated.

A Union of Democratic Change

The Commission appreciates the House of Lords' support for driving the Better Regulation agenda forward. The new Interinstitutional Agreement on Better Law-Making is now in place and the REFIT Platform was launched on 29 January 2016.

Applying the spirit of the Commission's Better Regulation agenda to the Transparency Register means putting in place effective disclosure rules without creating an excessive bureaucratic burden for lobbyists and decision-makers. The overall management of the system needs to be proportionate. In preparing its proposal for an Interinstitutional

Agreement on a mandatory Transparency Register covering all three institutions, the Commission will take into account the feedback received from the public consultation launched in March 2016 as well as the experience gathered so far. In this context, the Commission will give due consideration to any possible suggestions for simplification and streamlining and would welcome any contribution from the House of Lords.