

Working Group on the possibility of improving the "yellow card" procedure

Report of the Working Group

Introduction

The decision to set up the Working Group was taken at an informal meeting of the Chairpersons of European Affairs Committees of Parliaments of the EU Member States on the Commission Work Programme (CWP) and the "yellow card", held in Brussels on 19 January 2015, which was upheld at the meeting of the Chairpersons of European Affairs Committees (COSAC) of EU Parliaments in Riga on 1-2 February 2014. The participants of the COSAC Chairpersons meeting in Riga agreed that the work of the Working Group would be headed by Ms Agnieszka Pomaska, Chairperson of the European Union Affairs Committee of the Polish Sejm, with membership composed of interested Chairpersons of European Affairs Committees of Parliaments of the EU Member States and the EP. The Working Group was tasked with exploring the possibility of:

- improving the "yellow card" procedure;
- extending the deadline for reasoned opinions from 8 to 12 weeks within the current Treaties.

The Working Group was asked to present the results of its work during the COSAC conference in Riga.

The Working Group met on 13 May 2015 in Warsaw. It was attended by 14 representatives of national Parliaments/Chambers from 12 EU Member States. The discussion was devoted to four topics proposed in the working paper sent to the national parliaments one month in advance. In reply to the request for comments on the working paper, feedback only from the Chairman of the EU Affairs Commission of the Hungarian Parliament has been received.

The results of the work of the Working Group on various topics are presented below:

- I. Closer involvement and cooperation by national Parliaments in European affairs – better use of the mechanisms available to them
- II. Possibilities for national Parliaments to scrutinize proportionality on an equal footing with subsidiarity

- III. Improving the timeliness and quality of the European Commission's responses to reasoned opinions and opinions sent by national Parliaments under the political dialogue
- IV. The possibility of extending the deadline for reasoned opinions from 8 to 12 weeks

It should be underlined that all actions proposed by the Working Group are to be taken as complementary to the existing ones, and serve the exchange of information between national parliaments on what they do and what their common ground is, as well as to show the European Commission the strength of the national parliaments as regards issues important to them.

I. Closer involvement and cooperation by national Parliaments in European affairs - better use of the mechanisms available to them

Background

The EU law provides for direct involvement of national Parliaments in the subsidiarity check of an EU draft legislative act before such an act is adopted (*ex ante* scrutiny). The *ex ante* scrutiny procedure is stipulated in Articles 6 and 7 of Protocol No 2 and it provides for the possibility of a draft legislative act being evaluated by national Parliaments (the "yellow" and "orange card" procedures).

The Treaty framework is complemented by internal acts issued by each Parliament/Chamber and declarations adopted by the Commission, the Council and the EP on the manner of dealing with national Parliaments' reasoned opinions transmitted under the procedure set forth in Articles 6 and 7 of Protocol No 2.

According to the data contained in the IPEX database, during 5 years following the entry into force of the Treaty of Lisbon, 2010-2014, national Parliaments issued and submitted **276 reasoned opinions** on the non-compliance of legislative proposals with the principle of subsidiarity and **2521 other opinions and positions to the European Commission; and 297 reasoned opinions and 1606 other documents to the European Parliament** ¹.

While the Treaty of Lisbon strengthened the role of national Parliaments in the EU legislative process, they scarcely resorted to the "yellow card" procedure during the 5 years and the early warning mechanism was triggered only twice.

The above data shows that there is a need both for better use by national Parliaments of the Treaty provisions concerning subsidiarity and proportionality scrutiny, and for an enhanced cooperation between national Parliaments themselves with a view to making better use of the mechanisms made available to them. The cooperation can be split into three stages:

¹ Data for the Commission as at the end of December 2014, based on unofficial information; data for the European Parliament as at 3 March 2015

Stage 1: From the publication of the Commission Work Programme to the end of March (each year)

In this context, the Working Group has reached agreement as regards the following issues:

- Following the publication of the Commission Work Programme (**further: CWP) for the next year in November each year**, national Parliaments, each in line with its own practice and internal procedure of its Chamber, would carry out a scrutiny of this strategic document and identify proposals they consider most important (or controversial). Through individual parliamentary scrutiny of the CWP, each national Parliament (and the European Parliament) is able to select dossiers which are subject to political attention and to further scrutiny. This selection process helps to focus politicians' attention and work, which is crucial for effective parliamentary scrutiny – most Parliaments have neither time nor the capacity to scrutinise the bulk of EU proposals.
- However, not all Parliaments/Chambers have been using this instrument, which makes cooperation with other Parliaments/Chambers in this regard more difficult, and hence does not enable national Parliaments to make full use of their Treaty instruments, weakening their influence on the EU decision-making process. Therefore, in order to increase the influence of national Parliaments on the EU decision-making process, we encourage all Parliaments/Chambers which do not have such a process in place yet, to become involved in the scrutiny of the Commission Work Programme and share information on their own priorities with other Parliaments.
- EU Commissioners should present CWP in the national Parliaments within the first three months after its publication.
- At the same time, the Commission Work Programme should become a permanent item on the agenda of the COSAC Chairpersons meeting in the first semester of each year. The discussion on the CWP during the COSAC Chairpersons meeting should take place in the presence of the Vice-President of the European Commission responsible for relations with the national Parliaments.
- National Parliaments would have **time to analyse the Commission Work Programme by the end of March**.
- Having chosen their priorities from the Commission Work Programme, **national Parliaments/Chambers would inform other Parliaments/Chambers about them** through national Parliaments' representatives in Brussels and through the COSAC Secretariat and the IPEX Information Officer (during the discussion there were doubts as to whether so many communication channels will not result in communication chaos, but the opinion prevailed that it rather constitutes an opportunity for better communication for the national Parliaments/Chambers).
- Based on priority proposals selected by national Parliaments/Chambers, a table of national Parliaments' priorities for a given year should be developed. The table would

be prepared by the IPEX Information Officer in Brussels based on information received from national Parliaments' Representatives in Brussels. Each Parliament could both back and withdraw its support for each priority at any time. A representative of the Dutch House of Representatives presented the table of priorities of the national Parliaments from CWP for 2015, prepared on the basis of the information received from the national Parliaments (Appendix 1). During the discussion it was pointed out that such a table should also include information that the selection of the priorities of individual national Parliaments/Chambers results from their diverse approaches towards subsidiarity, various priorities and political interests.

- On 1 April each year, the table of priorities of national Parliaments would be sent to the European Commission. It seems reasonable for a cover letter to be sent by the COSAC Presidency parliament on behalf of all national Parliaments/Chambers, which would strengthen the operation of the national Parliaments. For its part, the COSAC Secretariat should be involved in preparing the letter and keeping deadlines. At the same time, it should be pointed out that preparation of the joint table does not rule out the possibility for each Parliament/Chamber to send individually its priorities to the European Commission.
- Parliaments/Chambers particularly interested in specific draft legislative act would agree between themselves which of them is to assume the champion's role for a given draft legislative act. The champion's role would be to track the progress of work on a given proposal, signal the date of publication of the draft legal act to other Parliaments/Chambers, initiate informal meetings with other interested Parliaments/Chambers, with the relevant Commissioners, draw the attention of other Parliaments/Chambers to any issues that may give rise to doubt from the national Parliaments' point of view, etc.
- The exchange of information between the champion Parliament and other Parliaments should take place through the national Parliaments' Representatives in Brussels.

The participants of the Working Group meeting did not comment on the proposal to create a dedicated forum on IPEX platform which would be used by the national Parliaments/Chambers to exchange information on CWP. In the Working Paper it was proposed to create a dedicated closed forum on the IPEX platform for the sole use of national Parliaments, which would be administered by the IPEX Information Officer. The documents posted on the forum should include all documents concerning the Commission Work Programme for a given year (the Commission Work Programme itself, lists of priorities of each national Parliament, a table of priorities of national Parliaments, and any correspondence on national Parliaments' priorities contained in the Commission Work Programme). At the same time, the forum should serve national Parliaments as a place for on-going, quick exchange of information, views and for discussions (mainly informal ones) on the different draft legislative acts in the form of chats. The forum should operate in parallel with email communication in order to:

- a) prevent fragmented distribution of information;
- b) collect all information on a given draft legislative act at a single point;

- c) enable all Parliaments/Chambers starting work at different dates to efficiently reach all information on a given draft legal act.

Stage 2: From the publication of a draft legislative act to the end of the time limit for the subsidiarity check by national Parliaments

Following the publication of a draft legal act, during the 8 weeks given to Parliaments/Chambers for issuing an opinion on its compliance with the principle of subsidiarity, **the champion Parliament role seems to be of key importance**. If we want to achieve enhanced, effective cooperation, the champion Parliament should:

- engage in drawing the attention of other Parliaments/Chambers to any problems found in a given draft legislative act;
- gather all emerging arguments that could be used by other Parliaments/Chambers in the course of their work on a given draft legal act;
- initiate informal meetings of the interested Parliaments/Chambers with the relevant Commissioners;
- possibly coordinate work on triggering the yellow card mechanism.

At this point, it is to emphasise that **the role of the champion is not to represent a group of national Parliaments/Chambers before the European Commission** or other European institutions but only to facilitate the cooperation of the national Parliaments/Chambers on a given draft legislative act in order to increase their effectiveness. **COSAC would remain the only official forum representing the national Parliaments**, but in view of the limited frequency of its meetings it seems necessary to find a formula to intensify the cooperation of national Parliaments/Chambers on European issues so that in their actions they become more active, flexible and pragmatic as regards the objectives they want to achieve.

Each national Parliament/Chamber issues reasoned opinions in compliance with its internal regulations. Some Parliaments/Chambers issue reasoned opinions in plenary sessions while in other Parliaments committees are authorised to issue reasoned opinions on behalf of the Chamber. Therefore, it seems impossible to introduce a standard form of reasoned opinion for all Parliaments/Chambers. However, to avoid misunderstandings as to whether a given opinion is a reasoned opinion or only an opinion in the political dialogue, it seems reasonable to **adopt guidelines on the criteria for reasoned opinion**. Such guidelines could be adopted by COSAC and communicated for information to the Conference of Speakers of the European Union Parliaments.

The Working Group participants agreed that guidelines on reasoned opinions should help national Parliaments/Chambers in their work on draft legislative acts. They may not, however, restrict the national Parliaments in their sovereign right to decide about the scope and content of a reasoned opinion but should enable them to help the European Commission identify opinions sent by the national Parliaments as reasoned opinions. In addition, existence of such

guidelines could become a factor which would encourage the national Parliaments/Chambers to exercise more active control of the principle of subsidiarity.

Stage 3: After 8 weeks - without a yellow card

If at least 9 reasoned opinions are issued by national Parliaments/Chambers, the relevant EU Commissioner should meet with the Parliaments that have issued reasoned opinions on a given draft legislative act and discuss with them all issues raising doubts on the part of national Parliaments.

An invitation to a meeting could be sent to the relevant Commissioner by all the interested Parliaments/Chambers jointly or through the champion Parliament on behalf of all others.

In the course of further work on a proposal, the **Commission should accurately show the impact of reasoned opinions on the final shape of the draft legislative act.**

II. Possibilities for national Parliaments to scrutinize proportionality on an equal footing with subsidiarity

Article 5 of the Protocol No 2 to the Treaty of Lisbon on the application of the principles of subsidiarity and proportionality provides that "*Draft legislative acts shall be justified with regard to the principles of subsidiarity and **proportionality** Any draft legislative act **should contain a detailed statement making it possible to appraise compliance with the principles of subsidiarity and proportionality.***" Also in terms of the general obligations of institutions (Article 1), the Protocol treats both principles jointly.

The scrutiny of a draft legislative act only for its compliance with the principle of subsidiarity, without taking into account the principle of proportionality, seems ineffective and illogical, and it limits national Parliaments' competence with regard to the principle of subsidiarity itself. It also often seems difficult to separate subsidiarity from proportionality, especially where the significance of the provisions of an act is assessed in terms of the achievement of Treaty objectives. Therefore, despite the fact that articles governing the procedure for the scrutiny of draft legislative acts (Articles 6-7), the legislature makes reference to the principle of subsidiarity only, it seems reasonable for national Parliaments/Chambers to be able to analyse proportionality issues at least to the extent to which they cannot be separated from the subsidiarity scrutiny.

Also the Friends of Presidency Group, in its final report submitted to the Presidency in December 2014, noted that "*when discussing the annual Commission Work Programme, special attention should be paid on the respect of the principles of subsidiarity and proportionality*", treating the two as inseparable principles.

Having also in mind that the European Commission must apply the Treaties, it is not possible within the current legal framework to send reasoned opinions on the non-compliance of draft legislative acts with the principle of proportionality only.

However, having regard to:

- the letter from the First Vice President of the European Commission Frans Timmermans to the College of Commissioners dated 18 December 2014 in which he announced that ‘forging a new partnership with national Parliaments is a priority for this Commission’ and
- the letter from the First Vice President of the European Commission Frans Timmermans to the Chairperson of the European Affairs Committee of the Latvian Parliament Lolita Čigāne, holding presidency of the COSAC, dated in January 2015, in which he reaffirmed that "This European Commission is firmly committed to forging a new partnership with national Parliaments – by renewing the existing political dialogue”

it seems we are at the best moment in time to act in order to improve our cooperation with the European Commission.

In this context, the Working Group agreed that:

- The principles of subsidiarity and proportionality are strictly connected with each other, and should be assessed in parallel;
- National Parliaments/Chambers should also include in their reasoned opinions relating to non-compliance with the principle of subsidiarity information on the possible non-compliance of the draft legislative act with the principle of proportionality. In such cases, the European Commission should also refer in its replies to any reservations concerning the non-compliance with the principle of proportionality;
- In the case at least 9 opinions issued by national Parliaments/Chambers on the breach of the principle of proportionality only, the relevant EU Commissioner could meet with the Parliaments that have issued opinions on a given draft legislative act to give them deeper knowledge and better explanation on all issues raising doubts on the part of national Parliaments/Chambers. However, in this case, it should be considered whether precise determination of the number of national Parliaments’ opinions will not be a restriction itself.

III. The possibility of improving the timeliness and quality of the European Commission's response to reasoned opinions and opinions sent by national parliaments under the political dialogue

According to the data contained in the IPEX database, during 5 years following the entry into force of the Treaty of Lisbon, 2010-2014, national Parliaments issued and submitted **276 reasoned opinions** on the non-compliance of legislative proposals with the principle of subsidiarity and **2521 other opinions and positions to the European Commission; and 297 reasoned opinions and 1606 other documents to the European Parliament**².

² Data for the Commission as at the end of December 2014, based on unofficial information; data for the European Parliament as at 3 March 2015

While the Treaty of Lisbon strengthened the role of national Parliaments in the EU legislative process, they scarcely resorted to the "yellow card" procedure during the 5 years, triggering the early warning mechanism only twice.

The first yellow card referred to **COM(2012) 130**, i.e. *Proposal for a Council regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services*.

12 Parliaments/Chambers (including the Polish Sejm) representing a total of 19 votes sent a reasoned opinion within the time limit, i.e. by 22 May 2012 (the threshold being 18 votes). Following an analysis, the Commission stated that the subsidiarity principle had not been breached. However, facing the prospect of failure to win sufficient political support in the EP and the Council, it decided to withdraw the proposal on 26 September 2012.

National Parliaments received two letters from Vice President of the Commission Maroš Šefčovič: the first one, dated 12 September 2012, announced the withdrawal of the proposal due to a lack of support, and the second one, dated 14 March 2013, explained briefly why the Commission believed no subsidiarity breach was involved.

The second yellow card referred to **COM(2013) 534**, *Proposal for a Council regulation on the establishment of the European Public Prosecutor's Office*.

14 Parliaments/Chambers representing a total of 18 votes sent a reasoned opinion within the time limit, i.e. by 28 October 2013 (the threshold being 14 votes). On 6 November 2013, the Commission confirmed the triggering of the early warning mechanism, and on 12 November 2013 it sent a letter to Speakers of Parliaments confirming, in compliance with the procedure, that the threshold had been reached. On 27 November, the Commission issued Communication COM(2013) 851 to uphold its proposal on the establishment of the European Public Prosecutor's Office as being in compliance with the principle of subsidiarity, and justified its position on 14 pages.

An analysis of all reasoned opinions sent to the European Commission conducted by the Experts from Sejm's Bureau of Research shows that the **main objections of the national Parliaments/Chambers regarding the draft legislative acts concerned:**

- the belief that the objectives of the proposed regulation cannot be sufficiently achieved by the Member States;
- breach of the principle of proportionality being inseparably connected with the principle of subsidiarity;
- reference to an incorrect legal basis;
- a lack of justification of a draft legislative act or its insufficient justification with regard to its compliance with the principle of subsidiarity;
- the Commission's breach of its mandate to adopt delegated or implementing acts;
- other.

An analysis of the European Commission's replies to reasoned opinions of national Parliaments *"leads to the conclusion that in none of the cases scrutinised has the Commission shared the reservations of national Parliaments. Having regard to the large number of the documents reviewed and the fact that the objections concerned mostly the objective of the proposed regulation, which is essential to the assessment of a subsidiarity breach, it is concluded that the Commission generally does not take into account national Parliaments' opinions"*³

The analysis of replies from the European Commission to reasoned opinions has led to the following conclusions:

- the Commission usually comments objections contained in reasoned opinions in formal terms;
- its replies usually (with some exceptions) have a high degree of generality;
- they lack a sufficient in-depth assessment of the issues analysed.

In addition, a review of the European Commission's replies to reasoned opinions shows that **the time it takes the Commission to prepare them varies** from two months to about one year, the average time for drawing up a reply being four to five months.

This shows that there is a strong need to improve cooperation with the European Commission regarding its replies to reasoned opinions of national Parliaments. The new opening in relations with national Parliaments, announced by the First Vice President of the Commission Frans Timmermans, raises hopes that the relations will develop in such a manner as to enable national Parliaments to exercise real influence on EU legislation in line with the prerogatives conferred on them in the Treaties.

In the course of its work, the Friends of Presidency Group has also devoted much time to the issue of the European Commission's replies to national Parliaments' reasoned opinions. In its final report for the Presidency in December 2014, it noted the need *"for the Commission to deal with reasoned opinions of national Parliaments initiating the so-called **"yellow card"** procedure. Several delegations called for a more detailed analysis by the Commission in the event the yellow card procedure is applied, in which analysis the Commission would undertake to carry out an official internal debate, if possible a formal debate by the College, should the yellow card procedure be triggered"*.

In this context, the working group agreed that in order to improve cooperation with the national Parliaments, the European Commission should:

- Reduce the time for preparation of replies to reasoned opinions to a maximum of 8 weeks. This period should not include the period of summer holidays in August and – if the European Commission adopts such an approach towards reasoned opinions, also –

³ Sejm's Bureau of Research in :*"Parlamenti narodowe wobec zasady pomocniczości w świetle prawa i praktyki Unii Europejskiej"*, Wydawnictwo Sejmowe, Warszawa, 2015

Christmas/ New Year and Easter breaks as well as any non-working periods in the EU Institutions;

- Refer in detail in its replies to all issues raised by national Parliaments in their reasoned opinions;
- Prepare, in addition to individual replies to the Parliaments/Chambers that have sent reasoned opinions, one reply comprising replies to all reservations raised by national Parliaments/Chambers in their reasoned opinions and circulate them to all Parliaments/Chambers of the Member States. Such a collective Commission's reply to all reasoned opinions, sent in the official language of each Parliament, would enable the national Parliaments/Chambers to become acquainted with all replies of the European Commission to reasoned opinions of all national Parliaments/Chambers, which would help:
 - provide national Parliaments with a complete picture of the quality of the Commission's replies;
 - encourage the Commission to exercise greater diligence in preparing its replies;
 - avoid misunderstandings or the Commission being re-approached by a Parliament/Chamber if a more accurate and exhaustive reply to its reservations were found in such a collective reply .

IV. The possibility of extending the deadline for reasoned opinions from 8 to 12 weeks

For quite some time, national Parliaments have been discussing the extension of the 8-week deadline within which they can scrutinise draft legislative acts for compliance with the principle of subsidiarity.

The Nineteenth Bi-annual Report: Developments in European Union Procedures and Practices Relevant to Parliamentary Scrutiny prepared by the COSAC and presented to XLIX COSAC on 23-25 June 2013 in Dublin showed that 1/3 of national Parliaments/Chambers find the 8-week period too short to scrutinise legislative proposals for compliance with the principle of subsidiarity in a reliable manner. In their replies, some of them suggested that a 12-week period for internal parliamentary scrutiny of subsidiarity would be better. At the same time, it was pointed out *"that a longer period would not mean a significant slowing down of the European legislative procedure (given its usual duration), but it would provide enough time for the national Parliaments to thoroughly scrutinise subsidiarity. This could also lead to an improvement in the quality of the reasoned opinions"*.

Also in the course of work of the Friends of Presidency Group, the issue of subsidiarity monitoring deadlines was addressed, and a report submitted to the Presidency in December 2014 emphasised that *"a consensus has been achieved on that it is necessary to consider the use of a more flexible interpretation of the respective provisions of the Protocol"*.

In light of the Treaties currently in force, it seems impossible to specifically extend the period given to national Parliaments to examine legislative proposals for compliance with the subsidiarity principle from 8 to 12 weeks. However, the European Commission could take a more flexible approach to the existing provisions of the Treaty.

During the Working Group meeting, its participants agreed on introduction of a more flexible approach of the European Commission to counting the 8 weeks in such a way as to exclude from it Christmas/ New Year and Easter breaks, as is the case with the summer holidays in August. Furthermore, some participants also supported the proposal from the working paper to exclude from the 8-week period any non-working periods in the EU Institutions.

Summary

The implementation of the above changes requires determination and commitment on the part of national Parliaments as well as good will on the part of the European Commission. We hope that, together with the European Commission's new opening, we will be able to develop a common model of enhanced cooperation that will enable all the existing instruments and mechanisms to be used more effectively.