

To: The Members of the European Parliament, IMCO Committee
The Members of the European Parliament, EMPL Committee
The Members of the Permanent Representations

Brussels, 10 April 2017

Subject: Call to reject the proposed European services e-card

Dear Member of Parliament,
Dear Minister,
Dear Permanent Representative,

The European service workers' trade union UNI Europa, the European Federation of Building and Woodworkers (EFBWW) and the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) together with the ETUC have taken account of the European Commission's proposal for introducing a European services e-card and related administrative facilities.

We, the undersigned, are fully committed to a European Single Market that respects the EU Social Model, decent working conditions, fair competition, high-quality services and consumer protection. We are fundamentally concerned with most of the aspects envisaged by the legislative proposal, which will affect the various sectors we represent. A careful assessment of the proposal leads us to conclude that, from a legal, administrative and practical point of view, it will not create a fair level playing field in Europe. We are disappointed that workers' concerns have not been adequately met and therefore call for the rejection of the services e-card proposal. Although the European Commission claims that this proposal will boost economic growth and benefit workers, we believe that it will in reality lead to more social dumping, an introduction of the 'home country' principle through the backdoor, unnecessary additional bureaucracy and a needless duplication of formalities.

In particular, we would like to stress that the introduction of the e-card would lead to the following possible threats:

- A reduction of control opportunities for the host Member State: even though the approval for issuing a European services e-card falls within the scope of the host Member State authorities, the latter rely on formal data provided by the authorities in the home Member States. There are no guarantees that these formal data are up to date or reflect the current reality on the ground.
- Interference with the agreed regulations of the Enforcement Directive 2014/67: the option of submitting prior notification declarations on posting through the IMI system is not necessary and no evidence is provided for the reasoning given. Stepping out of agreed unified principles on submission of prior notification declarations will create more confusion and legal uncertainty both for service providers and public authorities.
- Weakened workers' rights in a harmonised Single Market: the proposal threatens to harmonise prior notification of posting and insurance certificates across the EU, in

contradiction to the current single market model. This seriously risks creating a downward spiral in terms of working conditions as well as employment and consumer rights.

- Unrealistic bureaucratic procedures imposed on host Member States: authorities in the host Member State are under pressure to reply to an application for a European services e-card within a very short time limit. If they miss the deadline, the services e-card can be issued by the home Member State authorities. The procedure to revoke a European services e-card in case of fraud is cumbersome and impractical as it falls under the competence of the home Member State authorities and requires a long legal process.
- Indefinite validity period and 'once only principle': the effects of the indefinite duration of the services e-card does not reflect the reality of the fast-changing nature of business and the fact that information submitted once could rapidly become outdated. The 'once only principle' underpinning the proposal does not provide for the enforcement of duties of companies to update the information on the services e-card.
- Increase of letterbox companies and bogus self-employment: as the proposed European services e-card will be valid for an unlimited period and is not issued on the basis of checks and validation in the home Member State, it leaves the door open for the creation of letterbox companies and bogus self-employment.

Finally, we would also like to express our concern that the Commission did not recognise the serious short-comings of the e-card proposal identified by the sectoral social partners from two of the main sectors concerned – construction and insurance. Such an approach puts into question the EU's commitment to the full use of the potential of social dialogue to make legislative initiatives fit for purpose.

In light of the points raised and other serious concerns, ETUC, UNI Europa, EFBWW and EFFAT together with our respective affiliates strongly oppose the proposed European services package and urge the European legislators to reject them.

Yours sincerely,

<p>Thiébaut Weber ETUC</p> 	<p>Oliver Röthig UNI Europa</p> 	<p>Sam Hagglund EFBWW</p> 	<p>Harald Wiedenhofer EFFAT</p> 
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Copy: *Mr Jean-Claude Juncker, President of the European Commission*

Mr Valdis Dombrovskis, Jyrki Katainen, Vice-Presidents of the European Commission

Ms Elżbieta Bieńkowska, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs

Ms Marianne Thyssen, Commissioner for Employment, Social affairs, Skills and Labour Mobility