

The President

301049 20.01.2014

Mr José Manuel Barroso  
President of the European Commission  
rue de la Loi, 200  
B - 1049 Brussels

Dear President,

I have been requested by the Conference of Presidents of the European Parliament to write to express our deepest concerns regarding the approach taken by the Council in dealing with your proposal for a Regulation on a Single Resolution Mechanism (SRM) and to request the European Commission to act on this matter in accordance with its mandate as guardian of the Treaties.

Although the legal services of all three institutions agree that Article 114 of the Treaty on the Functioning of the European Union (TFEU) is the correct legal basis for the proposed Regulation and that there is no legal need for an intergovernmental agreement, the Council in its general approach of 18 December 2013 decided to take certain aspects out of the Regulation and deal with them through an intergovernmental procedure.

The decision taken unilaterally by one of the co-legislators to exclude a number of issues from the scope of the Commission's proposal and thus from the scope of negotiations carried out under the ordinary legislative procedure, completely contradicts the principle of sincere cooperation established in Article 4(3) of the Treaty on European Union (TEU). Furthermore, by infringing the right of initiative of the Commission and violating the legislative powers of the Parliament as co-legislator, it sets an unacceptable precedent.

The decision taken by the Council jeopardizes the Community method as a whole and thus has implications going well beyond the field of the proposal at stake or even the Banking Union. I therefore call on the Commission to fulfil its duty to defend its proposal and use all the tools and powers it has at its disposal to firmly stand against the decision of the Council whose legality is more than doubtful.

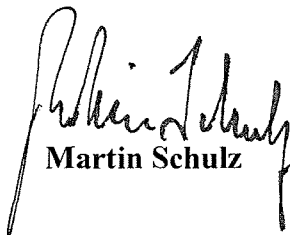
There is no need to remind you how much Parliament supports the creation of a Banking Union, and in particular the setting-up of a truly Single Resolution Mechanism. The Parliament is aware that the credibility of the European Union relies to a great extent on its ability to achieve this goal set out by the European Council in June 2012. In the Parliament, the ECON committee adopted a report on 17 December, which is the basis on which Parliament is prepared to negotiate with Council, within the framework of the ordinary legislative procedure exclusively.

The conclusion of an agreement on the SRM before the end of the legislative term is already quite challenging in view of the substantial discrepancies between the respective positions of the Parliament and the Council. But with the Council's approach undermining the Community method and developing a setup that is unworkable, the timely outcome of the negotiations is now uncertain.

The active and impartial involvement of the Commission in defending its proposal and the Treaties will be a key element in progressing this file.

I attach for your information a letter sent by the Chair of the ECON committee and members of the Parliament's negotiating team to the Presidency of the Council on the same matter.

Yours sincerely,



Martin Schulz