Dear Chairman,

The Commission would like to thank the House of Lords for its Opinion concerning the role of national Parliaments in the European Union.

The Commission welcomes the inquiry that the House of Lords has carried out into this important subject. While the Commission does not share all the conclusions of the House of Lords, it has examined the report with great interest and congratulates the House of Lords on the thorough and detailed work.

As regards the points to which the House of Lords has drawn the Commission’s particular attention, the Commission would like to make the following comments:

**Point 19:** The Commission agrees that there is room for enhancing the role of national Parliaments without Treaty change. It shares the view that effective scrutiny by national Parliaments of the activities of their governments in the European Union is essential and it supports the useful suggestions set out in Chapter 2 of the Opinion.

**Point 35:** National Parliaments can have an impact on EU policy development and formulation, especially in the early stages of policy-making. Where national Parliaments provide their input early by responding to public consultations, green papers or communications, these contributions can be taken into account and will be reflected in the impact assessment and the explanatory memorandum. During the legislative process, the Commission takes due note of the positions of national Parliaments, but it is of course much more difficult to determine the impact of the views and suggestions of each individual actor on the final adopted text. However, the added value for the Commission in receiving opinions from national Parliaments, especially early in the legislative process, is that it can conduct negotiations with the European Parliament and the Council in full awareness of the views expressed by national Parliaments. Furthermore, when the Commission decides which amendments from the co-legislators to accept or not, it does so in full awareness of the different positions expressed by national Parliaments on the respective issues. In this context, the Commission would encourage national Parliaments to make both the European

Lord Boswell  
Chairman of the European Union  
Select Committee  
House of Lords  
Palace of Westminster  
UK – LONDON SW1A 0PW
Parliament and their Member State's Council representatives aware of the content of their opinions and reasoned opinions.

**Point 48:** Concerning the early involvement of national Parliaments in the policy-making process, the Commission shares the views of the House of Lords. It encourages national Parliaments to participate in the pre-legislative phase, and in order to facilitate the process has set up a system to alert national Parliaments when public consultations are launched. The Commission notes, however, that in practice, very few national Parliaments make their views known in the pre-legislative phase.

With regard to the comments of the House of Lords on an increased use of reasoned opinions, the Commission notes that even though only the subsidiarity control mechanism is Treaty based, the Commission equally takes into account national Parliament comments made in the framework of the wider political dialogue. Furthermore, the Commission underlines that reasoned opinions according to Protocol No 2 only concern subsidiarity. There are therefore legal constraints and limits to the use of the instrument.

**Point 49:** The Commission confirms that contributions from national Parliaments to public consultations should be adequately reflected when reporting on stakeholders' views both in the Impact Assessment and the Explanatory Memorandum.

**Point 50:** The Commission confirms that in so far as possible it endeavours to reply to all opinions under the political dialogue within three months. Whereas longer periods of response may have occurred in the past, the Commission is now generally answering within this time frame.

**Point 51:** As regards the Commission's annual reports on relations with national Parliaments, the Commission has taken note of the views of the House of Lords. However, the report has a broader objective and is not intended to describe in detail specific policy areas. Furthermore, for reasons of timing, at the time of drafting the report, it would not always be possible to draw the type of conclusions that the House of Lords is looking for.

**Point 54:** With regard to the comments on meetings between national Parliament committees and members of the Commission or senior Commission officials the Commission confirms that it remains committed to meeting national Parliaments at their request, calendar permitting.

**Points 58-59:** As to the suggestion of the House of Lords to envisage a "green card", the Commission would like to underline that, as it has confirmed in its reply to the Dublin COSAC Contribution, the Commission highly appreciates the contributions made by national Parliaments to its public consultations for the preparation of possible future legislation. In this context, and although the Treaty does not expressly foresee that national Parliaments may request the Commission to submit proposals, the Commission would also be interested in the national Parliaments' views concerning possible subjects for legislation or review of legislation. In such cases and in full respect of the roles and prerogatives of all national and...
European actors including the European institutions, the Commission will be ready to consider national Parliament's input on whether there is a need for new or modified rules in any policy field.

Points 67-71: The House of Lords has made a number of observations in relation to the subsidiarity control mechanism. However, the Commission must underline that it is acting according to Protocol No 2 and that it is not possible to amend the Treaty by inter-institutional agreement. In this context, the Commission must point out that neither the respect of the principle of proportionality nor the assessment of the legal basis form part of the subsidiarity control under Protocol No 2. Furthermore, the 8 week deadline and the thresholds have been fixed in that text and cannot be changed by a simple agreement. Finally, there is no basis for obliging the Commission to only use two of the three options available to it under Protocol No 2 following a review of its proposal. It must also be underlined that there is no legal basis in the present Treaties for granting national Parliaments the right to re-intervene at a later stage with a similar control mechanism.

Point 101: As regards the suggestion of the House of Lords concerning a commitment from the Council to allow sufficient time to scrutinise new or altered elements of the proposal, the Commission is not in a position to pronounce itself on a suggestion that concerns the Council. It notes, however, that such an arrangement has no basis in the Treaty and that it appears to be difficult to reconcile with certain deadlines applicable to the ordinary legislative procedure, laid down in Article 294 TFEU.

Point 163: The principle referred to by the House of Lords is the general principle which the Commission adheres to when working on strengthening democratic legitimacy as a cornerstone of a deep and genuine Economic and Monetary Union (EMU). Clarity about the distribution of responsibilities and the applicable accountability mechanisms are necessary elements of democratic legitimacy. As set out below, this does not preclude that the role of national Parliaments is also enhanced. This general principle goes hand-in-hand with a second general principle, namely that in developing EMU, the level of democratic legitimacy always needs to remain commensurate with the degree of transfer of sovereignty from Member States to the European level.

Point 164: Scrutiny by and accountability to national Parliaments are essential for the legitimacy of decisions taken by finance ministers in the ECOFIN Council. The Commission is fully responsible to the European Parliament. The European Parliament and the Council have notably codified the rules on transparency and accountability that apply to the Commission in its role as a member of the Troika in the so-called "two-pack" legislation on macro-economic surveillance in the euro area. The institutions participating in the Troika each have their own independence, their own mandate and their own accountability mechanisms. In accordance with the Treaties, the European Central Bank (ECB) is independent. Its President and the other members of the Executive Board are regularly heard by the European Parliament. The execution of the ECB's new supervisory tasks is scrutinised.
by the European Parliament, in line with the inter-institutional agreement between the two institutions.

The responsibility for EU decisions must be clear and traceable. Therefore, the Commission agrees that the European Parliament has a vital role to play in ensuring accountability in the EMU, in line with the second general principle quoted above. The Commission however also believes that this vital role of the European Parliament should be complemented by an enhanced role for national Parliaments.

**Point 165:** The Commission considers that setting up a special committee on euro matters in charge of any scrutiny pertaining especially to the euro area is primarily a matter of internal organisation of the European Parliament.

**Points 166-167:** The Commission agrees that national Parliaments should have an enhanced role in the context of economic governance. It has already set out in the Blueprint that the role of national Parliaments will always remain crucial in ensuring legitimacy of Member States’ action in the European Council and the Council, especially for the conduct of national budgetary and economic policies which are now more closely coordinated at EU level. In addition, the Blueprint supports cooperation between the European Parliament and national Parliaments to build mutual understanding and common ownership for EMU as a multilevel governance system. The Commission continues to support related concrete initiatives for inter-parliamentary cooperation.

The Commission considers that the close involvement of national Parliaments in the coordination of budgetary and economic policies is of utmost importance for the democratic legitimacy and accountability of the process. In this context, the Commission has made a commitment to an intensified dialogue with any national Parliament during the European Semester, which could take place at two separate moments: first, early in the year following the publication of the Annual Growth Survey (AGS); second, once the European Council has endorsed the country-specific recommendations.

The 2014 AGS calls for strengthening the national ownership of the country-specific recommendations. It is important to involve national Parliaments and other national actors more in the process to ensure key reforms are understood and accepted. This is particularly important during the process of designing the National Reform Programmes ahead of their submission to the Commission.

The basic accountability mechanisms for improvements in the economic governance framework that do not involve the transfer of new competences to the EU Institutions – and hence changes to the Treaty – are in place. Improved scrutiny and accountability can be ensured by practical measures as set out above and in the Commission’s Blueprint.

For example, with regard to the proposed Convergence and Competitiveness Instrument and contractual arrangements, the Commission considers in its Communication of 20 March
2013\(^1\) that Member States would need to ensure national commitment to the implementation of the contractual arrangements by involving their national Parliamentary assemblies, preferably before the submission of their plans for a set of concrete reforms. In all circumstances, national Parliaments should be involved before the endorsement of the contractual arrangements by the Council. Where relevant and appropriate, representatives of the Commission would be available to participate in dialogue with national Parliaments on the application of the instrument. Similar principles apply also to the proposals regarding the plans for ex-ante co-ordination of major structural reforms.

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

Yours faithfully,

\[\text{Signature}\]

Maroš Šefčovič  
Vice-President

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\(^1\) COM(2013) 165 final.