

15 April 1996

A4-0108/96



## REPORT

on the proposal for a Council regulation amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (COM(95)0627 - C4-0083/96 - 95/0319(CNS))

Committee on Fisheries

Rapporteur: Mr Allan Macartney

PE 216.674/fin.

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By letter of 30 January 1996 the Council consulted Parliament, on the proposal for a Council regulation amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products.

At the sitting of 1 February 1996 the President of Parliament announced that he had referred this proposal to the Committee on Fisheries as the committee responsible and the Committee on Budgets for its opinion.

At its meeting of 23 January 1996 the Committee on Fisheries had appointed Mr Macartney rapporteur.

It considered the Commission proposal and the draft report at its meetings of 20 - 21 March 1996 and 15 April 1996.

At the last meeting it adopted the draft legislative resolution unanimously.

The following took part in the vote: Mr Arias Cañete, Chairman, Mr Kofoed, Mr Kindermann, Vice-Chairmen, Mr Macartney, rapporteur, Mr Adam, Mr Crampton, Mrs Fraga Estévez, Mr Imaz San Miguel (for Mrs Langenhagen), Mr Järvilahti (for Mr Olsson), Mrs McKenna, Mr McMahon (for Mr Baldarelli), Mr Teverson, Mr Varela Suanzes-Carpegna.

The opinion of the Committee on Budgets is attached.

The report was tabled on 15 April 1996.

The deadline for tabling amendments is on Wednesday, 17 April at 10 a.m.

**A**  
**LEGISLATIVE PROPOSAL**

**Proposal for a Council regulation amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (COM(95)0627 - C4-0083/96 - 95/0319(CNS))**

The proposal is approved.

**DRAFT LEGISLATIVE RESOLUTION**

**Legislative resolution embodying Parliament's opinion on the proposal for a Council regulation amending Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (COM(95)0627 - C4-0083/96 - 95/0319(CNS))**

**(Consultation procedure)**

The European Parliament,

-having regard to the Commission proposal to the Council, COM(95)0627 - 95/0319(CNS)<sup>1</sup>,

-having been consulted by the Council (C4-0083/96),

-having regard to Rule 58 of its Rules of Procedure,

-having regard to the report of the Committee on Fisheries and the opinion of the Committee on Budgets (A4-0108/96),

1. Approves the Commission proposal;

2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;

3. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;

4. Instructs its President to forward this opinion to the Council and Commission.

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<sup>1</sup>OJ C 49, 20.2.1996, p. 9

**EXPLANATORY STATEMENT****Introduction**

The Common Fisheries Policy is currently suffering from a lack of credibility among the different fishing communities in Member States. Fisheries are not an infinite resource and there is a need for structural adjustment if the prospect of long-term sustainable fishing is to be preserved. New technology and an increase in the catching capacity of fishing vessels have contributed to depleting fish stocks.

**Measures to Adjust Fishing Effort**

The existence of a large overcapacity in the EU fishing fleet, in relation to the availability of fish, is undeniable and has now come to be recognised as one of the major problems facing Community fisheries policy. In earlier days, attention was focused on the supply side with efforts being mainly concentrated on the balancing of stocks being taken from the seas through such measures as TACs and quotas. However, increasingly it became apparent that this was insufficient to safeguard resources.

Thus, the first generation multiannual guidance programmes (MGP 1) were introduced in 1983, with the aim of achieving rational management of fleet capacities. They were not a success. The second generation programmes which ran from 1987 to 1991 fared little better, with the result that no overall reduction in capacity was achieved. Furthermore, the accession of Spain and Portugal and the doubling of the Community fleet had the effect of exacerbating the pressure on stocks.

Several reasons can be advanced for these failures, but the contradictions in policy objectives already mentioned must be seen to have constituted a determining factor.

MGP III, adopted at the end of 1992, was in essence an attempt to overcome these contradictions through the introduction of stricter conditions or "safeguards" for the implementation of the national programmes. The overall targets agreed, after much debate, were a 20% reduction in the demersal fleet, a 15% reduction in the benthic fleet and 0% growth in the pelagic fleet.

In the past, the application of this regulation has varied from one Member State to the other. For instance, in the UK the government failed to implement a fair decommissioning scheme instead preferring 'tie ups'. This placed UK fishermen at a competitive disadvantage by comparison with fishermen from other Member States who were not subjected to the same restrictions. The UK fleet, as a result, has a larger percentage of older vessels.

In contrast, the Spanish fleets were subjected to special provisions laid down in the 1985 Act of Accession of Spain and Portugal, which were intended to keep their catching capacities and Northern access rights in kilter with their legitimately established historical rights.

However, it became clear, during the recent reviews of the Common Fisheries Policy, and of the 1985 Act of Accession, that the Community's structural policies were not achieving their objective of balancing the catching capacities of the various fleets with their quota entitlements.

This prompted the Court of Auditors to publish a damning report in 1993 on the implementation of structural policy in the fisheries sector which highlighted a number of serious failings and contradictions in the existing structural schemes, not all of which have been addressed to date.

#### **Aim of the Commission Proposal**

The 1993 reform of the Community's structural funds provided the opportunity to integrate fisheries into a wider more coherent framework. Regulation 3699/93 combined all the financial instruments related to assistance in the fisheries sector into a single Financial Instrument for Fisheries Guidance (FIFG) and introduced detailed rules for the implementation of measures connected with the modification of structures.

Structural policy in the fisheries sector was thus provided for the first time with an adequate legal and financial base from which to operate. Tighter safeguards were introduced to ensure rational fleet management and to bring about meaningful reductions in capacity.

The current Commission proposal may be considered as a "fine-tuning" of this approach. Two measures are envisaged:

(i) under article 8 (1 and 2) of Regulation 3699/93, Member States are encouraged to take action to permanently stop vessels fishing activities by:

- scrapping,
- permanent transfer to a third country,
- permanent reassignment to uses other than fishing.

Compensation is paid to through state aids, with FIFG assistance, to owners according to the age of the boat. This is calculated from a table, contained in Annex IV of the regulation, which lays down the maximum permitted levels. From age 15 onwards, these amounts are reduced by 1.5% per annum.

With the introduction of fishing licences, access to the industry is now restricted, with the result that the value of the licence attached to a particular boat may outweigh the physical value of the vessel itself.

The Commission is therefore proposing that, after 30 years of age, a boat should be considered to have a constant value and that no further annual reductions should be made in the maximum available compensation for permanent withdrawal from fishing activities.

(ii) article 14 of Regulation 3699/93 allows for FIFG assistance to be used to finance measures to partially offset the loss of income suffered as a result of a temporary cessation of fishing activities "caused by unforeseen and non-repetitive events resulting from biological phenomena in particular".

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The Commission is proposing to limit the costs of these measures to 200 000 Ecus per year or 0.5% of the funds foreseen in the financial plan for a particular Member State. The aim of this is to ensure that such intervention remains an "exceptional measure."

### **Evaluation**

In themselves these proposals present no particular problems. Although it could be argued that it is rather arbitrary to chose a cut-off point at age 30 for ceasing the annual reduction of available compensation payable to owners permanently withdrawing their boats from fishing activities, it is nevertheless logical to favour the removal from the fleet of the very oldest boats.

With regard to the second proposal, the Commission is closing a potential "loophole". A measure designed to provide assistance in exceptional and unforeseen circumstances, could be open to abuse and become a back door for state aid, particularly in some of the richer Member States. If the Regulation is to have any logic, the Commission should be supported in this move.

Structural reform of the EU fishing fleet must be considered in the light of current instability in the sector. It is becoming increasingly difficult for fishing communities in coastal areas, with a tradition of fishing in their local waters, to continue making a sustainable living from the sea. Over the past ten years, the problem of too many boats chasing too few fish has not been eased by the structural programmes as was the initial aim.

However, with clear objectives, Community structural policy can still play a key part in ensuring the preservation of marine resources through their optimum exploitation, which in turn would provide the maximum sustainable return for those involved in making their living from the sea.

OPINION

of the Committee on Budgets

Letter from the chairman of the Committee on Budgets to Mr. ARIAS CAÑETE,  
chairman of the Committee on Fisheries

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Brussels, 18 March 1996

**Subject: Opinion of the Committee on Budgets on the proposal for a Council Regulation (EC) amending Regulation (EC) No. 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (COM(95)0627 - C4-0083/96 - 95/0319(CNS))**

Dear Mr. Arias Cañete,

At its meeting of 18 March 1996, the Committee on Budgets considered the above-mentioned proposal.

The Committee on Budgets noted that this proposal modifies the financial assistance under the Regulation in the Structural Fund for Fisheries (financial instrument for fisheries guidance - FIFG, Art. 6) in order to encourage the definitive withdrawal from the fleet of those vessels more than thirty years old. This new regime should come under the existing FIFG allocations. No increase in the Community budget allocations is thus expected. If necessary, the existing Community support frameworks, single programming documents and operational programmes relating to fisheries could therefore be revised in the process of partnership to incorporate this extension.

The Committee on Budgets regretted that once again the Council did not wait for the European Parliament's opinion before examining this proposal.

The Committee on Budgets unanimously delivered a favourable opinion on the substance of this proposal.

Yours sincerely,

Karin JÖNS

Detlev SAMLAND

The following took part in the vote: Tillich (acting Chairman); Porto (Vice-Chairman); Elles; Gredler; König; Mayer (for Bebear); Mulder (for Brinkhorst); Perry (for Böge); Rehn; Tappin.

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