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REPORT

From:	Presidency
To:	Permanent Representations Committee (Part 1) / Council
No. Cion doc.:	7203/18 - COM(2018) 131 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a European Labour Authority - Progress Report

I. INTRODUCTION

The Commission proposal, presented on 13 March 2018, is intended to create a new agency called 'European Labour Authority' (ELA) which should in particular 1) facilitate access to information on rights and obligations in cases of cross-border mobility for employees, employers and national administrations, 2) support coordination between Member States in cross-border enforcement of relevant EU law, 3) mediate between MS authorities in order to resolve cross-border disputes between them, and 4) facilitate solutions in case of labour market disruptions.

The new Authority will pool the technical and operational tasks of seven existing EU bodies (EURES European Coordination Office, Technical Committee on the Free Movement of Workers, Committee of Experts on Posting of Workers, the European Platform on Tackling Undeclared Work and the three sub-committees to the Administrative Commission for the Coordination of Social Security Systems - Technical Commission, Audit Board and Conciliation Board) to form a permanent structure with a view to achieving improved and more efficient output on the basis of a strengthened forum for cooperation and joint investigative activities.

Member States should second National Liaison Officers to the ELA. Their task should be to create the link to Member State administrations and facilitate collaboration between and within Member States, following the examples of EUROPOL and EUROJUST.

The establishment of the Authority will not extend EU substantive law. Its tasks will be limited to the support of Member States in the implementation of the existing relevant EU legislation, in particular in the areas of cross-border labour mobility and social security coordination, including free movement of workers, posting of workers and highly mobile services.

Within the deadline of eight weeks from the submission of the Commission's proposal, the national parliaments of Poland and Sweden submitted reasoned opinions.¹

As for the European Parliament², the schedule of the EMPL Committee currently foresees the report being adopted at the October or November 2018 plenary.

The European Economic and Social Committee and the Committee of the Regions have not yet adopted their opinions.

At this stage, all delegations have general scrutiny reservations on the proposal.

¹ No review of the proposal was required on the part of the Commission, the one-third threshold set out in Protocol 2 TEU, Article 7, having not been met.

² Jeroen Lenaers (EPP/NL) is the Rapporteur for the EMPL Committee.

II. THE COUNCIL'S WORK UNDER THE BULGARIAN PRESIDENCY

The Commission presented its proposal to the Working Party on Social Questions at its meeting on 23 April 2018. This was followed by another meeting dedicated to the impact assessment on 23 May 2018. The summary of the discussion on the impact assessment is attached to this report as Annex I. At its meetings on 23 and 30 May 2018 the Working Party examined the proposal from Article 1 to Article 11.

III. DELEGATIONS' POSITIONS

Most Member States share the objectives of the proposal, while on the proposal itself, a number of questions and concerns persist at this early stage of examination. Delegations raised in particular the following issues of general nature:

- 1) the evidence for the added value of the Authority needs to be further examined, given that only few details are known as to how the Authority will work once the tasks of the seven bodies and networks have been taken over. In that regard notably the future role of the Administrative Commission for the Coordination of the Social Security Systems and the functioning of EURES remains to be seen.
- 2) the risk that in the future Member States' influence may be reduced once the tasks of the seven bodies and networks have been transferred to ELA.
- 3) the risks of additional financial and administrative burden for Member States, and
- 4) concerns related to concerted and joint inspections.

Delegations also highlighted that the establishment of ELA should not in any way impact the competences of the Member States and that a smooth transition of tasks from the existing structures to ELA needs to be ensured in order to avoid any disruption.

The Commission showed willingness to clarify and discuss these and other points with the delegations and, where necessary, to find solutions. It underlined notably that the details of ELA's future working methods would be discussed with Member State representatives also in the Advisory Group for the European Labour Authority that has been established³. The Commission also clarified that the Member States would be represented in the Management Board of ELA that will take all the strategic decisions.

IV. CONCLUSION

During the next semester, under the Austrian Presidency, the Council preparatory bodies will continue the discussions, with a view to agreeing on a Council position.

³ Commission Decision (EU) 2018/402 of 13 March 2018 setting up the European Advisory Group for the European Labour Authority, OJ L 72/20 of 15.3.2018.