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## THIRD REPORT

on the Commission communication on simplifying and improving the regulatory environment (COM (2001) 726 - C5-0108/2002 - 2002/2052(COS))

Committee on Legal Affairs and the Internal Market

Rapporteur: Manuel Medina Ortega

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#### PROCEDURAL PAGE

By letter of 7 December 2001, the Commission forwarded to Parliament a communication entitled 'Simplifying and improving the regulatory environment' (COM (2001) 726 – 2002/2052(COS)).

At the sitting of 11 March 2003 the President of Parliament announced that he had referred the communication to the Committee on Legal Affairs and the Internal Market as the committee responsible and the Committee on the Environment, Public Health and Consumer Policy, the Committee on Constitutional Affairs, the Committee on Petitions and all committees interested for their opinions (C5-0108/2002).

The Committee on Legal Affairs and the Internal Market had appointed Manuel Medina Ortega rapporteur at its meeting of 19 February 2002.

It considered the Commission communication and the draft report at its meetings of 16 April, 9 September, 8 October, 4 November, 28 November and 3 December 2002.

At the last meeting it adopted the motion for a resolution unopposed, with 1 abstention.

The following were present for the vote: Giuseppe Gargani, chairman; Willi Rothley, Ioannis Koukiadis and Bill Miller, vice-chairmen; Manuel Medina Ortega, rapporteur; Paolo Bartolozzi, Ward Beysen, Charlotte Cederschiöld, (for Lord Inglewood), Michel J.M. Dary, Bert Doorn, Janelly Fourtou, Marie-Françoise Garaud, Evelyne Gebhardt, Fiorella Ghilardotti, Malcolm Harbour, Heidi Anneli Hautala, Hans Karlsson, (for Carlos Candal), Carlos Lage, (for Maria Berger, pursuant to Rule 153(2)), Kurt Lechner, Klaus-Heiner Lehne, Neil MacCormick, Toine Manders, Hans-Peter Mayer (for Rainer Wieland), Arlene McCarthy, Marcelino Oreja Arburúa (for José María Gil-Robles Gil-Delgado), Giovanni Pittella, Dagmar Roth-Behrendt (for François Zimeray), Anne-Marie Schaffner, Marianne L.P. Thyssen, Diana Wallis, Joachim Wuermeling and Stefano Zappalà.

The opinions of the Committee on Economic and Monetary Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Constitutional Affairs and the Committee on Petitions were attached.

The report was tabled on 6 December 2002 (A5-0443/2002).

At the sitting of 7 April 2003 the question was referred back to committee under Rule 144(1).

The committee confirmed the appointment of Manuel Medina Ortega as rapporteur at its meeting of 18 March 2003.

It considered the draft second report at its meetings of 22 April, 22 May and 17 June 2003.

At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Giuseppe Gargani, chairman; Willi Rothley, Ioannis Koukiadis and Bill Miller, vice-chairmen; Paolo Bartolozzi, Luis Berenguer Fuster (for Carlos Candal), Maria Berger, Michael Cashman (for François Zimeray, pursuant to Rule 153(2)),

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Bert Doorn, Raina A. Mercedes Echerer, Francesco Fiori (for Janelly Fourtou, pursuant to Rule 153(2)), Pernille Frahm (for Alain Krivine, pursuant to Rule 153(2)), Marie-Françoise Garaud, Evelyne Gebhardt, Fiorella Ghilardotti, José María Gil-Robles Gil-Delgado, Malcolm Harbour, Lord Inglewood, Piia-Noora Kauppi, Kurt Lechner, Klaus-Heiner Lehne, Sir Neil MacCormick, Toine Manders, Arlene McCarthy, Manuel Medina Ortega, Hartmut Nassauer, Angelika Niebler (for Rainer Wieland), Marcelino Oreja Arburúa (for Joachim Wuermeling), Anne-Marie Schaffner, Marianne L.P. Thyssen, Diana Wallis and Stefano Zappalà.

The second report was tabled on 17 June 2003 (A5-0235/2003).

At the sitting of 9 October 2003 the question was referred back to committee under Rule 144(1).

At its meeting of 24 February 2004 the committee considered the draft third report.

At the last meeting it adopted the draft third report unanimously.

The following were present for the vote: Willi Rothley, acting chairman; Bill Miller, vice-chairman; Manuel Medina Ortega, rapporteur; Uma Aaltonen, Maria Berger, Charlotte Cederschiöld (for Bert Doorn), Janelly Fourtou, Marie-Françoise Garaud, Evelyne Gebhardt, José María Gil-Robles Gil-Delgado, Malcolm Harbour, Hans Karlsson (for François Zimeray), Kurt Lechner, Klaus-Heiner Lehne, Sir Neil MacCormick, Arlene McCarthy, Angelika Niebler (for Stefano Zappalà), Elena Ornella Paciotti (for Fiorella Ghilardotti), Anne-Marie Schaffner, Karin Scheele (for Carlos Candal), Marianne L.P. Thyssen, Diana Wallis, Rainer Wieland and Joachim Wuermeling.

The third report was tabled on 26 February 2004.

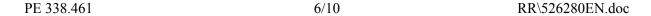
#### MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Commission communication on simplifying and improving the regulatory environment

(COM (2001) 726 - C5-0108/2002 - 2002/2052(COS))

The European Parliament,

- having regard to the Commission communication on simplifying and improving the regulatory environment (COM (2001) 726 – C5-0108/2002),
- having regard to the Commission communication entitled 'European Governance: Better lawmaking' (COM(2002) 75),
- having regard to the Commission communication on Impact Assessment (COM(2002) 276),
- having regard to the Commission communication entitled 'Consultation document:
  Towards a reinforced culture of consultation and dialogue Proposal for general
  principles and minimum standards for consultation of interested parties by the
  Commission' (COM(2002) 277),
- having regard to the Commission communication entitled 'Action plan "Simplifying and improving the regulatory environment" (COM(2002) 278),
- having regard to the Commission communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on Environmental Agreements at Community Level within the Framework of the Action Plan on the Simplification and Improvement of the Regulatory Environment (COM(2002) 412),
- having regard to the Commission communication on updating and simplifying the Community acquis (COM(2003) 71),
- having regard to the Commission communication entitled 'First Report on the Implementation of the Framework Action "Updating And Simplifying The Community Acquis" (COM(2003) 623),
- having regard to the Interim Report of 7 March 2001 from the Commission to the Stockholm European Council entitled 'Improving and Simplifying the Regulatory Environment' (COM(2001) 130),
- having regard to the Commission White Paper on European Governance (COM(2001) 428),





- having regard to its resolution of 4 July 1996<sup>1</sup> on the report of the group of independent experts on simplification of Community legislation and administrative provisions,
- having regard to its resolution of 13 May 1997<sup>2</sup> on the reports from the Commission to the Council entitled "Better Law-making" on the application of the subsidiarity and proportionality principles on simplification and consolidation for the years 1994 to 1996, and to its resolutions of 18 December 1998<sup>3</sup> and 20 October 2000<sup>4</sup> on the similarly entitled reports for the years 1997 to 1999,
- having regard to the interinstitutional agreement between the European Parliament, the Council and the Commission of 22 December 1998<sup>5</sup> on common guidelines for the quality of drafting of Community legislation,
- having regard to its resolution of 29 November 2001 on the Commission White Paper on European governance<sup>6</sup>,
- having regard to the final report of the High-Level Advisory Group, chaired by Mr Mandelkern, on the quality of regulatory arrangements of 13 November 2001,
- having regard to its resolution of 5 February 2002 on the implementation of financial services legislation<sup>7</sup>,
- having regard to the report of the European Parliament's Directorate-General for Research on 'Regulatory Impact Analysis': developments and current practices in the Member States of the EU, in the EU and in selected third countries, drawn up at the request of the Committee on Legal Affairs and the Internal Market (IV/WIP/04/0012,0019),
- having regard to its resolution of 9 October 2003 on the conclusion of the interinstitutional agreement on Better Law-Making between the European Parliament, the Council and the Commission<sup>8</sup>,
- having regard to the opinions of the Economic and Social Committee (ESC0364/2002<sup>9</sup>, ESC1029/2002<sup>10</sup> and ESC1311/2002<sup>11</sup>),
- having regard to the opinion of the Committee of the Regions (CdR 0263/2002),
- having regard to Rule 47(1) of its Rules of Procedure,

<sup>&</sup>lt;sup>1</sup> OJ C 211, 22.07.1996, p. 23.

<sup>&</sup>lt;sup>2</sup> OJ C 167, 02.06.1997, p. 37.

<sup>&</sup>lt;sup>3</sup> OJ C 98, 09.04.1999, p. 500.

<sup>&</sup>lt;sup>4</sup> OJ C 197, 26.10.2000, p. 433.

<sup>&</sup>lt;sup>5</sup> OJ C 73, 17.03.1999, p. 1.

<sup>&</sup>lt;sup>6</sup> OJ C 153E, 27.06.2002, p. 314.

<sup>&</sup>lt;sup>7</sup> OJ C 284E, 21.11.2002, p. 115.

<sup>&</sup>lt;sup>8</sup> P5 TA(2003)0426.

<sup>&</sup>lt;sup>9</sup> OJ C 125, 27.7.2002, p. 105.

<sup>&</sup>lt;sup>10</sup> OJ C 61, 14.3.2003, p. 142.

<sup>&</sup>lt;sup>11</sup> OJ C 133, 06.06.2002, p.5.

- having regard to the report of the Committee on Legal Affairs and the Internal Market and the opinions of the Committee on Economic and Monetary Affairs, the Committee on Industry, External Trade, Research and Energy, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Constitutional Affairs and the Committee on Petitions (A5-0443/2002),
- having regard to the second report of the Committee on Legal Affairs and the Internal Market (A5-0235/2003),
- having regard to the third report of the Committee on Legal Affairs and the Internal Market (A5-0118/2004),
- A. whereas the quality and comprehensibility of Community legislation have a direct impact on the welfare and prosperity of Community citizens and businesses,
- B. whereas a clear and precise legal and regulatory framework should therefore be established to facilitate the decision-making process and make it more transparent,
- C. whereas Parliament has concluded an interinstitutional agreement with the Council and the Commission on common guidelines for the quality of Community legislation,
- D. whereas Parliament has also concluded an interinstitutional agreement with the Council and the Commission on 'Better Lawmaking', 1
- 1. Warmly welcomes the interinstitutional agreement on 'Better Lawmaking';
- 2. Considers it desirable to establish a permanent interinstitutional dialogue among the Community institutions on improving the quality of legislation;
- 3. Recalls that this interinstitutional dialogue concerns not only the fields covered by the interinstitutional agreement on 'Better Lawmaking', but also any other field involving the adoption of Community legislation;
- 4. Stresses that any future interinstitutional dialogue among the institutions regarding legislation must take due account of the principle of democratic legitimacy, of which the European Parliament is the guarantor;
- 5. Demands that the Commission always consult the legislative authority when it deems self-regulation to be useful;
- 6. Stresses Parliament's right to call on the Commission to submit a draft legislative act in connection with the latter's consideration of self-regulation practices;
- 7. Stresses Parliament's right to oppose the implementation of any self-regulation practice;
- 8. Defends Parliament's right to oppose the entry into force of any draft voluntary agreement in the context of co-regulation;

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<sup>&</sup>lt;sup>1</sup> A5-0313/2003.

- 9. Considers it essential that the Commission should not be able to override opposition expressed by Parliament or the Council to any voluntary practice in the context of self-regulation or co-regulation;
- 10. Instructs its President to forward this resolution to the Council and Commission.

#### **EXPLANATORY STATEMENT**

The Committee on Legal Affairs and the Internal Market has looked on several occasions into the question of improving the quality of the regulatory environment.

The need for clear, precise, simple and effective Community regulations is still crucial: on a daily basis it profoundly affects the Community institutions, the Member States, businesses, and, most of all, citizens.

The interinstitutional agreement on 'Better Lawmaking' approved by Parliament is the result of negotiations carried out by the high-level working group comprising representatives of the European Parliament, the Commission and the Presidency of the Council of Ministers of the European Union.

The European Parliament delegation (chairman: Giuseppe Gargani; other members: Hannes Swoboda, Nicholas Clegg and Monica Frassoni) worked on the basis of the mandate given to it by the Conference of Political Group Chairmen on 4 July 2002.

Any negotiated agreement is the result of a mutually acceptable compromise. However, in the context of the negotiations which led to the conclusion of the interinstitutional agreement on 'Better Lawmaking', the European Parliament did not achieve a complete success.

This interinstitutional agreement, therefore, does not represent the fruition of Parliament's efforts seeking to guarantee the effective exercise of its political role and responsibility in the legislative process.

Accordingly, in any future interinstitutional dialogue on improving the quality of Community legislation, your rapporteur considers that we must go beyond the interinstitutional agreement on 'Better Lawmaking' in order to pursue the defence of Parliament's prerogatives as a legislative body.

Your rapporteur therefore defends increased participation by Parliament in the fields of coregulation and self-regulation, in particular:

- the right to be automatically consulted when the Commission deems self-regulation to be advantageous,
- the right to finally suspend the application of any voluntary agreement which Parliament does not accept.

This is an inevitable consequence of the nature of the European Parliament as guarantor of democratic legitimacy.

