



# EUROPEAN UNION COMMITTEE NEWSLETTER

The European Union Committee considers EU documents and other EU-related matters in advance of decisions being taken on them. It aims to hold the Government to account for its actions at the EU level. The work of the Select Committee is assisted by seven Sub-Committees dealing with different policy areas.

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Welcome to the February edition of the Committee's newsletter.

## Current inquiries

Inquiry	Sub-Committee	Expected publication date
<a href="#">Euro Area Crisis and the fiscal compact treaty</a>	Select Committee on the European Union	February 2012
<a href="#">EU Military Capabilities: lessons from the past, signposts to the future</a>	Foreign Affairs, Defence and Development Policy	April 2012
<a href="#">EU Freshwater Policy</a>	Agriculture, Fisheries and Environment	May 2012
<a href="#">EU Drugs Strategy</a>	Home Affairs	Early 2012
<a href="#">Towards a Financial Transaction Tax?</a>	Economic and Financial Affairs and International Trade	Spring 2012
<a href="#">EU Criminal Procedure</a>	Justice and Institutions	March 2012
<a href="#">EU Financial Framework Follow-Up Inquiry</a>	Select Committee on the European Union	April 2012
<a href="#">The EU's contribution to the modernisation of higher education in Europe</a>	Social Policies and Consumer Protection	Spring 2012

## Select Committee on the European Union

The Committee has launched a short inquiry into the euro area crisis and the fiscal compact treaty negotiations. This inquiry will incorporate the Committee's previous evidence sessions with the Rt Hon David Lidington MP, Minister for Europe (8 November 2011); and with Mr Charles Grant, Director of the Centre for European Reform, and Mr. Edward Carr, Foreign Editor for 'The Economist' (23 November 2011). The Committee has also conducted three extra evidence sessions: with the Minister for Europe regarding the 9 December Council (17 January 2012); with Professor Paul Craig of St. John's College, Oxford (23 January 2012); and with Mr Giuliano Amato, former Italian Prime Minister (23 January 2012). The Committee intends to publish its report in mid-February.

In February, the Committee will resume its inquiry into the Multiannual Financial Framework.

**Continued**

In Edinburgh on 23 January, the Chairman attended the regular ECUK meeting with the Chairmen of the European Committees in the House of Commons, National Assembly of Wales, Scottish Parliament, and Northern Ireland Assembly. Topics for discussion included the euro area crisis, the EU Multiannual Financial Framework, and the Reasoned Opinion Procedure.

Notable scrutiny items include the Commission work Programme and draft Protocols to the EU Treaties concerning Ireland and the Czech Republic.

For information on the Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleu>

**For further details contact the 2nd Clerk of the Committee, Dominique Gracia on 020 7219 5864, or [graciad@parliament.uk](mailto:graciad@parliament.uk)**

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## **Economic and Financial Affairs and International Trade**

During February the Sub-Committee will continue its deliberations on its current inquiry, *Towards a Financial Transaction Tax?* The purpose of the inquiry is to investigate the rationale behind the introduction of a financial sector tax and examine the European Commission's proposal for a Directive on a common system of Financial Transaction Tax (FTT) and its potential significance for the UK. The Sub-Committee has so far heard from campaigners, academic experts, business representatives, and Mark Hoban MP, Financial Secretary to the Treasury. On 16 February, the Sub-Committee will hold its final evidence session when it will hear from the European Commissioner for Taxation and Customs Union, Algirdas Šemeta. The report is expected to be published in the spring of 2012.

On 12 January, the Sub-Committee Chairman, Lord Harrison, led a House of Lords debate on the Committee's July report, *The EU Financial Supervisory Framework: An Update*. The report focussed on the role of the new European Supervisory Authorities, established on 1 January 2010.

The Sub-Committee continues its scrutiny of new Commission proposals. In December, the Sub-Committee heard evidence from Professor John Bachtler, University of Strathclyde, on the Commission's proposals for a Cohesion policy during the next budget programming period. The Sub-Committee will also be scrutinising the Commission's new proposals for the regulation of Credit Rating Agencies, following on from the report on the subject published in July last year, as well as proposals relating to the Markets in Financial Instruments Directive (MiFID).

For further information on the Sub-Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleua>

**For further details contact the Clerk of the Sub-Committee, Stuart Stoner on 020 7219 3616, or [stoners@parliament.uk](mailto:stoners@parliament.uk)**

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## **Internal Market, Energy and Transport**

The Sub-Committee has agreed to conduct a period of enhanced scrutiny before the end of the current parliamentary session. The Sub-Committee has agreed to conduct more detailed scrutiny of proposals for the continued funding of work to decommission nuclear reactors in Bulgaria, Lithuania and Slovakia, as well as proposals to revise the rules surrounding year-end accounts and financial statements, with more details to be publicised in due course.

Otherwise the Sub-Committee continues to scrutinise significant proposals. This month the Sub-Committee will look at a number of significant dossiers. Of those, two are particularly significant: the airports package, which will set out new rules for allocating landing slots and regulating noise levels; and the package of measures to reform public procurement in the European Union. Both have significant policy implications, and the Sub-Committee would welcome views from interested stakeholders.

For further information on the Sub-Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleub>

**For further details contact the Clerk of the Sub-Committee, Mark Davies on 020 7219 4840, or [daviesma@parliament.uk](mailto:daviesma@parliament.uk)**

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## **Foreign Affairs, Defence and Development Policy**

On 19 January the Sub-Committee heard the Government's view at its final evidence session on their current inquiry into the military capabilities available to the EU when Gerald Howarth MP, Minister for International Security Strategy from the Ministry of Defence gave evidence. He was accompanied by Nick Pickard, Head of Security Policy at the Foreign and Commonwealth Office. The report will now be drafted.

The Sub-Committee has submitted its view to the Select Committee on the documents which fall under its remit under Heading 4 of the Multi-Annual Financial Framework. These principally concern the Commission's overall approach to the EU's development policy, including Instruments on Human Rights and Democracy, Stability, EU Pre-accession Assistance and its Partnership and Neighbourhood policies. Its scrutiny was assisted by an informal briefing on 12 January by officials from the Foreign and Commonwealth Office and the Department for International Development. Members will now scrutinise the individual Instruments separately in greater detail. The Sub-Committee has also submitted its views to the Select Committee on the areas of the Commission Work Plan which lie within its remit.

On 2 February an informal briefing was held with Jonathan Scheele, Head of Representation from the European Commission and Nick Westcott, Director for Africa in the EU's External Action Service. The briefing will cover a number of subjects which have concerned the Sub-Committee during its recent scrutiny work. In particular it will give an insight into EU development policy with special regard to South Sudan, which was covered in the Sub-Committee's report on the [The EU and Sudan: on the Brink of Change](#) (published in June 2011, HL Paper 160), and on which the Committee has corresponded with the High Representative. The briefing will also cover the EU's Strategic Framework for the Horn of Africa. The Sub-Committee also wishes to obtain further information about an EU Regulation which removes African, Caribbean and Pacific countries which have not ratified their Economic Partnership Agreements from the list of countries permitted duty free access to the EU for their exports.

The Sub-Committee has responded to the EU High Representative's statement in her report to the European Parliament, the Council and the Commission on the European External Action Service that it had developed its capacities to engage with national parliaments in Member States by inviting her, or a high-level EEAS official, to give evidence to the Sub-Committee.

The Sub-Committee continues its scrutiny of how the EU is responding to the problems in Syria and Iran, in particular the nuclear issue, and on 26 January received an informal briefing from FCO officials on the latest developments in Iran.

For further information on the Sub-Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleuc>

**For further details contact the Clerk of the Sub-Committee, Kathryn Colvin on 020 7219 6099, or [colvink@parliament.uk](mailto:colvink@parliament.uk)**

## Agriculture, Fisheries and Environment

### *EU freshwater policy inquiry*

In January, members of the Sub-Committee attended a conference on EU freshwater policy, held at the University of London under the auspices of the Natural Environment Research Council, and the Department for Environment, Food and Rural Affairs (Defra).

Evidence sessions for the inquiry have continued. In January, the Sub-Committee heard from representatives of the Consumer Council for Water, and of Ofwat (the economic regulator). In February, witnesses will include representatives of the Environment Agency and of the European Commission; in March the Sub-Committee will hear from Mr Richard Benyon, MP, Parliamentary Under-Secretary of State at Defra.

### *Proposals for reform of the Common Agriculture Policy (CAP)*

In January, the Sub-Committee took forward its scrutiny of the proposals for CAP reform which the European Commission published in October 2011. Taking account of its conclusions from its July 2011 report on “Innovation in EU agriculture” and discussion at its follow-up seminar in November 2011, it set out its views on the October 2011 proposals in a letter to the Agriculture Minister at Defra. It welcomed changes to Pillar 2 (rural development) which would support innovation, and the related proposal that funding for investment in agricultural research be more than doubled (under the “Horizon 2020” budget). However, it regretted the failure to make any substantial reduction in the overall agricultural budget, and urged the Minister to advocate greater cuts to Pillar 1. On 6 February, there will be a debate in Grand Committee on the [“Innovation in EU agriculture”](#) report, which will provide an opportunity to discuss the CAP reform proposals.

### *Proposals for reform of the Common Fisheries Policy (CFP)*

In November 2011, the Sub-Committee set out its views on the proposals for CFP reform which the European Commission published in July 2011, in letters to the Fisheries Minister at Defra and to the Commissioner. In February, the Sub-Committee Chairman is meeting the Fisheries Minister to discuss the Government’s approach to the reform process.

For further information on the Sub-Committee’s meetings and to see transcripts from evidence hearings, please visit our webpage at <http://www.parliament.uk/hleud>

**For further details contact the Clerk of the Sub-Committee, Paul Bristow, on 020 7219 4579, or [bristowpn@parliament.uk](mailto:bristowpn@parliament.uk)**

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## Justice and Institutions

The Sub-Committee will be continuing its inquiry into the EU’s criminal procedure policy of the European Union Policy. The Sub-Committee has now completed the formal evidence-gathering process, having conducted its final evidence session, with the Lord Chancellor, at the end of January, and will now begin to deliberate on the text of the report itself.

As part of its routine scrutiny of significant proposals, the Sub-Committee will take evidence on 15 February from Baroness Wilcox in relation to the proposal for a unified patent court (Council number 11533/11); a contentious proposal that will be examining proposed regulations governing the pay and conditions of staff in the European Union, the Commission’s proposed common European sales law and proposals for a directive establishing minimum standards for dealing with victims of crime.

For further information on the Sub-Committee’s meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleue>

For further details contact the Clerk of the Sub-Committee, Mark Davies on 020 7219 4840, or [daviesma@parliament.uk](mailto:daviesma@parliament.uk)

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## Home Affairs

Two of the Sub-Committee's reports have been debated since the last newsletter. The first debate, in December, was on the report on data protection for over a million money laundering suspicious activity reports kept by the Serious Organised Crime Agency in its ELMER database. The Information Commissioner had recommended a number of steps which SOCA should take to improve data protection. The deadline had been extended, and the Committee was pleased to see that most of the progress promised by SOCA by the end of 2011 has in fact been achieved. The period for which records are kept has been reduced and records are accordingly being deleted, and the categories of persons with access to the data are also smaller. The Director of SOCA has invited the Committee to visit the UK Financial Intelligence Unit to see what is happening on the ground, and the Committee intend to take up this invitation.

The second debate last month was on the report on [The EU Internal Security Strategy](#). The report was published in March 2011 and the Government response was received in May 2011, so there was justifiable complaint that it had taken a further 8 months for time to be found for this debate. The Chairman and other members stressed in particular the importance of resources being made available for the new Cybercrime Centre, and of the new EU Security Committee taking over the functions of the numerous other groups it is supposed to supersede. There was also yet again complaint about the Government's failure to ratify the Warsaw Convention on Money Laundering.

The Sub-Committee has completed taking evidence for its inquiry into the EU Drugs Strategy, and will be considering later this month the draft of its report, which is likely to be published in mid-March. The Sub-Committee has also started to consider topics for its next major inquiry.

For further information on the Sub-Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleuf>

For further details contact the Clerk of the Sub-Committee, Michael Collon on 020 7219 8650, or [collonm@parliament.uk](mailto:collonm@parliament.uk)

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## Social Policies and Consumer Protection

As a follow-up to the Sub-Committee's report: [Making it work: the European Social Fund](#), which was published in March 2010, a seminar was held on 8 December in Europe House on Smith Square. 36 participants from the Commission, Government, Local Government, Devolved Administrations, academia, delivery bodies and the Third Sector discussed with Members the European Social Fund's operation in the UK, the proposed reforms to the fund and what its priorities should be during the next Financial Framework from 2014 to 2020. The Sub-Committee is pleased to report that the seminar was well received among stakeholders and a [summary](#) of the proceedings can be found here.

Following the publication of the Sub-Committee's most recent report, [Safety First: Mobility of Healthcare Professionals in the EU](#), on 19 October 2011, both the Government's response to that report and the Commission's proposal for a revised version of the Professional Qualifications Directive were published on 19 December. To inform their scrutiny of this proposal, Baroness Young of Hornsey met with representatives from the six regulated professions under the present Directive – General Medical Council, Nursing and Midwifery Council, General Dental Council, General Pharmaceutical Council, Royal College of Veterinary Surgeons and Architects Registration Board – on 26 January to canvas their views before engaging with the Government on this measure further.

The Sub-Committee began its current inquiry into the [EU's contribution to the modernisation of higher education in Europe](#) at the end of October. Oral evidence has been heard from the University Alliance, the

1994 Group, the Russell Group, million+, Universities UK, the British Council, the NUS and David Willetts MP, the Minister of State for Universities and Science. On 26 January Members of the Sub-Committee also visited the Docklands Campus of the University of East London to examine their facilities which have benefited from EU funding. The report is likely to be published around the end of March 2012.

In order to develop their engagement with stakeholders more generally, organisations with an interest in the Sub-Committee's work have been invited to attend an informal stakeholder event on 16 February 2012 at which the Sub-Committee will discuss its work and explain to stakeholders how they can provide more input into the scrutiny process, as well as hearing about the stakeholder's own priorities.

During March the Sub-Committee intend to conduct enhanced scrutiny of the Commission's Creative Europe proposal, which is one of the funding instruments which forms part of the next Multiannual Financial Framework for the period 2014-2020. On 15 March oral evidence will be taken from Ed Vaizey MP, Minister for Culture, Communications and Creative Industries, and on 22 March from Visiting Arts, the EU Cultural Contact Point for the European Commission's Culture programme in the UK and MEDIA Desk UK, the central information and promotion office for the European Commission's Media programme in the UK.

For further information on the Sub-Committee's meetings and to see transcripts from the evidence hearings, please visit our webpage at <http://www.parliament.uk/hleug>

**For further details contact the Clerk of the Sub-Committee, Michael Torrance on 020 7219 6929, or [torrancem@parliament.uk](mailto:torrancem@parliament.uk)**

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## **House of Lords Representative in Brussels**

On 29 and 30 January, Lord Roper, Chairman of the EU Select Committee, went to Copenhagen to represent the House at a meeting of Chairpersons of national Parliament EU Affairs Committees and representatives of the European Parliament.

The meeting was convened by the Danish Parliament, which holds the Presidency of COSAC. Issues for discussion included priorities for climate and energy policies and the sovereign debt crisis, European economic governance and democratic accountability. This meeting was held primarily in order to organise the full plenary meeting of COSAC which will take place in Copenhagen in April.

Our representative in Brussels is Duncan Sagar. He would welcome the opportunity to discuss the forthcoming work of the EU Committee and can be reached at [Duncan.sagar@europarl.europa.eu](mailto:Duncan.sagar@europarl.europa.eu) or +32 (0) 2 283 1496

## Subsidiarity Scrutiny: 2010-2012

We have drawn the following dossiers to the attention of other national parliaments and/or the devolved administrations as a possible breach of the subsidiarity principle:

Document number	Title	Status	Contact
17066/1/10	Communication from the Commission on “An Agenda for new skills and jobs – A European contribution towards full employment”	Now cleared	Michael Torrance, Clerk to the <a href="#">Sub-Committee on Social Policies and Consumer Protection</a> ( <a href="mailto:torrance@parliament.uk">torrance@parliament.uk</a> )
18111/10	Communication from the Commission – The European Platform against Poverty and Social Exclusion	Now cleared	Michael Torrance, Clerk to the <a href="#">Sub-Committee on Social Policies and Consumer Protection</a> ( <a href="mailto:torrance@parliament.uk">torrance@parliament.uk</a> )
13435/10	Proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union	Superseded (see 15054/11 below)	Paul Bristow, Clerk to the <a href="#">Sub-Committee on Agriculture, Fisheries and the Environment</a> ( <a href="mailto:bristowpn@parliament.uk">bristowpn@parliament.uk</a> )
5084/11	Draft Regulation of the European Parliament and of the Council establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation)	Held	Paul Bristow, Clerk to the <a href="#">Sub-Committee on Agriculture, Fisheries and the Environment</a> ( <a href="mailto:bristowpn@parliament.uk">bristowpn@parliament.uk</a> )
15054/11	Amended Proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union	Held	Paul Bristow, Clerk to the <a href="#">Sub-Committee on Agriculture, Fisheries and the Environment</a> ( <a href="mailto:bristowpn@parliament.uk">bristowpn@parliament.uk</a> )
18919/11	Proposal for a Decision of the European Parliament and of the Council on a Union Civil Protection Mechanism	Held	Michael Collon, Clerk to the <a href="#">Sub-Committee on Home Affairs</a> ( <a href="mailto:collonm@parliament.uk">collonm@parliament.uk</a> )

## Documents on which the House of Lords has issued a Reasoned Opinion

In addition to alerting other parliaments and administrations to potential subsidiarity issues, the House of Lords has issued the following Reasoned Opinions:

Document Number	Title	Date of Reasoned Opinion
12208/10	<p>Proposal for a Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purposes of seasonal employment</p> <p><u>Documents</u>  <a href="#">Subsidiarity assessment: admission of third-country nationals as seasonal workers</a></p> <p><a href="#">Traduction en langue française</a></p>	20 October 2010
13435/10	<p>Proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union</p> <p><u>Documents</u>  <a href="#">Subsidiarity assessment: distribution of food products to deprived persons</a></p> <p><a href="#">Traduction en langue française</a></p>	3 November 2010
15054/11	<p>Amended Proposal for a Regulation of the European Parliament and of the Council amending Council Regulations (EC) No 1290/2005 and (EC) No 1234/2007, as regards distribution of food products to the most deprived persons in the Union</p> <p><u>Documents</u>  <a href="#">Second subsidiarity assessment: distribution of food products to deprived persons</a></p> <p><a href="#">Traduction en langue française</a></p>	28 November 2011

## Possible subsidiarity questions for 2012

The Committee has considered the Commission's Work Programme for 2012 (17394/11) and cleared it from scrutiny. Below are the items that it considers may require particularly close scrutiny in respect of subsidiarity, and the sub-committees that will deal with them.

### Sub-Committee on the Internal Market, Energy and Transport ([www.parliament.uk/hleub](http://www.parliament.uk/hleub))

- Nuclear safety (initiative 36)

### Sub-Committee on Agriculture, Fisheries and the Environment ([www.parliament.uk/hleud](http://www.parliament.uk/hleud))

- Maritime spatial planning (initiative 111)

### Sub-Committee on Justice and Institutions ([www.parliament.uk/hleue](http://www.parliament.uk/hleue))

- Compensation for victims of crime (initiative 103)
- Mutual recognition of civil documents (initiatives 108 and 109)

**Sub-Committee on Social Policies and Consumer Protection** ([www.parliament.uk/hleug](http://www.parliament.uk/hleug))

- Freedom of movement for workers (initiative 34)
- Improving the gender balance on executive boards (initiative 100)
- A European tourism label (initiative 75)