



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0113/2014

17.2.2014

REPORT

on the proposal for a Council decision amending Decision 2009/831/EC as regards its period of application
(COM(2013)0930 – C7-0022/2014 – 2013/0446(CNS))

Committee on Regional Development

Rapporteur: Danuta Maria Hübner

(Simplified procedure - Rule 46(1) of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

CONTENTS

| | Page |
|--|------|
| DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION | 5 |
| EXPLANATORY STATEMENT | 6 |
| PROCEDURE..... | 8 |

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council decision amending Decision 2009/831/EC as regards its period of application
(COM(2013)0930 – C7-0022/2014 – 2013/0446(CNS))**

(Special legislative procedure – consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2013)0930),
 - having regard to Article 349 of the Treaty on the Functioning of the European Union , pursuant to which the Council consulted Parliament (C7-0022/2014),
 - having regard to Rules 55 and 46(1) of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A7-0113/2014),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to substantially amend the text approved by Parliament;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

Council Decision 2009/831/EC of 10 November 2009, adopted on the basis of Article 299(2) of the EC Treaty, authorises Portugal, up to 31 December 2013, to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in the autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie. Article 2 of that Decision confines the above derogation to specific products. Portugal can apply to those products a rate of excise duty lower than the full rate on alcohol laid down in Article 3 of Council Directive 92/84/EC, and lower than the minimum rate of excise duty on alcohol set by this Directive but not more than 75% lower than the standard national excise duty on alcohol.

Decision 2009/831/EC sets out the reasons for adopting specific measures, which include small size, fragmented nature and low mechanisation of agricultural holdings. Moreover, the transport to the islands of certain raw and packaging materials not produced locally leads to additional cost, as compared to the transport merely of the finished product. Transport and installation of equipment in those remote insular regions further increase the additional costs. Finally, the producers concerned also bear extra costs generally borne by the local economies, in particular increases labour and energy costs.

The 75% reduction does not go beyond what is necessary to counterbalance the levels of additional costs that are incurred by operators as a result of the said particular characteristics of Madeira and of the Azores as outermost regions.

Since the tax advantage is limited to what is necessary to offset additional costs and since the volumes at stake remain modest the measure does not undermine the integrity and coherence of the Community legal order. Moreover, the tax advantage is limited to consumption in the regions concerned.

The Portuguese authorities have requested the renewal of the authorisation to apply a reduced rate of excise duty in the autonomous region of Madeira on locally produced and consumed rum and liqueurs and in autonomous region of the Azores on locally produced and consumed liqueurs and eaux-de-vie until 31 December 2020. The renewal needs to be approved both by a Council Decision under Article 349 TFEU and by a Commission Decision on State Aid. The Council Decision under Article 349 TFEU is without prejudice to the Commission's Decision on the prolongation of this measure under State aid rules.

On 28 June 2013 the Commission has adopted new regional aid guidelines for the period 2014-2020. These Guidelines are part of a broader strategy to modernise state aid control, aiming at fostering growth in the Single Market by encouraging more effective aid measures and focusing the Commission's enforcement on cases with the biggest impact on competition.

Considering that these Guidelines will enter into force on 1 July 2014, it seems justified to extend the period of application of Decision 2009/831/EC, for six months, so that its expiry date coincides with the expiry date of the current Guidelines.

Given the urgency in adopting this measure, its limited duration (six months) and that it aims

at stimulating the economy of outermost regions, the Chair proposes that this proposal be adopted without amendment, in accordance with Rule 46 (1) of the Rules of Procedure.

PROCEDURE

| | | |
|---|--|-------------------|
| Title | Amending Decision 2009/831/EC as regards its period of application | |
| References | COM(2013)0930 – C7-0022/2014 – 2013/0446(CNS) | |
| Date of consulting Parliament | 29.1.2014 | |
| Committee responsible Date announced in plenary | REGI 3.2.2014 | |
| Committee(s) asked for opinion(s) Date announced in plenary | ECON 3.2.2014 | AGRI 3.2.2014 |
| Not delivering opinions Date of decision | ECON 14.1.2014 | AGRI 27.1.2014 |
| Rapporteur(s) Date appointed | Danuta Maria Hübner 11.2.2014 | |
| Simplified procedure - date of decision | 11.2.2014 | |
| Date adopted | 11.2.2014 | |
| Date tabled | 17.2.2014 | |