Introduction
Austria will hold the EU Council Presidency from July to December 2018. Its presidency comes at the end of the Trio Presidency composed of Estonia, Bulgaria and Austria. The last time Austria held the Council Presidency was in 2006.

Austria has a federal system of government with the Chancellor, Sebastian Kurz, as head of government, a Vice-Chancellor and federal ministers. Chancellor Kurz has been in office since December 2017. The President and the government together form the executive branch in Austrian politics. The current government is a coalition government composed of the Austrian People's Party (ÖVP) and the Freedom Party of Austria (FPO).

Austria has a bicameral parliamentary legislature consisting of two chambers: the National Council (Nationalrat) and the Federal Council (Bundesrat). The former currently has 183 members elected through proportional representation in a general election, while the Bundesrat has 61 members elected indirectly through provincial diets.

PART A: POLITICAL PRIORITIES OF THE AUSTRIAN PRESIDENCY
This note looks at the Austrian Presidency's priorities, with those dossiers which figure in the Joint Declaration agreed to by the three institutions as priorities for 2018 until May 2019 marked with an asterisk (*).

A EUROPE THAT PROTECTS is the motto Austria has chosen for its Presidency. Austria considers that there have been several crises in recent years that have given rise to mistrust in the EU amongst European citizens. This mistrust needs to be addressed.

To this end, the Austrian Presidency has announced three main priorities for its term in office: security, competitiveness and stability. On security, it intends to focus on the fight against illegal migration, by securing Europe’s external borders, and on the reform of the Common European Asylum System. On competitiveness, it will work on matters related to the digital single market, specifically digitalisation. On stability, it has announced its intention to work towards EU accession of the Western Balkan countries.

A number of ongoing complex and challenging dossiers will also feature prominently during the second half of 2018, such as Brexit, the interinstitutional negotiations of a new Multiannual Financial Framework (MFF) 2021-2027 and the reform of the EU.
Subsidiarity is another key element for the Austrian Presidency. The idea is that the scope of action of the EU would be re-defined via a ‘Subsidiarity Pact’, whereby tasks, which are better handled at Member State level, would be carried out at this level, thus taking decisions closer to the citizens. In the light of the upcoming European Parliament elections, this proposal may well find support amongst some Member States. The Austrian Presidency plans to hold a high-level conference in Bregenz, Austria on 15-16 November 2018, the conclusions of which would serve as substantial input to the European Council meeting in December 2018.

As part of the six-month roadmap, Austria will host several key events; most significant amongst these is the special summit on security, in Salzburg on 20 September 2018, and the EU-Asia conference on 23 and 24 November 2018. On the special summit on security, the Austrian Presidency position is that instead of fighting over the distribution of refugees, the EU must implement and improve external border protection. While Member States that are particularly under stress due to migratory flows should receive more support, it is also necessary to strengthen the mandate of Frontex as a way of combating illegal migration.

1. MIGRATION AND SECURITY

The reform of the Common European Asylum System is at the centre of efforts to address European citizens’ concerns with regard to uncontrolled migratory flows. Parliament and Council have not yet reached an agreement on a number of legislative files. It is hoped that these legislative proposals will be concluded under the Austrian Presidency.

On Asylum, the Dublin System (2016/0133 COD)* on international protection is the most problematic. This legislative proposal is politically sensitive given that it is linked to the infringement procedures brought against Poland, Hungary and the Czech Republic for non-compliance with relocation obligations. Progress on this matter is key to progress on the following related legislative proposals:

- European Union Agency for Asylum* (2016/0131 COD),
- Eurodac (2016/0137 COD)* which deals with the EU asylum fingerprint database,
- Standards for the Reception of applicants for international protection* (2016/0222 COD),
- Standards for the Qualification of third-country nationals* (2016/0223 COD),
- Common procedure for international protection in the Union* (2016/0224 COD),
- Union Resettlement Framework* (2016/0225 COD).

Member States considering these files, which are part of the asylum package, have indicated a need to have a position on the Dublin system and related files first before reaching an agreement on any other proposal individually.

A partial provisional agreement was reached in the month of June on the files relating to International Protection, Qualifications and the Union Resettlement Framework, with the exception of the cross-references to other migration files, in particular the Dublin Regulation and the Asylum Procedure Regulation, which currently have not been negotiated. The European Council which took place on 28 and 29 June 2018 discussed the issue of migration and asylum, particularly in the light of the recent migrant humanitarian crisis in the Mediterranean.

On security, the Austrian Presidency will also focus on the need for efficient cooperation on and information exchange between the security authorities of individual Member States, as a way to combat organised crime in a globalised world. To this end, the following legislative files are expected to feature prominently:

- European Criminal Records Information System (ECRIS)* (2016/0002 COD),
- Interoperability between EU information systems in the field of borders and visa* (2017/0351 COD),
Interoperability between the EU information systems in the field of police and judicial cooperation, asylum and migration* (2017/0352 COD).

On the Security Union package, the European Commission announced the following proposals in April 2018:

- Cross-border access of law enforcement authorities to electronic evidence* (2018/0108 COD),
- Cross-border access to and use of financial data by law enforcement authorities* (2018/0105 COD),

Progress on these files is expected to commence in the LIBE committee during the Austrian Presidency. A first exchange of views on the Security Union package took place in the LIBE committee with Commissioner Julian King.

2. DIGITALISATION

The Austrian Presidency intends to focus on reinforcing Europe’s economic performance and share of world GDP by avoiding over-regulation and seeking progress in innovation and digitalisation.

To this end, it views the completion of the Digital Single Market as crucial, together with the modernisation of the public sector as well as the renewal of industrial policy. The following ongoing legislative projects will likely be considered a priority:

- Cybersecurity Act* (2017/0225 COD),
- Contracts for the supply of digital content* (2015/0287 COD),
- Contracts for the online and other distance sales of goods* (2015/0288 COD),
- Promoting fairness and transparency for business users of online intermediation services* (2018/0112 COD),
- Copyright in the Digital Single Market* (2016/0280 COD),
- Online transmissions of broadcasting organisations and re-transmissions of television and radio programmes (CabSat)* (2016/0284 COD).

On the digital content file (2015/0287 COD), substantive progress has been made and work is expected to continue under the Austrian Presidency. On all other proposals, work is ongoing, often with serious divergences between the two co-legislators.

Finally, on questions of privacy, the e-privacy proposal on respect for private life and the protection of personal data in electronic communication* (2017/0003 COD), is proving to be a very complex file. Council may adopt a general approach in summer and hence this could be taken up under the Austrian Presidency.

Concerning the digital economy, the Austrian Presidency will seek to develop further the protection of national public budgets from harmful tax competition and tax avoidance, while guaranteeing fair conditions of competition for all companies. The following consultation files are pertinent in this regard:

- Common system of a digital services tax on revenues resulting from the provision of certain digital services (2018/0073 CNS),
- Corporate taxation of a significant digital presence (2018/0072 CNS).
3. STABILITY IN THE NEIGHBOURHOOD

In line with the European Commission’s Enlargement Strategy, published on 6 February 2018, the Austrian Presidency takes the view that stability and security for EU citizens is only possible in a stable and secure neighbourhood. In this light, the Western Balkans/south-eastern European states are essential actors and partners; hence the Austrian Presidency will advocate the development of a concrete EU perspective for this region.

PART B: OTHER JOINT DECLARATION FILES

The Presidents of the European Parliament, Council and Commission agreed on the Joint Declaration on the EU’s Legislative Priorities for 2018-2019, in which they commit to give priority treatment in the legislative process to a series of initiatives in key policy areas.

The following is an overview of all legislative initiatives which are currently being discussed in Parliament, or which are in the negotiation process with the Council. Those proposals forming part of the Austrian Presidency priorities, mentioned in part A of this paper, are not repeated here.

I. JOBS, GROWTH AND INVESTMENT

The comprehensive proposal for the future of the Multiannual Financial Framework 2021-2027, including proposals for the next generation of programmes* (2018/0166 APP and 2018/0136 COD) together with 37 sectoral programmes, Erasmus+ and Horizon Europe proposals in particular, will feature prominently during the Austrian Presidency. The European Commission has called on Parliament to prioritise work on the MFF proposals and programmes with the hope of reaching an agreement before the European Parliament elections in May 2019. The Conference of Presidents has established an indicative calendar under which the finalisation of the MFF regulation would be feasible during the current legislature.

The following ongoing proposed legislation under this chapter is also expected to be dealt with during the Austrian Presidency.

On the package on the Deepening of EMU:

- Structural reform support programme 2017-2020 * (2017/0334 COD),
- EDRF, ESF, Cohesion Fund, EAFRD and EMFF: support to structural reforms in Member States* (2017/0336 COD),
- Framework for the development of EU Sovereign Bond-backed Securities (SBBS)* (2018/0171 COD) adopted by the European Commission on 23 May and linked to EMU;
- and lastly, linked to the first two files mentioned above, the European Monetary Fund (2017/0333 APP), and Strengthening Fiscal Responsibility and medium-term budgetary orientation in the Member States (2017/0333 CNS).

On the package on Banking Reform:

- European Deposit Insurance Scheme (EDIS)* (2015/0270 COD)
- Capital Requirements Regulation reform* (2016/0360 A+B COD),
- Loss-absorbing and re-capitalisation capacity (SRMR)* (2016/0361 COD) – to amend the Single Resolution Mechanism Regulation,
- Loss-absorbing and re-capitalisation capacity (BRRD)* (2016/0362 COD) – to amend the Bank Recovery and Resolution Directive,
- Exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures* (2016/0364 COD).
On a number of the banking reform proposals, a mandate from plenary is scheduled during the July session, opening the way for the possibility of negotiations under the Austrian Presidency.

Other files related to jobs, growth and investment:

- Recovery and resolution of central counter-parties* (2016/0365 COD),
- Credit servicers, credit purchasers and the recovery of collateral* (2018/0063 COD),
- Minimum loss coverage for non-performing exposures* (2018/0060 COD),
- Screening of foreign direct investments * (2017/0224 COD).

II. THE SOCIAL DIMENSION OF THE EUROPEAN UNION

On the coordination of social security systems* (2016/0397 COD), aiming to update EU rules on coordinating social security provisions of EU citizens, a general approach at Council level has been reached and the EMPL committee hopes to have an agreement under the Austrian Presidency, by the end of 2018.

Two other legislative proposals under this chapter are expected to come under the Austrian Presidency – one on the protection of workers from the risks related to exposure to carcinogens or mutagens* (2017/0004 COD), and the other on accessibility requirements for products and services* (2015/0278 COD).

III. ENERGY AND CLIMATE CHANGE

While a number of legislative proposals from the Clean Energy package were concluded, a number must still be negotiated during the Austrian Presidency. These are:

- Common rules for the internal market in electricity (Directive)* (2016/0380 COD),
- Common rules for the internal market in electricity (Regulation)* (2016/0379 COD),
- European Agency for the Cooperation of Energy Regulators* (2016/0378 COD),
- Risk-preparedness in the electricity sector* (2016/0377 COD).

It is to be noted that work on most of these legislative files is progressing well and is expected to continue during the Austrian Presidency.

The mobility package adopted by the European Commission in May 2017 is moving at a slower pace than hoped, with several of the files not achieving compromises workable for both co-legislators. These are the following:

- Charging of heavy goods vehicles (Eurovignette)* (2017/0114 COD),
- Use of vehicles hired without drivers* (2017/0113 COD),
- Interoperability of electronic road toll systems* (2017/0128 COD),
- Clean and energy-efficient road transport vehicles* (2017/0291 COD),
- Combined transport of goods between Member States* (2017/0290 COD),
- International market for coach and bus services* (2017/0288 COD),
IV. INTERINSTITUTIONAL MATTERS

The European Citizens’ Initiative* (2017/0220 COD), which aims to make the Initiative less burdensome and more user-friendly for organisers and supporters, was voted in the AFCO committee on 20 June 2018 and a plenary mandate is expected from the July plenary. On the Council side, a general approach was adopted on 26 June 2018.

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