

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 4/11/2016

GAIN Report Number: E16016

EU-28

Post: Brussels USEU

How the European Union Works - Updated Guide to EU Decision-Making

Report Categories:

Trade Policy Monitoring

Approved By:

Karisha Kuypers

Prepared By:

Hilde Brans

Report Highlights:

This report updates GAIN report E15012 "How the European Union Works - A Guide to EU Decision-Making". It explains the role of the different EU institutions in EU decision-making, highlights the changes introduced by the Lisbon Treaty and explains in detail how the ordinary legislative procedure and comitology procedures work.

HOW THE EUROPEAN UNION WORKS

The European Union (EU) is a political and economic partnership between [28 Member States](#). Unlike the U.S., the EU is not a federal state because its Member States remain sovereign independent states. They join forces by taking joint decisions through the shared institutions they created: the European Parliament (EP) which is directly elected by EU citizens, the European Council and the Council of the European Union which both represent the national governments. The Member States delegate some of their decision-making powers to these institutions to take decisions on matters of joint interest at EU-level. They decide on the basis of legislative proposals from the European Commission which represents the interests of the EU as a whole.

The EU is based on the rule of law. This means that every action taken by the EU is founded on Treaties. The Treaties set out the objectives of the EU, the powers of the EU institutions, how decisions must be made and the relationship between the EU and its Member States. Treaties are amended when new Member States join, to reform the EU institutions and to introduce new areas of responsibility. The latest amending treaty is the Lisbon Treaty which entered into force on December 1, 2009.

COMPETENCES

The Lisbon Treaty clarifies the distribution of power between the EU and the Member States: EU exclusive competences, shared competences and supporting competences.

EU exclusive competences:

- Customs Union
- Competition rules necessary for the functioning of the internal market
- Monetary policy for the Member States in the Eurozone (currently 19)
- Conservation of marine biological resources under the Common Fisheries Policy
- Common Commercial Policy
- Conclusion of international agreements provided for in legislative acts

For the majority of policies including agriculture, the EU and its Member States share competences. This means that both the EU and the Member States can adopt legally binding acts. Member States exercise their competence in areas where the EU does not exercise, or has decided not to exercise its own competence.

Supporting competences apply to human health care, industry, culture, tourism, education, civil protection and administrative co-operation. Here the EU can only intervene to support, coordinate or complement Member State actions.

For detailed information see the European Commission's website <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Aai0020>.

KEY EU INSTITUTIONS

Who does what in the EU?

European Council:

The European Council is composed of the Heads of State or Government of the EU's Member States. It defines the general political direction and priorities of the EU but does not exercise legislative functions. The European Council is headed by a President appointed by the Member States.

European Commission:

The European Commission is the EU's executive and represents the interests of the EU as a whole. It is composed of 28 Commissioners, one from each Member State, who are approved by the European Parliament for five-year terms. It has the sole right of legislative initiative in most policy areas and monitors the Member States' application and implementation of EU legislation. In the event of any violation of EU law, it institutes infringement procedures or refers matters to the European Court of Justice. It represents the EU in international organizations and negotiates agreements with trading partners based on a mandate from the Member State governments. The European Commission is divided into several departments known as "Directorates-General" (DGs). EU Agencies such as the European Food Safety Authority (EFSA) provide scientific and technical advice to the European Commission but have no formal role in the decision-making process.

Council of the European Union:

The Council of the European Union is a separate entity from the European Council and represents the national governments of the 28 EU Member States. Ministers from each Member State defend their national interests in "sectoral" Council meetings including agriculture. The main priority of the Council is to pass legislation based on proposals presented by the European Commission, in most cases jointly with the European Parliament. The Presidency of the Council rotates among the 28 Member States every six months. FAS/USEU prepares a GAIN report on the priorities of each new Presidency. The Council also concludes agreements with third countries or international organizations.

European Parliament

The European Parliament (EP) is the only directly elected EU institution. The EP is a multinational parliamentary assembly representing over 500 million EU citizens from 28 Member States. The EP consists of 751 members (750 members + 1 President) who are elected for five-year terms. The last elections took place in May 2014 (see "Why were the 2014 European elections so important?"). Each Member State has a number of seats allocated on the basis of "digressive proportionality" which means that the allocation of seats is roughly proportional to the size of the Member State's population but smaller Member States have more seats than strict proportionality would imply. Members of the European Parliament (MEPs) form "union-wide" political groups according to ideologies rather than nationality. The EP elects the European Commission President and approves the full college of Commissioners. It shares legislative power with the Council to adopt legislative proposals under the "ordinary legislative procedure" (co-decision) and its consent is needed to conclude international trade agreements. It also decides on the allocation of the EU budget jointly with the Council. Major debates on legislative work take place in the monthly "plenary sessions" attended in principle by all MEPs while the preparatory work is done in 20 specialized committees including agriculture.

Other Institutions

Other institutions that play a key role in the EU include the Court of Justice (highest court in matters of EU law), the Court of Auditors (audits EU financial management) and the European Central Bank (manages the EU monetary policy).

Inter-Institutional Agreements

The European Commission and EP have signed a [Framework Agreement](#) in order to facilitate and organize their cooperation. This agreement defines the procedures for their political collaboration and includes provisions for concluding international agreements. Inter-institutional agreements are binding on the institutions that signed them.

In May 2015, the European Commission presented a proposal for a new inter-institutional agreement (IIA) as part of its Better Regulation Package. The objective of the new IIA is to update and strengthen the common understanding with the EP and Council on better law-making. The new IIA will not replace the Framework Agreement on relations between the European Commission and the EP. See “Better Regulation Package” for more details.

THE LISBON TREATY

Why is the Lisbon Treaty so important?

The Lisbon Treaty was adopted to reform the EU institutions and their decision-making processes in order to enable an enlarged Union to function more efficiently. It considerably increased the power of the European Parliament (EP) in EU trade policy especially when compared to its very limited formal role in the pre-Lisbon era. For a long time, Member States and trade policy experts opposed an enhanced role for the EP arguing that trade policy is too technical and that the involvement of the EP would hinder efficient negotiations.

EU Procedures

The Lisbon Treaty which entered into force on December 1, 2009, greatly increases the EP’s power in the EU’s legislative process. It gives the EP the same rights as the Council of EU Ministers to accept, amend or reject legislative initiatives under the “ordinary legislative procedure” (co-decision). The Lisbon Treaty roughly doubled the EP’s co-decision right to almost 80 policy areas, including agriculture. The Lisbon Treaty also changed the so-called “comitology” rules to adopt measures for the implementation of provisions set out in framework legislation (e.g. the authorization of GMOs, updating positive lists of additives, approving PRTs, changing definitions). The Lisbon Treaty introduced a distinction between “implementing” and “delegated” acts to replace the comitology rules. Under the new system of “delegated acts, the EP now shares equal veto rights with the Council where before the EP could only veto under certain conditions. The EP and Council do not have a formal role in the adoption of “implementing acts”.

The EP’s consent is now also needed to approve trade agreements negotiated by the European

Commission with third countries. The EP gives its consent by a simple “yes” or “no” vote. The EP has no formal role in the negotiations but without the EP’s consent, trade agreements such as T-TIP cannot enter into force. In 2012, the EP demonstrated it would use its enhanced powers when it rejected the Anti-Counterfeiting Trade Agreement (ACTA).

With the entry into force of the Lisbon Treaty, the EP also gained the right to decide on the allocation of the entire EU budget together with the Council. Pre-Lisbon, the EP only had a say in the allocation of “non-compulsory” expenditures (e.g. development aid) while the Council made final decisions on “compulsory” expenditures (e.g. agriculture). The Lisbon Treaty eliminates the distinction between “non-compulsory” and “compulsory” expenditures which means that the EP gained more control over agricultural spending which accounts for approx. 40 percent of the entire EU budget.

Election of European Commission President

The Lisbon Treaty also directly links the selection of a new European Commission President to the outcome of elections for a new European Parliament. The EP has gained power over the Commission President because an absolute majority of Members of European Parliament (MEPs) is now needed to elect the Commission President which makes him/her directly accountable to the EP.

Council Voting

The Lisbon Treaty also introduces new rules for qualified majority voting in the Council of the European Union (see “Voting Systems”).

HISTORIC EUROPEAN ELECTIONS

Why were the 2014 European elections so important?

The Lisbon Treaty limits the total number of MEPs to 750 plus one President. The May 2014 elections for a new EP were significant not only because they were the first since the entry into force of the Lisbon Treaty but also because the Treaty directly links the selection of a new European Commission President to the outcome of the elections.

Election of the 2014-2019 European Parliament

With only 42.50% of EU citizens voting, the 2014 election turnout was the lowest ever. Due to the EU’s financial and economic crisis and consequential austerity measures, Euroskeptic and extremist parties came out as the big winners. Despite the considerable gains for these parties, the main center-right and left groups still hold the majority of seats in the EP. All mainstream, centrist, pro-EU parties lost seats to anti-EU parties both on the far-left and far-right. The center-right European People’s Party (EPP) and the center-left Progressive Alliance of Socialist and Democrats (S&D) remain the largest political groups in the EP. The relatively moderate euroskeptic group of European Conservatives and Reformists (ECR) became the third largest group which forces the two largest parties EPP and S&D to form a “grand coalition” as they can no longer rely on center-right or center-left voting coalitions. In the previous legislature, the Alliance of Liberals and Democrats (ALDE) held the role of “kingmaker”. They were often a crucial partner for both the EPP and S&D to reach voting majorities on legislative

proposals.

There are currently eight political groups in the EP. In June 2015, after more than a year of maneuvering, hardcore euroskeptics succeeded in finding enough MEPs from enough Member States to form the new political group “Europe of Nations and Freedom” (ENF). To form a new political group, 25 MEPs representing at least one quarter of the Member States are needed. Some “non-attached” (NI) MEPs do not belong to any political group because their views are so extreme that no other political group wants them as a member.

Political groups in the 2014-2019 EP:

- European People’s Party (EPP): 216 seats (center-right) – 28.8%
- Progressive Alliance of Socialists and Democrats (S&D): 190 seats (center-left) – 25.3%
- European Conservatives and Reformists (ECR): 75 seats (right-wing/moderate euroskeptics) – 10%
- Alliance of Liberals and Democrats (ALDE): 70 seats (centrist) – 9.3%
- European United Left/Nordic Green Left (GUE-NGL): 52 seats (far-left) – 6.9%
- Greens/European Free Alliance (Greens-EFA): 50 seats – 6.9%
- Europe of Freedom and Direct Democracy (EFDD): 45 seats (far-right/euroskeptics) – 6%
- Europe of Nations and Freedom Group (ENF): 38 seats (hardcore euroskeptics) – 5.1%
- Non-attached: 15 seats (extremists not belonging to any of the political groups) – 2%

Election of the European Commission President

The Lisbon Treaty gave the EP an additional responsibility: electing the European Commission President. According to the Treaty, the Commission President must be elected on the basis of a European Council proposal “taking into account the results of the European elections”. The EP took this very literally and for the first time the main political groups in the EP nominated a candidate for Commission President. Despite losing seats, the EPP remained the largest group in the EP and insisted their candidate should be nominated Commission President. In July 2014, the EP confirmed the nomination of the former Luxembourg Prime Minister Jean-Claude Juncker as Commission President for the next five years (2014-2019). The EP elected Juncker on the basis of his political strategy outlined in [“My agenda for Jobs, Growth, Fairness and Democratic Change”](#) which included a review of the EU’s GMO authorization process. The fact that the Commission President directly owes his position to the EP increases the power the EP has over the Commission President.

New structure of the European Commission

In October 2014, the European Parliament (EP) formally approved the full college of Commissioners proposed by Commission President Juncker for the period 2014-2019. Before being elected, Juncker told the EP that he wanted “an EU that is bigger and more ambitious on big things and smaller and more modest on small things”. The new architecture of his Commission, which centralizes power with six Vice-Presidents and a High Representative for Foreign Affairs, is intended to make this possible. For the first time, the Commission will no longer have a horizontal decision-making structure with individual Commissioners developing legislation within their own DGs and then proposing them to the full college but a more vertical structure with the Vice-Presidents coordinating and supervising the work of other Commissioners. Under the new Commission structure, Vice-Presidents supervise project teams (clusters) consisting of Commissioners responsible for specific policy areas. All Vice-Presidents have the power to stop any initiative, including legislative initiatives, of individual Commissioners on their project teams and prevent proposals from being debated in the College. The objective of the new structure is to ensure that legislative proposals are in line with Juncker’s political guidelines (see “Election of the European Commission President”). Legislative proposals now need the approval of the Commissioner and a Vice-President before being presented to the full College of Commissioners (proposals must have the support of the full College before being presented to the EP and/or Council). The team of Vice-Presidents is also hierarchically structured, with a First Vice-President (Frans Timmermans) who is responsible for Better Regulation, Inter-Institutional Relations, the Rule of Law and the Charter of Fundamental Rights. All Commissioners have to work in coordination with the First Vice-President.

For detailed information on the new project teams see the European Commission’s website: http://ec.europa.eu/commission/2014-2019_en.

European Commission 2016 Work Program

In October 2015, the European Commission adopted its 2016 Work Program entitled “No time for business as usual”. This is the second work program of the Juncker Commission focusing again on the ten political priorities set out in Juncker’s political guidelines “[My agenda for Jobs, Growth, Fairness and Democratic Change](#)”. For detailed information see [GAIN report “EU Institutions – Priorities and Work Plans for 2016”](#).

EU PROCEDURES

How is EU legislation adopted?

Impact Assessments

The European Commission must prepare “impact assessments” for new any initiative that may have a significant economic, social and environmental impact. Such initiatives include legislative proposals, non-legislative initiatives (e.g. actions plans, negotiating guidelines for international agreements) and delegated and implementing acts. The European Commission publishes “roadmaps” and “inception impact assessments” on a [dedicated website](#) to inform stakeholders of planned consultations. Roadmaps describe the issue to be addressed, explain why EU action is needed and outline several policy options. An inception impact assessment replaces a roadmap in case an impact assessment is planned and provides a more detailed description of the problem, the policy objectives and an analysis of the

potential impact of each policy option. If no impact assessment is planned, the roadmap should explain why.

Ordinary Legislative Procedure

Since the entry into force of the Lisbon Treaty, the “ordinary legislative procedure” (formerly known as co-decision) is the standard decision-making procedure in the EU. In this procedure, the European Parliament (EP) and Council share legislative power. Commission proposals are forwarded simultaneously to the Council and EP but also to the Member States’ national parliaments. National parliaments have 8 weeks to check Commission proposals for compliance with the subsidiarity principle. The Council and EP have up to three readings to act on a Commission proposal for new or amended framework legislation, with the possibility to conclude at each reading. If no agreement is reached in first reading (without time limits), the proposal goes to second reading (with time limits). If no agreement is reached at the end of the second reading, the proposal is brought before a Conciliation Committee made up of an equal number of representatives of the Council and the EP. If the Conciliation Committee agrees on a “joint text”, the text is sent to the Council and EP for a third reading. The final approval of both legislators is essential for a proposal to become law.

For more information see Annex I – The Ordinary Legislative Procedure in detail.

Special Legislative Procedure

The “special legislative procedure” is a collective name for a number of procedures set out in the Lisbon Treaty. They are exceptions to the “ordinary legislative procedure” and apply to specific cases defined in the Lisbon Treaty. One of the special legislative procedures is the “consent procedure” to adopt international agreements such as T-TIP. Under the consent procedure, the European Commission negotiates international agreements on a mandate from the Council but the Council cannot conclude an agreement without the consent of the European Parliament. The EU’s annual budget is also adopted under a special legislative procedure (one reading).

What is Comitology?

In co-decision, the EP and Council can decide to delegate legislative power to the European Commission for the adoption of further measures needed to ensure the proper application of EU framework legislation. The Lisbon Treaty introduced two types of legislative delegation: “delegated acts” and “implementing acts”. The objective of this delegation of power is to have a faster process than the lengthy ordinary legislative procedure to adopt measures that are often of a technical nature. Before the entry into force of the Lisbon Treaty, there was one set of rules to adopt implementation measures referred to as “comitology”. Comitology is EU jargon for the process where committees composed of national experts from the Member States deliver an “opinion” on draft implementation measures. Implementing acts still qualify as comitology, delegated acts do not.

What is the difference between “delegated acts” and “implementing acts”?

Before the Lisbon Treaty came into force, there was only one legal basis for the delegation of legislative power to the Commission in the Treaty. Now there are two legal bases: Article 290 for “delegated acts”

and Article 291 for “implementing acts”. The procedure to adopt delegated acts is entirely set out in Article 290 of the Treaty while the procedure to adopt implementing acts is set out in a new comitology regulation ([European Parliament and Council Regulation 182/2011](#)). Delegated acts are used to supplement or amend non-essential elements of framework legislation whereas implementing acts are more essential because they implement provisions set out in framework legislation. For the adoption of implementing acts, the Commission has to act in accordance with the opinion of a specific committee of Member State experts and is therefore still referred to as comitology. For the adoption of delegated acts, the formal opinion of a committee of national experts is not required. However, under the “Better Regulation Package”, the Commission committed to consult Member State experts before the adoption of a delegated act (see also “Better Regulation Package”). The EP and/or Council can veto delegated acts but not implementing acts. As the EP has more power in the delegated acts procedure and Member States have more power in the implementing acts procedure, deciding on which procedure should be used in new legislation is often more a political discussion than a strictly legislative one.

Delegated Acts

Delegated acts are used to supplement or amend non-essential elements of framework legislation or in other words, issues of **general** scope. On a case-by-case basis, the European Parliament (EP) and Council set the conditions for the delegation of power: objectives, content, scope and duration of the delegation are defined in each basic legal act. The Council and/or the EP may revoke this delegation and a delegated act adopted by the European Commission can only enter into force in no objection has been raised by one of the legislators within a time period set by the basic act.

Example: In the EU’s Food Information to Consumers Regulation 1169/2011, the Council and EP delegate to the Commission, for a period of 5 years, the power adjust and adapt the definition of engineered nanomaterials to technical and scientific progress. In December 2013, a European Commission delegated act amending the definition of engineered nanomaterials was rejected by the EP and could therefore not enter into force.

Regulatory Procedure with Scrutiny

Basic legal acts, adopted before the entry into force of the Lisbon Treaty, needed to be aligned to the new distinction between delegated and implementing acts. Although the “regulatory procedure with scrutiny” covers the same type of measures as delegated acts, there was no automatic alignment. EU legislators were not able to align pre-Lisbon framework legislation to the new procedures by July 2014 (in time for the new European Parliament and Commission) as originally scheduled. This means that the regulatory procedure with scrutiny is provisionally maintained. The alignment is now addressed in the new inter-institutional agreement on better regulation and a Commission proposal is expected by the end of 2016.

Example: The regulatory procedure with scrutiny applies to the authorization of PRTs such as lactic acid.

A flow chart explaining the regulatory procedure with scrutiny is available on our website at <http://www.usda-eu.org/wp-content/uploads/2012/10/Regulatory-Procedure-with-Scrutiny-HB-Chart.pdf>.

Implementing Acts

Implementing acts are used for routine implementation of framework legislation and cover issues of **general OR individual** scope. [Comitology Regulation 182/2011](#) sets out two comitology procedures: the “advisory procedure” and the “examination procedure”. The Council and European Parliament have no formal role in these procedures.

Example: The authorization of GMOs is done on a case-by-case basis and is therefore an issue of **individual** scope. Each new authorization is adopted as an implementing act. Fixing the standard import values to calculate the entry price for imports of fruits and vegetables from third countries is an issue of **general** scope. The standard import values are published as implementing acts.

Examination Procedure

Under the examination procedure, the Commission may only adopt a draft implementing measure if the relevant committee such as for example the Standing Committee on Plants, Animals, Food and Feed (PAFF) delivers a positive opinion. If a negative opinion and in certain cases if no opinion is delivered, the European Commission may either propose an amended version of the draft measure or refer the matter to an “Appeal Committee”. An Appeal Committee is composed of high-level Member State officials with a political mandate. Where the Appeal Committee delivers a positive opinion, the Commission SHALL adopt the draft measure; where the Appeal Committee delivers a negative opinion, the Commission SHALL NOT adopt the draft measure; where the Appeal Committee does not deliver an opinion, the Commission MAY adopt the draft measure.

Example: The preamble (point 15) of [Commission Implementing Decision 2012/81/EU authorizing the marketing of products containing/consisting of/produced from genetically modified soybean A5547-127](#) describes how the Commission adopted this decision after the Standing Committee and subsequently the Appeal Committee did not deliver an opinion within a set deadline.

A flow chart explaining the examination procedure in detail is available on our website at <http://www.usda-eu.org/wp-content/uploads/2012/10/Flow-Chart-Examination-Procedure-HB-2012-08-14.pdf>.

BETTER REGULATION PACKAGE

In May 2015, the European Commission presented its “Better Regulation Package” consisting of five major initiatives: a proposal for a new Interinstitutional agreement, a Communication on “Better Regulation for Better Results – EU Agenda”, the establishment of a Regulatory Scrutiny Board, the establishment of a “REFIT” platform and Better Regulation guidelines.

The Better Regulation Package establishes a feedback mechanism for stakeholders. There will be twelve-week public consultations for the preparation of new Commission proposals and for “fitness checks” of existing legislation. Four-week consultations are foreseen for stakeholder feedback on delegated and implementing acts. However, the Better Regulation Guidelines set out a table of exemptions to this rule including draft measures based on a scientific opinion from EU agencies such as

EFSA. The draft texts of delegated acts will be made available for four weeks on a new dedicated Commission website which should be operational by the end of 2017. The Commission already publishes an indicative list of planned initiatives on its [Better Regulation website](#).

A new “Regulatory Scrutiny Board”, chaired by a Director-General and consisting of three high-level Commission officials and three independent experts from outside the Commission, will check the quality of impact assessments. The Board is independent of the policy-making departments. See also “How is EU Legislation Adopted - Impact Assessments”.

The Regulatory Fitness and Performance Program (REFIT) is the Commission’s program for checking whether existing legislation is still fit for purpose and delivers the results intended. REFIT initiatives are listed in the Commission’s annual work program. The Better Regulation Package establishes a REFIT Platform, an expert group of Member State representatives, the Economic and Social Committee, the Committee of the Regions and stakeholders to advise the Commission on more effective and efficient law-making.

The Better Regulation Package also included a [proposal](#) for a new inter-institutional agreement (IIA). Under the new IIA, the Commission agrees to consult with the EP and Council before adopting its annual work program. A joint declaration will identify which items of major political importance will receive priority treatment in the legislative process. The Commission will, as a general rule, carry out impact assessments of all initiatives included in the annual work program that may have a significant economic, environmental or social impact. Public and stakeholder consultation will be an integral part of the impact assessment. Before adopting delegated acts, the Commission agrees to consult Member State experts and targeted stakeholders. At the latest by the end of 2017, a joint public register of delegated acts will be set up similar to the existing comitology register for implementing acts. Under the new IIA, the three institutions also commit to give high priority to the alignment of all existing legislation still referring to the “regulatory procedure with scrutiny” to the legal framework introduced by the Lisbon Treaty. By the end of 2016, the three institutions will work out a method for developing a dedicated joint database on the state of play of legislative files. The new IIA will enter into force when signed by the Presidents of the three institutions.

VOTING SYSTEMS

Council Voting

The Lisbon Treaty introduced new rules for qualified majority voting in the Council of the European Union. Since November 1, 2014, decisions requiring a qualified majority vote in the Council of Ministers are adopted by “double majority”. The double majority system requires the approval of 55% of Member States (16), representing at least 65% of the EU’s population (percentages of each Member State’s population are published in [Annex III to the Council’s Rules of Procedure](#)). A blocking coalition must include at least four Member States representing at least 35% of the EU’s population. Until March 31, 2017, any Member State can request, on a case-by-case basis, that the old weighted voting system be applied. Under the weighted voting system, each Member State has a number of votes based on the size of its population though adjusted so that smaller Member States are relatively over-represented. A qualified majority under the weighted voting system requires 260 out of 352 votes (= 74%); a blocking minority requires 93 votes. So far, no Member State has requested to apply the old voting system.

European Parliament Voting

The European Parliament either votes by “simple majority” (majority of the votes cast) or by “absolute majority (majority of the component members, in plenary this is currently 376 out of 751 votes).

ANNEX I: THE ORDINARY LEGISLATIVE PROCEDURE IN DETAIL

The ordinary legislative procedure (OLP), still commonly referred to as co-decision, starts with a proposal from the European Commission. The Commission submits the proposal simultaneously to the European Parliament (EP) and Council but the EP always acts first.

Flow charts explaining the OLP step-by-step and applicable time limits can be found on our website at <http://www.usda-eu.org/eu-basics-questions/how-is-eu-legislation-adopted/>.

First Reading

The Treaty does not set time limits for the EP and Council to conclude their first reading of a Commission proposal.

European Parliament

Within the EP, the President refers the proposal to a committee that will be responsible for examining the proposal. The choice of committee depends on the subject-matter dealt with in the proposal but may be challenged by other parliamentary committees. When the competence of a committee is challenged, a “joint committee” or “associated committees” may be appointed. Within the committee responsible, the coordinators of the political groups appoint a “rapporteur” whose task it is to lead the proposal through the different stages of the OLP. Other political groups may appoint a “shadow rapporteur” to monitor the work of the rapporteur and to ensure that their views are being considered. Other relevant parliamentary committees are invited to deliver an “opinion” to the committee responsible. The rapporteur and any other member of the relevant committees may propose amendments to the Commission proposal. These amendments together with those of the opinion-giving committees are voted on, by simple majority, in the committee responsible. When the committee responsible has adopted the report prepared by the rapporteur, it is put on the agenda of the plenary session. In plenary, additional amendments may be tabled by the committee responsible, a political group or by at least 40 Members of the EP. The EP, voting by simple majority, then delivers its first reading position on the Commission proposal.

European Commission

The Treaty allows the European Commission to submit an amended proposal incorporating the EP’s amendments in order to facilitate an agreement between the legislators.

Council

The Council’s position is prepared within working parties composed of Member State experts and

chaired by the Member State holding the six-monthly presidency of the Council. The preparatory work in the Council runs in parallel with the EP's scrutiny of the proposal but the Council's position can only be adopted after the EP has acted. The Council's position is based on the Commission's proposal and, if applicable, on the EP's first reading amendments.

The Council can act in the following ways:

- It accepts the Commission proposal, which the EP has not amended, and the proposal can be adopted.
- It fully accepts the EP's amendments and the proposal can be adopted.
- It does not accept the outcome of the EP's first reading and adopts its own first reading position.

In the above described scenarios, the Council acts by qualified majority. If the Council wants to amend the Commission proposal it has to act unanimously.

Trilogues

Trilogues are informal meetings between representatives of the EP, the Council and the Commission and can take place at any stage of the OLP, often before first reading. The objective of trilogue meetings is to find compromise on a package of amendments, acceptable to both the EP and Council. The Commission's opinion on these amendments is important because it determines how the Council has to vote. If the Commission opposes amendments that the EP wants to adopt, the Council will have to act unanimously if it wants to accept the EP amendments. Agreements reached in informal trilogues still need to be approved under the three institutions' formal procedures.

Second Reading (with time limits)

In the second reading stage of the OLP, a three-month time limit - which may be extended by one month - applies. The three-month deadline starts to run on the day following formal receipt of the Council's first reading position.

European Parliament

In second reading, the EP can either, accept, reject or amend the Council's first reading position. If the EP does not act within the set deadline, the proposal is deemed to be adopted in accordance with the Council's first reading position. The "recommendation for second reading" is normally prepared by the same rapporteur in the committee responsible. Opinion-giving committees are not consulted in second reading except in specific cases. Amendments may be tabled but should include amendments adopted at first reading but not accepted by the Council or amendments to the Council's first reading position. After the committee responsible adopts its recommendation for second reading by simple majority, it is put on the agenda of the EP plenary. Again, additional amendments may be tabled in plenary by the committee responsible, a political group or by at least 40 individual Members of the EP.

Approving the Council's first reading position without amendments only requires a simple majority vote and ends the OLP. Rejecting the Council's first reading position requires an absolute majority vote and

also ends the OLP. Amendments to the Council's first reading position must be adopted by absolute majority.

European Commission

The Treaty requires the Commission to deliver an opinion on the outcome of the EP's second reading vote. If the Commission gives a negative opinion on an amendment adopted by the EP, the Council has to adopt that amendment by unanimity.

Council

Once the EP has concluded and referred its second reading position to the Council, the Council has three months – may be extended by one month – to conclude its second reading. The Council may adopt the EP's second reading amendments by qualified majority or by unanimity where the Commission delivered a negative opinion. If the Council cannot accept all amendments, a "Conciliation Committee" is convened.

Trilogues

In second reading, trilogue meetings (see "First Reading") are held in order to seek compromise between the three institutions and avoid a third reading possibly resulting in failure.

Conciliation and Third Reading

Convening the "Conciliation Committee"

A "Conciliation Committee" must be convened within six weeks – may be extended by two weeks – of the Council formally concluding its second reading. The purpose of the Conciliation Committee is to reach agreement in the form of a "joint text". The Conciliation Committee is composed of one representative of each Member State (relevant Ministers or their representatives) and an equal number of representatives of the EP delegation, as well as the Commissioner responsible. Three Vice-Presidents of the EP are permanent member of the Conciliation Committee. The Commission plays an advisory role proposing compromises in order to reconcile the positions of the EP and Council. The first meeting of the Conciliation Committee triggers the six-week, or if extended the eight-week deadline, to reach agreement on a joint text.

Third Reading

If the Conciliation Committee reaches agreement on a joint text, the EP and Council have six weeks – may be extended by two weeks – for a third reading. No amendments may be tabled to the joint text. The EP votes by simple majority and the Council by qualified majority to adopt the joint text. If either of the two legislators fails to adopt the joint text within the set deadline, the proposal cannot become law. If the Conciliation Committee does not find agreement on a joint text, the proposal be adopted and only the Commission can restart the process with a new legislative proposal.

