I. Background - draft PNR Directive

On 2 February 2011, the Commission presented a proposal for a Directive of the European Parliament and of the Council on the use of Passenger Name Record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crime. At the CATS meeting of 11 February, the Commission presented the proposal and Member States engaged in a first exchange of views on it.

During the Polish Presidency, the work conducted in the Working Party on General Matters, including Evaluations (GENVAL) on the PNR Directive concentrated in particular on the issue of the test of proportionality and necessity as well as the financial impact of the future implementation of the PNR Directive.
As to the latter issue, it is crucial for the Member States to have a direct, binding reassurance that they will not have to rely on the conventional selection-based choice of financial reimbursement for the costs covered.

Therefore the Presidency suggested inserting into the Directive explicit provisions regarding the financial side of the system.

In view of the above the Presidency held a general discussion at the GENVAL Working Party meeting of 12 October 2011 in order to prepare the further work of the Council on this matter.

The majority of delegations expressed the need to have a confirmation from the European Commission on the issue of co-financing of the instrument. There is, however, no clarity between the Member States whether the financial contribution from the EU budget shall cover only the creation of the Passenger Information Units (PIUs) or also its further aspects, in particular the operation of the PIUs and costs on the side of the air carriers.

II. **Aim of the CATS discussion**

The aim of the Presidency is to open the discussion on the outstanding issue of financial aspect of the PNR Directive implementation.

In this perspective, the Polish Presidency submits the following questions to delegations:

1) *Do you consider it indispensible to have a direct reference in the text of the Directive to the costs issue? If not, what alternative means of confirming the Commission obligations regarding financial contributions would the Member States find acceptable?*

2) *Which costs (setting up of a PIUs, software cost of PIUs and/or air carriers, etc.) if any, should be eligible for reimbursement or financial contribution from the EU budget?*