



The President

Mr José Manuel Barroso
President of the European Commission
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Dear President, *José Manuel*

The Conference of Presidents has mandated me to write with regard to the Single Resolution Mechanism, as follow-up to my letter of 20 January and your reply of 31 January 2014.

In my first letter I urged the Commission to defend its proposal as well as the Treaties and to consider all possible options in this regard. Unfortunately, since then the Commission, while expressing reservations on the Intergovernmental Agreement, has not taken a firm position objecting to this unilateral decision of the Council.

The Commission should make use of all available means to defend the Treaties and to stop the Council from setting a disastrous precedent through the adoption of an intergovernmental agreement to regulate matters that were part of a Commission proposal and on which the European Parliament as co-legislator has voted in committee and in plenary. The fact that the Commission has not explicitly opposed this approach is all the more unfortunate bearing in mind that there is no legal necessity for such an agreement.

This is also difficult to understand for the European Parliament in so far as the report adopted in the Committee on Economic and Monetary Affairs (ECON) on 17 December and backed by the plenary on 6 February broadly supports the Commission's proposal. Moreover the ECB, in its opinion of 6 November 2013 on the SRM proposal and in the various public statements of its President including when appearing before the ECON committee on 3 March 2014, supports the proposal and the majority of the positions of the European Parliament, in particular as regards triggering resolution, the need for an efficient governance, the availability of a truly single fund and the issue of the common backstop.

The European Parliament disapproves of the lack of reaction from the Commission. In order to remain both firm and constructive, Parliament has decided to vote in April, whatever the result of the negotiations with Council may be. In the best-case scenario, the vote will confirm a good agreement reached with Council. Otherwise, Parliament will complete the first reading on the basis of a text including all the elements agreed with Council as well as those other elements that Parliament considers to be a fair and balanced compromise.

I sincerely hope that the Commission will spare no effort to side with the Parliament in order not only to defend the principles of democracy and legality as well as the Community method, but also to facilitate a compromise that will lead to an efficient, credible and fair system, which will truly break the link between banks and sovereigns.

Yours sincerely,



Martin Schulz

Copy: Mr Antonis Samaras, Prime Minister of the Hellenic Republic