



Brussels, 17 December 2018  
(OR. en)

15547/18

FIN 1019  
INST 499  
PE-L 61

#### 'I/A' ITEM NOTE

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From:	Budget Committee
To:	Permanent Representatives Committee/Council
Subject:	Council's decision contrary to the Commission's project to co-sign with the European Parliament a lease agreement for the premises for the House of the European Union in Paris (Art. 203(5) FR)

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1. On 26 June 2018, the Commission submitted to the Council, in accordance with Article 203(5) of the Financial Regulation, its proposal to co-sign with the European Parliament a lease agreement for the premises for the House of the European Union in Paris<sup>1</sup>.
2. The Budget Committee analysed the proposal at its meetings on 5 and 13 July 2018 and it requested additional information from the Commission<sup>2</sup>. On 16 July 2018, the Council received a letter from the Commission announcing the withdrawal of the proposal<sup>3</sup>.
3. On 22 November 2018, the Commission submitted to the Council for prior approval a proposal for a revised project concerning the House of the European Union in Paris, in accordance with Article 203(5) of the Financial Regulation<sup>4</sup>. On 14 December, the Commission submitted additional information<sup>5</sup>.

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<sup>1</sup> WK 7827/2018.  
<sup>2</sup> WK 7827/2018 ADD 2.  
<sup>3</sup> WK 8815/2018.  
<sup>4</sup> WK 14630/2018.  
<sup>5</sup> WK 14630/2018 ADD 2.

4. The proposal concerns the Commission's share in a 20-year lease contract to be co-signed with the European Parliament for the accommodation of the Commission Representation and the European Parliament Liaison Office in the new House of the European Union at a prime location in Paris.
5. The Budget Committee examined this request at its meetings on 10 and 17 December 2018 and asked a number of questions, in particular in the light of the steep increase in costs for the Commission as compared to the current situation (Commission share current cost: EUR 944 543/year, Commission share proposed cost EUR 2 478 217/year) . Whereas Member States generally did not object to the concept of a House of the European Union in Paris, most Member States were of the view that the substantive cost increase for the Commission was not justifiable and that the Commission should have considered alternative, more cost efficient options.
6. The Budget Committee therefore agreed, by a qualified majority, to suggest that the Permanent Representatives Committee advise the Council:
  - to take a decision contrary to the Commission's proposal to lease premises for the House of the European Union in Paris on the basis of Article 203(5) of the Financial Regulation;
  - to approve the draft letter in the ANNEX to that effect.

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**DRAFT LETTER**

from: President of the Council

to: President of the European Commission

copy: President of the European Parliament

Sir,

In accordance with Article 203(5) of the Financial Regulation of 25 October 2012<sup>6</sup>, I inform you that the Council has taken a decision contrary to the proposal of the Commission, received on 22 November 2018, to lease, jointly with the European Parliament, premises for the House of the European Union in Paris. The Council considers that the building project would lead to a significant and unwarranted increase of total costs for the Commission compared to the current situation and is of the view that alternative, more cost efficient solutions should have been sought.

In accordance with Article 203(5), fifth subparagraph, of the Financial Regulation, the Commission is therefore to withdraw its proposal, but may submit a new one.

(Complimentary close).

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<sup>6</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).