

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0396/2002

13 November 2002

REPORT

on the proposal for a Council regulation amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector (COM(2002) 187 – C5-0314/2002 – 2002/0116(CNS))

Committee on Fisheries

Rapporteur: Daniel Varela Suanzes-Carpegna

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
PROCEDURAL PAGE	4
DRAFT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT	31

PROCEDURAL PAGE

By letter of 28 June 2002 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty on the proposal for a Council regulation on amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector (COM(2002) 187 – 2002/0116(CNS)).

At the sitting of 4 July 2002 the President of Parliament announced that he had referred this proposal to the Committee on Fisheries as the committee responsible (C5-0314/2002).

The Committee on Fisheries appointed Daniel Varela Suanzes-Carpegna rapporteur at its meeting of 3 July 2002.

It considered the Commission proposal and the draft report at its meetings of 19 June, 9 July, 12 September, 21 October and 12 November 2002.

At the last meeting it adopted the draft legislative resolution by 14 votes to 4, with 2 abstentions.

The following were present for the vote: Struan Stevenson, chairman; Brigitte Langenhagen, Hugues Martin and Rosa Miguélez Ramos, vice-chairmen; Daniel Varela Suanzes-Carpegna, rapporteur; Carlos Bautista Ojeda, Niels Busk, Arlindo Cunha, Ilda Figueiredo, Ian Stewart Hudghton, Paul A.A.J.G. Lannoye, Salvador Jové Peres, Heinz Kindermann, Giorgio Lisi, Albert Jan Maat, Ioannis Marinos, Seán Ó Neachtain, Manuel Pérez Álvarez, Fernando Pérez Royo (for Carlos Lage), Yves Piétrasanta (for Patricia McKenna), Bernard Poignant, Dominique F.C. Souchet (for Michael John Holmes), Catherine Stihler and Herman Vermeer (for Elspeth Attwooll).

The report was tabled on 13 November 2002.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council regulation amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector (COM(2002) 187 – C5-0314/2002 – 2002/0116(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2002) 187¹),
- having been consulted by the Council pursuant to Article 37 of the EC Treaty (C5-0314/2002),
- having regard to its resolution of 6 November 1997 on the common fisheries policy after the year 2002²,
- having regard to its resolution of 5 May 1999 on the proposal for a Council regulation (EC) on structural measures in the fisheries sector and on the proposal for a Council regulation (EC) laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector³,
- having regard to its resolution of 17 January 2001 on the common fisheries policy and the challenge of economic globalisation⁴,
- having regard to its resolution 17 January 2002 on the Commission Green Paper on the future of the common fisheries policy⁵,
- having regard to its resolutions of 20 January 2000, 5 July 2001 and 25 April 2002 on the annual reports from the Commission to the Council and to the European Parliament on the results of the multi-annual guidance programmes for the fishing fleets at the end of 1997⁶, 1999⁷ and 2000⁸,
- having regard to Rule 67 of its Rules of Procedure,
- having regard to the report of the Committee on Fisheries (A5-0396/2002),

1. Approves the Commission proposal as amended;

¹ OJ C 203 E, 27.8.2002, p. 304.

² OJ C 358, 24.11.1997, p. 43.

³ OJ C 279, 1.10.1999, p.166.

⁴ OJ C 262, 18.9.2001, p.81.

⁵ P5_TA(2002)0016.

⁶ OJ C 304, 24.10.2000, p.6.

⁷ OJ C 65 E, 14.3.2002, p. 189.

⁸ P5_TA(2002)0207.

2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
4. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
5. Instructs its President to forward its position to the Council, Commission and Parliaments in Member States.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
RECITAL (new)

Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds stipulates in Article 2 that the FIFG is a Structural Fund which shall contribute to structural actions in the fisheries sector in accordance with Regulation 1263/1999 of 21 June 1999; neither of these regulations have been repealed and they thus remain fully in force.

Justification

The present proposal amends only Regulation 2792/99 implementing the FIFG Regulation 1263/1999, which is not being amended and which thus remains in force, and in which all structural actions in the fisheries sector are regulated.

Amendment 2
RECITAL (new)

Regulation 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds stipulates in Article 14 that their programming shall cover a seven-year period, with the programming period starting on 1 January 2000, and lists the specific causes leading to a revision of that programming.

Justification

The present proposal entails a revision of the programming of the fisheries structural funds planned by the Member States in line with the provisions of Regulation 1260/1999 laying down general provisions on the Structural Funds.

Amendment 3
RECITAL (new)

Whereas Article 14(2) of Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds says that programme planning is to be re-examined and, if necessary, adapted following the mid-term evaluation or in the event of significant changes in the socio-economic situation and the labour market.

Justification

This proposal requires a review of programme planning under the provisions of Regulation No 1260/1999.

Amendment 4
RECITAL (new)

The current Commission proposal does not record or justify the agreement with the Member States as regards undertaking the present amendment, nor that it might be motivated by significant changes in the socio-economic situation and the labour market as laid down in Article 14 of Regulation 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds.

Justification

No justification is given for the present proposal on any of the grounds giving rise to a revision mentioned in Regulation 1260/1999 laying down general provisions on the Structural Funds.

Amendment 5 RECITAL 1

(1) Regulation (EC) No 2792/1999 of 17 December 1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector includes provisions relating to the restructuring of the Community fisheries sector.

(1) Regulation (EC) No 2792/1999 of 17 December 1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector includes provisions relating to the restructuring of the Community fisheries sector ***in accordance with Regulation 1260/1999 laying down general provisions on the Structural Funds and Regulation 1263/1999 on the Financial Instrument for Fisheries Guidance (FIFG).***

Justification

Reference must be made to the fact that Regulation 2792/1999 lays down rules implementing the provisions of the basic Regulations 1260/99 and 1263/99, which are not being amended.

Amendment 6 RECITAL (new)

(3 a) The fleet limitation policy must take into account the degree to which the objectives laid down in the MAGPs for each Member State have been complied with and also involve a full assessment in relation to “exported capacity” and circumvention of the rules by Member States.

Justification

Self-explanatory.

Amendment 7
RECITAL 3b (new)

(3b) Reiterates its support for the Commission in future to have an effective, transparent and dissuasive system of penalties for non-compliance with a view to strict monitoring of fleet policy.

Justification

A call repeatedly made by Parliament.

Amendment 8
RECITAL 4

(4) Consistency must be ensured between the policy for restructuring the fisheries sector and other aspects of the Common Fisheries Policy, in particular the objective of achieving a stable and enduring balance between the capacity of fishing fleets and the fishing opportunities available to them in Community waters and outside Community waters.

(4) Consistency must be ensured between the policy for restructuring the fisheries sector and other aspects of the Common Fisheries Policy, in particular the objective of achieving a stable and enduring balance between the capacity of fishing fleets and the fishing opportunities available to them in Community waters and outside Community waters ***and to ensure a fair standard of living for fishermen and all other operators in the sector in accordance with the provisions of Article 33 of the Treaty.***

Justification

The ultimate aim of the Common Fisheries Policy is to ensure an acceptable standard of living for people employed in the sector.

Amendment 9 RECITAL 4 a (new)

(4 a) In the application of the FIFG and the distribution of structural funding, the Commission must guarantee effective means available to manage the social and economic consequences of Community policies, which ensures a level playing field between fishermen and vessels owners from different Member States.

Justification

Unfortunately, the political whims of certain Member State governments mean that they do not offer co-financing as readily as other Member States, giving rise to unequal treatment of fishermen and vessel owners, who may be fishing in the same sea area and subject to the same restrictions. For example, where there are real time closures, some fleets receive compensation due to supportive Member State operating within the FIFG provisions and matching funding, whilst others do not, creating disparities and inherent flaws in the co-financing system.

Amendment 10 RECITAL 5

(5) Since this balance can ***only*** be achieved by capacity withdrawal, Community financial support to the fisheries sector through the Financial Instrument for Fisheries Guidance (FIFG) should ***be concentrated on the scrapping*** of fishing vessels and public aid for fleet renewal should ***no longer be permitted***.

(5) Since this balance can be achieved by capacity withdrawal ***and by using other alternative technical measures***, Community financial support to the fisheries sector through the Financial Instrument for Fisheries Guidance (FIFG) should ***not lead to an increase in the capacity*** of fishing vessels and public aid for fleet renewal should ***in future on no***

account increase that capacity, by means of greater and improved control by the Commission.

Justification

A balance can also be achieved through technical measures and measures to regulate fishing effort, but there must be effective control to ensure that aid does not lead to an increase in capacity.

Amendment 11
RECITAL 5a (new)

(5a) For this reason it is necessary to establish a genuine Register of Community Fishing Vessels harmonised in all the Member States by fleet segments and by individual States, with an indication of capacity and power which must be precise, transparent and reliable, and it is also necessary that all the Member States should consequently use the same criteria to measure the capacity and power of their vessels under the Commission's supervision.

Justification

Parliament has repeatedly called for a genuine harmonised register of Community vessels.

Amendment 12
RECITAL 6

(6) For the same reason, measures for the equipment and modernisation of fishing vessels should be ***restricted*** either to measures to improve safety, navigation, hygiene, product quality, product safety and working conditions or to measures to increase the selectivity of fishing gear,

(6) For the same reason, measures for the equipment and modernisation of fishing vessels should be ***geared*** either to measures to improve safety, navigation, hygiene, product quality, product safety and working conditions or to measures to increase the selectivity of fishing gear,

including for the purpose of reducing by-catches and habitat impacts. These measures should be eligible for FIFG support on condition that they do not lead to an increase in fishing effort.

including for the purpose of reducing by-catches and habitat impacts. These measures should be eligible for FIFG support on condition that they do not lead to an increase in fishing effort.

Justification

All the measures referred to are positive and should be given priority, but action should not be restricted exclusively to them, given that other measures might also be capable of modernising vessels without entailing an increase in capacity.

Amendment 13 RECITAL 8

(8) Transfers of Community fishing vessels to third countries, including transfers made in the context of joint enterprises, ***do not*** contribute to the strengthening of sustainable fisheries outside Community waters, ***therefore public aid for such transfers should no longer be permitted.***

(8) Transfers of Community fishing vessels to third countries, including transfers made in the context of joint enterprises, ***as well as contributing to the reduction of capacity in Community waters, must also*** contribute to the strengthening of sustainable fisheries outside Community waters.

Justification

The success of joint enterprises can easily be demonstrated in terms both of the third country's development and the EU itself, whilst they also help to reduce capacity in Community waters. It is true, however, that we must also promote sustainable fishing in third countries.

Amendment 14 RECITAL 10

(10) Detailed rules should be introduced for the granting of compensation and its limitation in time where a multiannual management plan is decided on by the Council or emergency measures are decided on by the Commission ***or by one or more Member States.***

(10) Detailed rules should be introduced for the granting of compensation and its limitation in time where a multiannual management plan is decided on by the Council or emergency measures are decided on by the Commission.

Justification

It appears more in keeping with a common policy that it should be the Council and Commission to decide on matters falling within the EU's sphere of competence, and not the Member States.

Amendment 15
RECITAL 10a (new)

(10a) Alternative management measures need to be used alongside gradual fleet reduction measures, such as the system based on regulating days at sea, the adoption of biological recovery periods, and technical measures geared to more selective fishing and fewer discards.

Justification

Irreversible fleet reduction measures should be combined with other measures which have a less severe economic and social impact and which will also have a positive effect on the recovery of fishery resources.

Amendment 16
ARTICLE 1, PARAGRAPH 3, point (b)
Article 3, paragraph 3 (Regulation (EC) No 2792/1999)

(b) Paragraph 3 is replaced by the following:

“3. The development plans defined in Article 9 (b) of Regulation (EC) No 1260/1999 shall demonstrate that public aid is necessary with regard to the objectives pursued, in particular that, without public aid, the fishing vessels concerned could not be modernised, and that the planned measures will not jeopardise the sustainability of fisheries.

The contents of the plans shall be as set out

(b) Paragraph 3 is replaced by the following:

“3. The development plans defined in Article 9 (b) of Regulation (EC) No 1260/1999 shall demonstrate that public aid is necessary with regard to the objectives pursued, in particular that, without public aid, the fishing vessels concerned could not be ***renewed or*** modernised, and that, ***not increasing capacity***, the planned measures will not jeopardise the sustainability of fisheries.

The contents of the plans shall be as set out

in Annex I.”

in Annex I.”

Justification

Aid for both modernisation and renovation must be covered, whilst making it clear that no such aid may contribute to an increase in fleet capacity.

Amendment 17

ARTICLE 1, PARAGRAPH 4

Articles 4 and 5 (Regulation (EC) No 2792/1999)

(4) Articles 4 and 5 are deleted.

Article 4

The MAGPs aimed at achieving a balance between the available resources and the fishing capacity of the Community fleet have not produced the desired results, largely owing to the lack of resolve on the part of some Member States to implement them correctly, and on the part of the Commission to monitor them adequately and with effective instruments for applying penalties.

Article 5

Any new policy to reduce fleet capacity must be based on the degree to which the objectives laid down in the MAGPs for each Member State have actually been complied with, in order to ensure that the action taken is fair and avoid penalising those who already comply with the fleet reduction objectives by comparison with those who have failed to comply with them.

Justification

The MAGPs are not bad in themselves, but they must be complied with and enforced by the Commission. It is not appropriate to make linear cuts or scrap the scheme for everyone without taking account of the degree to which the Member States have complied or failed to comply, which must be the starting point for any new fleet policy.

Amendment 18
ARTICLE 1, PARAGRAPH 6
Article 6 (Regulation (EC) No 2792/1999)

(6) *Article 6 is deleted.*

Article 6

Fleet renewal and modernisation

In order to gain access to aid for fleet renewal and modernisation, the Member States must comply with all the requirements and objectives of the reference levels for the fleet and be subject to a permanent arrangement for monitoring by the Commission. The Member States shall demonstrate that entries and exits from the fleet are managed in such a way that the capacity does not exceed the annual objectives of the MAGP IV, and that a link is maintained between entries and exits in such a way as to ensure that capacity is not increased in any way.

A harmonised Community register of vessels shall be created for all the Member States, with an indication of capacity and power, which shall be measured using identical and easily accessible criteria to enable the Commission to carry out its monitoring tasks.

Justification

Aid for both fleet modernisation and renewal must be maintained, with greater monitoring and transparency to ensure that it cannot lead to an actual increase in capacity.

Amendment 19
ARTICLE 1, PARAGRAPH 7, point (b)

Article 7, paragraph 3 (Regulation (EC) No 2792/1999)

(b) Paragraph 3 is replaced by the following:

“3. The permanent cessation of fishing vessels’ fishing activities may be achieved

(b) Paragraph 3 is replaced by the following:

“3. The permanent cessation of fishing vessels’ fishing activities may be achieved

by the scrapping of the vessel.”

by:

(a) the scrapping of the vessel;

(b) permanent transfer of the vessel to a third country, including in the framework of a joint enterprise within the meaning of Article 8, after agreement by the competent authorities of the country concerned, provided all the following criteria are met:

(i) there exist appropriate guarantees that international law is not likely to be infringed, in particular with respect to the conservation and management of marine resources or other objectives of the common fisheries policy and with respect to working conditions of fishermen;

(ii) the third country to which the vessel is to be transferred is not a country which is a candidate for accession;

(iii) the transfer results in a reduction of fishing effort on the resources previously exploited by the vessel transferred; however, this criterion shall not apply when the vessel transferred has lost fishing possibilities under a fisheries agreement with the Community or under another agreement;

(iv) the third country is not a flag of convenience country or a country which tolerates IUU (Illegal, Unreported and Unregulated) fishing;

(c) permanent reassignment of the vessel for purposes other than fishing."

Justification

Scrapping must not be the only measure for the permanent cessation of vessels' fishing activity in Community waters. Exporting vessels to a third country requiring such vessels is a means of development cooperation whilst at the same time reducing fishing effort in Community waters. Exports must be based on all the guarantees necessary to ensure responsible and sustainable fishing. By way of example, reassignment for purposes other than fishing might involve research, training, etc.

Amendment 20
ARTICLE 1, PARAGRAPH 7, point (c)

Article 7, paragraph 4 (Regulation (EC) No 2792/1999)

(c) Paragraph 4 is deleted.

4. The capacity of vessels, except vessels less than 12 metres overall length other than trawlers which may be replaced without public aid, that are subject to a measure to stop fishing activities permanently within the meaning of paragraph 2 and 3 may under no circumstances be replaced.

Member States shall ensure that the fishing licenses of all vessels withdrawn are cancelled and that the withdrawals of the vessels are communicated to the fishing vessel register of the Community. They shall also ensure that vessels transferred to third countries and declared as deleted from the register are permanently excluded from fishing in Community waters.

Justification

All instances of the permanent cessation of fishing activities in Community waters will obviously mean that the vessels concerned must be withdrawn from the fishing vessel register of the Community.

Amendment 21
ARTICLE 1, PARAGRAPH 7(d)

Article 7, paragraph 5, points (b), (c), and (d) (Regulation (EC) No 2792/1999)

(d) In paragraph 5, points (b), (c) and (d) are deleted.

(b) premiums for permanent transfer within the framework of a joint enterprise: the amounts referred to in Article 8(3); however, no public aid for this purpose can be given for vessels with a tonnage less than 20 GRT or 22 GT, or of 30 years old or more;

(c) premiums for other permanent transfer to a third country: the maximum amounts for the scrapping premiums referred to in (a) above, less 50 %.

However, no public aid for this purpose can be given for vessels with a tonnage less than 20 GRT or 22 GT, or of 30 years old or more, except under the conditions provided for in paragraph 6;

(d) premiums for other cases stopping fishing activities permanently: the maximum amounts for the scrapping premiums referred to in (a) above, less 50 %. However, no public aid for this purpose can be given for vessels with a tonnage less than 20 GRT or 22 GT, except under the conditions provided for in paragraph 6.

Justification

Linked to the various arrangements for permanent cessation of activities listed in paragraph 3.

Amendment 22

ARTICLE 1, PARAGRAPH 7, point (e)

Article 7, paragraphs 6 and 7 (Regulation (EC) No 2792/1999)

(e) Paragraphs 6 and 7 are deleted.

6. Notwithstanding paragraph 5(c) and (d), where the vessel is definitively assigned for the preservation of historical heritage in the territory of a Member State, or for the fisheries research or training activities of public or semi-public bodies of a Member State, or for the control of fishing activities, in particular by a third country, public aid shall be granted under the conditions given in paragraph 5(a).

7. Without prejudice to Article 16, measures to restrict fishing activities may include restrictions on the fishing days or days at sea authorised for a specific period.

Such measures may not give rise to any public aid.

Justification

Linked to the various arrangements for permanent cessation of activities listed in paragraph 3 and Article 16 (temporary cessation of activities).

Amendment 23
ARTICLE 1, PARAGRAPH 8

Article 8 (Regulation (EC) No 2792/1999)

(8) Article 8 is deleted.

Article 8

Joint enterprises

1. Member States may take measures to promote the creation of joint enterprises. For the purpose of this Regulation "joint enterprise" means a commercial enterprise with one or more partners who are nationals of the third country in which the vessel is registered.

2. In addition to the conditions laid down in Article 7 and Annex III for the grant of a premium for permanent transfer, the following conditions shall apply:

(a) the creation and registration of a commercial enterprise, in accordance with the laws of the third country, or the acquisition of holdings in an enterprise that is already registered, for the purpose of engaging in a commercial activity in the fisheries sector in the waters under the sovereignty or the jurisdiction of the third country. The Community partner must hold a significant proportion, generally between 25 % and 75 %, of the share capital;

(b) ownership of the permanently transferred vessel must be handed over to the joint enterprise in the third country. For five years the vessel may not be used for fishing activities other than those

authorised by the competent authorities of the third country, nor may it be used by other shipowners.

3. The premiums for the creation of joint enterprises may not exceed 80 % of the maximum amount of the premium for scrapping referred to in Article 7(5)(a). The premiums cannot be cumulated with the premiums referred to in Article 7(5)(a),(c),(d).

4. The management authority shall pay 80 % of the premium to the applicant when the vessel is transferred to the joint enterprise, after the applicant has provided proof that a bank guarantee for an amount equal to 20 % of the premium has been lodged.

5. Each year for five consecutive years from the date of constitution of the joint enterprise or the date on which the Community partner acquired holdings in the enterprise, applicants shall submit to the management authority a report on the implementation of the activity plan, including data on catches and markets of fisheries products, in particular products landed in or exported to the Community, with supporting documents, together with the enterprise's balance sheet and a statement of its net worth. The management authority shall forward the report to the Commission for information. The balance of the premium shall be paid to applicants after two years of activity and after the first two reports have been received.

6. The guarantee shall be released, provided all the conditions are met, once the fifth report has been approved.

7. Where necessary, the Commission shall adopt detailed rules for the application of this Article in accordance with the procedure laid down in Articles 23(2).

Justification

This arrangement for the permanent cessation of fishing activities in Community waters needs to be regulated with the greatest possible rigour and guarantees. It has already proved extremely useful as a mechanism of development cooperation with third countries, and a mechanism for reducing capacity in Community waters and maintaining jobs in European regions which depend heavily on fishing.

Amendment 24 ARTICLE 1, PARAGRAPH 9

Article 9 (Regulation (EC) No 2792/1999)

Article 9 is replaced by the following:

“Article 9

Public aid for equipment or modernisation of fishing vessels

1. Public aid for the equipment of fishing vessels, including for the use of more selective fishing techniques, or for the modernisation of fishing vessels may be granted provided that:

(a) the aid does not concern capacity in terms of tonnage or of power;

(b) the aid does not serve to increase the

Article 9 is replaced by the following:

“Article 9

Public aid for ***renewal and*** equipment or modernisation of fishing vessels

1. Without prejudice to the conditions laid down in the second subparagraph of Article 3(3), public aid for fleet renewal and equipment or modernisation shall be granted only on the following conditions and those set out in Article 6 and Annex III and provided that the Member State complies with the annual global reference levels for the fleet:

(a) whilst respecting the annual global reference levels, Member States must ensure that during the programming period from 2000 to 2006 the entry of new capacity with public aid is compensated by the withdrawal of a capacity without public aid which is at least equal to the new capacity introduced, taken in terms of both tonnage and power;

(b) public aid may also be granted for the

effectiveness of the fishing gear;

equipment or modernisation of vessels such as the use of more selective fishing techniques, safety improvements, maritime navigation, hygiene, production quality on board or working conditions, provided that these measures do not lead to an increase in fishing capacity;

(c) the contents of the plans referred to in Article 3(3) are as set out in Annex I;

(d) the conditions laid down in Annex III are complied with.

2. The effect of granting public aid shall be accounted for in the annual implementation report referred to in Article 21.

2. The effect of granting public aid shall be accounted for in the annual implementation report referred to in Article 21.

3. Expenditure eligible for public aid for the equipment or modernisation of fishing vessels may not exceed the amounts *set out in* Table 1 of Annex IV.”

3. Expenditure eligible for public aid for **renewal and** the equipment or modernisation of fishing vessels may not exceed the **following** amounts:

(a) aid for renewal: twice the scales in Table I in Annex IV;

(b) aid for equipment or modernisation, including, where applicable, the cost of remeasuring tonnage in accordance with Annex I to the 1969 Tonnage Measurement Convention: Table 1 of Annex IV.'

Justification

Regulation of aid for both renewal and the equipment or modernisation of fishing vessels in line with Article 6.

Amendment 25 ARTICLE 1, PARAGRAPH 10

Article 10 (Regulation (EC) No 2792/1999)

(10) Article 10 is replaced by the following:
“Article 10
Common provisions on fishing fleets

(10) Article 10 is replaced by the following:
“Article 10
Common provisions on fishing fleets

Public aid for modernisation and equipment under this Regulation shall be reimbursed pro rata temporis when the fishing vessel concerned is deleted from the fishing vessel register of the Community within five years of the modernisation works.”

Public aid for **renewal**, modernisation and equipment under this Regulation shall be reimbursed pro rata temporis when the fishing vessel concerned is deleted from the fishing vessel register of the Community within **ten years following the renewal or** five years of the modernisation works.”

Justification

To include cases of fleet renewal and ensure that any aid received is reimbursed in the event described.

Amendment 26 Article 1, paragraph 11 a

(a) Paragraph 1 is replaced by the following:
“1. For the purposes of this article, "small-scale coastal fishing" means fishing carried on by fishing vessels of an overall length of less than 12 metres **and not using towed gear**.”

(a) Paragraph 1 is replaced by the following:
“1. For the purposes of this article, "small-scale coastal fishing" means fishing carried on by fishing vessels of an overall length of less than 12 metres.”

Justification

Small coastal fishing vessels of less than 12 metres in length should not be prohibited from using towed gear.

Amendment 27 Article 1, paragraph 12 c

(c) Paragraph (6) is deleted.

Deleted

Justification

The socio-economic flanking measures designed to facilitate temporary suspension of fishing under plans to protect resources should be maintained.

Amendment 28

ARTICLE 1, PARAGRAPH 13, point (a)(ii)

Article 16, paragraph 1, point (c) (Regulation (EC) No 2792/1999)

(ii) Point (c) is replaced by the following:

“(c) where a multiannual management plan is adopted by the Council or where emergency measures are decided by the Commission ***or by one or more Member States***; the granting of compensation by a Member State may last for no more than ***one year*** .”

(ii) Point (c) is replaced by the following:

“(c) where a multiannual management plan is adopted by the Council or where emergency measures are decided by the Commission; the granting of compensation by a Member State may last for no more than ***two years, which may be extended for one further year***.”

Justification

The same as for recital 10. Given the importance of these measures for the recovery of resources, it appears advisable to retain the current compensation periods.

Amendment 29

ANNEX, POINT (3)(c)

Annex III (Regulation (EC) No 2792/1999)

(c) Point 1.1 (b)(iv) is deleted.

(iv) in the event of permanent transfer to a third country, the vessel must be registered in the register of the third country without delay and may never return to Community waters;

Justification

Consistency with Article 7(3).

Amendment 30
ANNEX, point 3(d)
Annex III (Regulation (EC) No 2792/1999)

(d) Points 1.1 (c) and (d) are deleted.

***(c) if a vessel is lost between the date of the decision to grant the premium and the actual date of permanent withdrawal, the management authority shall make a financial correction for the amount of the compensation paid by the insurance;
(d) no public aid within the meaning of Article 7 may be paid for a vessel transferred to a third country to replace a lost vessel belonging to a joint enterprise within the meaning of Article 8.***

Justification

Consistency with Article 7(3).

Amendment 31
ANNEX, point 3 (e)
Annex III (Regulation (EC) No 2792/1999)

(e) Points 1.2 and 1.3 are deleted.

***1.2. Joint enterprises (Article 8)
(a) In addition to the conditions for the permanent transfer of a vessel to a third country within the meaning of Article 7(3)(b) and point 1.1 of this Annex, vessels, transferred within the framework of joint enterprises, must meet the following conditions:
(i) they must have been operating for at least the last five years, under the flag of a Member State of the Community:
- in Community waters,
- and/or in the waters of a third country either under a fisheries agreement with the Community or under another***

agreement,
- and/or in international waters where fisheries are ruled by an international Convention;
(ii) they must, within six months of the date of the decision to grant the premium, be fitted out with the technical equipment needed to operate in the waters of the third country under the terms of the fishing authorisation issued by the authorities of the third country; they must comply with the Community safety regulations and be adequately insured as decided by the management authority; costs associated with such a fitting, if any, are not eligible for a Community aid;
(b) when the application for the premium for joint enterprises is lodged, beneficiaries must provide the management authority with the following information:
(i) a description of the vessel, including, in particular, the internal number, registration number, tonnage, power and year of entry into service;
(ii) during the last five years: service and activity of the vessel (and conditions under which the activity was carried on); indication of fishing zones (Community waters/other); any previous Community, national or regional aid received;
(iii) proof of the project's financial viability, including, in particular:
- a financing plan showing the contributions of the different shareholders in cash and in kind; level of contribution of Community/third country partners; proportion of the premium provided for in Article 7(5)(b), which is to be invested in cash in the capital of the joint enterprise,
- an activity plan covering at least five years, showing, in particular, fishing zones, places of landing and final destination of catches;
(iv) a copy of the insurance contract;
(c) the following conditions must be met by the beneficiary during a period of five years from the transfer of ownership of

the vessel to the joint enterprise:

- (i) any change in the conditions under which the vessel is operated (particularly change of partner, change in the share capital of the joint enterprise, change of flag, change of fishing zone), within the limits of the conditions referred to in Article 8(2), shall be subject to prior authorisation by the management authority;*
- (ii) a vessel lost through shipwreck must be replaced by an equivalent vessel within one year of the shipwreck;*
- (d) if the conditions at (a) and (b) are not fulfilled when the application for the premium for joint enterprises is lodged, the public aid shall be restricted to the premium for permanent transfer referred to in Article 7(5)(c);*
- (e) without prejudice to Articles 29(4) and 38 of Regulation (EC) No 1260/1999, the management authority shall carry out a financial correction on the difference between the premium for joint enterprise and the premium for permanent transfer of the same vessel (hereinafter called "difference"), in the following cases:*
 - (i) if the beneficiary notifies to the management authority a change in operating conditions that lead to non-compliance with the conditions referred to in Article 8(2) of this Regulation, including the sale of the vessel, the transfer of holding by the Community partner or the retirement of the Community shipowner in the joint enterprise the financial correction shall be equal to part of the amount of the difference; this part shall be calculated pro rata temporis over the period of five years;*
 - (ii) if during a control it is found that the conditions provided for in Article 8(2) of this Regulation and point (c) of this paragraph are not complied with, the financial correction shall be equal to the difference;*
 - (iii) if the beneficiary fails to provide the activity reports provided for in Article 8(5)*

of this Regulation after having been served notice by the management authority, the financial correction shall be equal to part of the amount of the difference; this part shall be calculated pro rata temporis over the period of five years;

(iv) if the vessel is lost and not replaced, the financial correction shall be equal to part of the amount of the difference; this part shall be calculated pro rata temporis over the period of five years.

1.3. Fleet renewal (Articles 6 and 9)

(a) Vessels must be built to comply with the Regulations and Directives governing hygiene, safety, health, product quality and working conditions and the Community provisions concerning the measurement of vessels and the monitoring of fishing activities;

(b) vessels shall be entered in the appropriate segment of the Community register;

(c) without prejudice to Articles 7, 8 and 12(3)(d) the transfer of ownership of a fishing vessel shall not give rise to Community aid.

Justification

Consistency with Articles 8, 6 and 9, and as a guarantee for the rules contained in those articles.

Amendment 32
ANNEX, point 3(j)

(j) Point 2.5 (b) is deleted.

(b) when the investment concerns the construction of a vessel for inland fishing, the provisions of point 1.3(a) of Annex III shall apply;

Justification

Consistency with Articles 6 and 9.

Amendment 33
ANNEX, point 4(a), first and second subparagraphs

Annex IV (Regulation (EC) No. 2792/1999)

(4) In Annex IV, the text preceding Table 3 in point 2 is replaced by the following:

“2. Rates of financial participation

(a) For all the operations referred to in titles II, III and IV, the limits on Community financial participation (A), total State financial participation (national, regional and other) by the Member State concerned (B) and, where applicable, financial participation by private beneficiaries (C) shall be as follows, expressed as a percentage of eligible costs.

Group 1:

Permanent withdrawal premiums (Article 7), small-scale coastal fishing (Article 11), socio-economic measures (Article 12), protection and development of aquatic resources (Article 13(1)(a)), fishing port facilities with no financial participation by private beneficiaries (Article 13(1)(c)), measures to find and promote new market outlets with no financial participation by private beneficiaries (Article 14), operations by members of the trade with no financial participation by private beneficiaries (Article 15), temporary cessation premiums and other financial compensation (Article 16), innovative measures and technical assistance including pilot projects carried out by public bodies (Article 17).

(4) In Annex IV, the text preceding Table 3 in point 2 is replaced by the following:

“2. Rates of financial participation

(a) For all the operations referred to in titles II, III and IV, the limits on Community financial participation (A), total State financial participation (national, regional and other) by the Member State concerned (B) and, where applicable, financial participation by private beneficiaries (C) shall be as follows, expressed as a percentage of eligible costs.

Group 1:

Permanent withdrawal premiums (Article 7), ***premiums for the creation of joint enterprises (Article 8)***, small-scale coastal fishing (Article 11), socio-economic measures (Article 12), protection and development of aquatic resources (Article 13(1)(a)), fishing port facilities with no financial participation by private beneficiaries (Article 13(1)(c)), measures to find and promote new market outlets with no financial participation by private beneficiaries (Article 14), operations by members of the trade with no financial participation by private beneficiaries (Article 15), temporary cessation premiums and other financial compensation (Article 16), innovative measures and technical assistance including pilot projects carried out by public bodies (Article 17).

Justification

Consistency with Article 8.

Amendment 34
ANNEX, point 4(a), third subparagraph

Group 2:

Modernisation of fishing vessels (Article 9).

Group 2:

Renewal (Article 6) and modernisation of fishing vessels (Article 9).

Justification

Consistency with Article 6.

EXPLANATORY STATEMENT

1. *The amendment of a Structural Fund (FIFG): Legal problems*

The Heads of State and Government of the Fifteen meeting in the European Council in Berlin on 24 and 25 March 1999 concluded an important and difficult agreement on the EU's structural and financial package for the period 2000-2006, called Agenda 2000. The Council of the EU adopted the regulations governing the various Structural Funds on 21 June 1999. Regulation 1260/1999 of 21 June laying down general provisions on the Structural Funds states, in Article 2(1), what the Structural Funds are, including among them the Financial Instrument for Fisheries Guidance (FIFG) and declaring in paragraph 3 that the FIFG shall contribute to structural actions in the fisheries sector in accordance with Council Regulation (EC) 1263/1999 of 21 June 1999 on the Financial Instrument for Fisheries Guidance (FIFG).

Finally, Regulation 2792/1999 of 17 December laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector - which the Commission now wants to amend - contains more specific provisions aimed at achieving the aims laid down for the FIFG in the basic regulation, Regulation 1263/1999, and envisages funding, by means of this instrument, the same measures as Article 2 of Regulation 1263/1999.

The FIFG is, therefore, a Structural Fund to which the general provisions of the Structural Funds apply (Regulation 1260/1999), the fundable measures of which are regulated by Regulation 1263/1999, which in turn is further regulated by Regulation 2792/99.

The current Commission proposal is intended to amend Regulation 2792/99 in order to eliminate forms of aid envisaged in the current regulations, such as those concerning fleet renewal and modernisation, export and joint enterprises, which, from the outset, raises serious legal doubts as regards procedure because by a simple amendment of Regulation 2792/99 certain measures are supposed to be excluded from FIFG funding, although they are covered in Regulation 1263/99, regulating the FIFG, which is not amended. There would hence be a clear contradiction between the basic regulation - No 1263/99 - and the more detailed regulation, No 2792/99.

Furthermore, it should be pointed out that Regulation 1263/99, which is not amended, is in turn based on Article 2(3) of Regulation 1260/99 laying down general provisions for the Structural Funds, adopted unanimously by the Council, on the basis of Article 161 of the EC Treaty, on a proposal from the Commission and after obtaining Parliament's assent and consulting the Economic and Social Committee and the Committee of the Regions, whilst the legal basis for Regulations 1263/99 and 2792/99 is Article 37 of the EC Treaty and, therefore, was adopted by a qualified majority of the Council, on a proposal from the Commission and after consulting the EP.

The Structural Fund regulation, therefore, which had its origin in Regulation 1260/99, has its *raison d'être* in the Berlin European Council and Agenda 2000, with the adoption of the 2000-2006 financial perspective and the policy of economic and social cohesion of the EU as a global package, which means that to restrict the measures which may be funded by a structural fund such as the FIFG would mean revising the package of measures agreed on in Berlin before the expiry date envisaged for them.

Furthermore, Article 14 of Regulation 1260/99 laying down general provisions on the Structural Funds covers the duration and revision of the programming, indicating that it will cover a period of seven years from 1 January 2000, but making specific provision for four exceptions in paragraphs 1 and 2. These are the transitional support referred to in Article 6, or the aid under the PEACE Programme referred to in Article 7, which are not relevant here, or after the mid-term evaluation - which must be carried out three years after approval - and at the initiative of the Member State or the Commission, but in agreement with the Member State, which is not relevant either.

The final eventuality is 'in the event of significant changes in the socio-economic situation and the labour market'. The Commission proposal does not mention this eventuality nor does it justify what these important changes in the social, economic or labour market situation requiring a revision of programming might be. The proposal, therefore, does not contain the legal bases to support changes which are so radical that rather than a mere amendment we are faced with the 'abolition of aid' planned in the long term with the Member States and between them and their regional authorities and economic operators, which will therefore have an enormous impact, both economic, social and regional, calling into question fundamental legal principles of Community law upheld by the Court of Justice, such as legal security and the protection of the legitimate trust of individual operators, especially when financial interests are at stake, since serious damage might arise which would have to be remedied.

These legal problems are also confirmed by the Commissioner responsible for regional policy and the Structural Funds, who said, in reference to this proposal for reform, that reprogramming is voluntary and cannot, therefore, be imposed on a Member State and that 'the Commission does not have either the legal or the moral basis to undo in 2002 agreements which were difficult to reach and are scheduled to last until 31 December 2006'.

2. The methodology used. Absence of technical and scientific reports or reports on the socio-economic impact of the proposal

The drastic measures advocated in the Commission proposal affect structural policies on which it took considerable effort to reach agreement at the Berlin Summit, in the context of the EU's economic and social cohesion policy for the period 2000-2006. This general framework also led to difficult internal agreements being reached between the Member States and the economic and social partners. It therefore has an enormous economic, social and regional impact and, because of the characteristics of fisheries, also an impact on underdeveloped peripheral regions heavily dependent on this activity. Despite all this, the Commission does not accompany the proposal with a study or assessment of its socio-economic impact.

Not only was the reform not preceded by a proper report on the economic and social situation in the European regions heavily dependent on fisheries as required by Community legislation (Article 14 of Regulation No 3760/92), but the current proposal is not accompanied by a detailed study of the economic, social and regional impact of the measures to be introduced, which constitutes a total lack of rigour which would have enabled the scope of the proposed measures to be assessed correctly. All we know, by reference to the 'Roadmap' on the reform of the CFP is that the Commission envisages that it will affect 'a maximum of 28,000 fishermen', admitting that it does not know what actual regional impact its measures will have

and proposing Plans in conjunction with the Member States to discover this impact after the event.

The methodology used by the Commission lacks the rigour needed for the reform of a common policy. The tables showing the number of vessels affected in the Member States are not included in the proposal either, but appear later in the proposal on the scrapping of vessels, although they were criticised by the Member States themselves as being misleading and unrealistic. Although they were only intended as a rough guide, it should be pointed out that it was on the basis of these tables that the Commission drew up its proposal to abolish aid and introduce the scrapping of vessels, as well as its budgetary estimates. The current proposal also lacks a budgetary statement setting out the funding to be assigned to the new structural policy after the year 2003 (for which € 32m are earmarked) and the whole reform is based on the national reprogramming of the Structural Funds which, as we have already pointed out, is voluntary and must be carried out in conjunction with the Member States, for which reason the reform entails serious risks of inapplicability if the States reject it, as most of them seem to. This possibility is recognised by the Commission itself, which admits that 'it is uncertain whether the Council will agree to this amendment of FIFG rules' (the bottom of page 14 of the proposal for a regulation establishing an emergency Community measure for scrapping fishing vessels). Furthermore, the whole reform is based on the 'serious state of resources' without there being any agreement between fishermen and scientists nor among scientists themselves about the actual state of stocks or any agreement on the situation of the various species listed in the Annex to the so-called 'Roadmap'. Despite this, the Commission has not commissioned or delivered any scientific reports, not even drawn up by the Commission's main evaluating body on the subject (the STECF) endorsing the reform in order to give it the balance, rigour, justification and reliability it needs. All this leads us to feel that in view of all the shortcomings, the proposal constitutes a leap in the dark.

3. Does public aid to the fleet cause a deterioration in stocks?

After all the misgivings and lacunae pointed out, we shall now deal with the basic aspects the proposal is supposed to deal with, that is the abolition of aids to the fleet which the Commission feels are causing fish stocks to deteriorate.

Without considering here other causes of a deterioration in the marine environment which affect resources, other than overfishing, we cannot ignore the fact that a fundamental objective of any worthwhile fisheries policy should be to regulate the fleet and adapt it to the resources available. In other words, a balance should ultimately be achieved between the fleet and resources, avoiding overcapacity and overfishing.

In this case we agree with the aim of the reform, which attempts to achieve this equilibrium, although we disagree with the causes and the means proposed to achieve it. For the Commission it is enough to abolish, overnight, current aid for fleet renewal, restrict the aid for modernisation and ban export aid and aid for the formation of joint enterprises, leaving only the aid for the scrapping of vessels, which is to be increased in order to achieve the objective. Latter on, we will concentrate on justifying the present need to maintain each of these forms of aid, but let us say right now that the measure proposed by the Commission is the only irreversible one: the destruction of vessels. This radical and simplistic measure, devoid of any sensitivity towards workers, may lead to the recovery of fishing grounds, which means that in the end there may be fish but there will not be any vessels or fishermen to catch them.

Vessels could be built again, by means of an expensive policy of rebuilding what it cost money to destroy, but fishermen cannot be created out of thin air and the already difficult situation of the decreasing number of crews, due to a great extent to difficult on-board working conditions and an ageing, unsafe and unattractive fleet, would be the last straw for a profession threatened with extinction and hence would do irreparable damage at a time when the Member States are, precisely, renewing and modernising the fishing fleet in order to make it safer, more profitable and attractive.

A fisheries policy is not simply a regulation affecting fish populations, but also affects an economic activity with an enormous social impact which must be preserved. We are not regulating a nature reserve but a fundamental means of livelihood. Thus, faced with the prospect of scrapping – the destruction of expensive tools of the trade – we should consider other, alternative measures which would make it possible, together with the recovery of fish resources – even if this is in the longer term – to maintain jobs in the sector, even with seasonal layoffs and by regulating the days when it is actually permitted to fish, thus making it possible to reduce, but still maintain, fishing activity.

In addition to these measures which are less traumatic for fishermen and have a favourable impact on resources, there are others, such as closed seasons or biological recovery periods, which cover certain reproduction periods – for which aid is incomprehensibly reduced in the proposal from three years to one year – and are confined to areas where restocking fish are concentrated, etc., combined with technical measures applicable to fishing gear (concerning mesh size, more selective fishing methods, etc.) combined with traditional measures to conserve resources such as reductions in the total allowable catches (TACs), minimum fish sizes, etc. Of course all these measures cannot simply be decreed, they entail scientific studies and reports. This is where the reform of the CFP should have begun, in order to obtain more information on resources and set an example of responsible fishing to the world, by creating specific scientific programmes for the various species, classified by geographical areas of the sea, in order to evaluate on a permanent basis the state of stocks and their biological evolution, learn about their spawning areas and seasons, which particularly require protection, promote research and training and oceanographic research projects using our own vessels and the enormous resources we have available under the EU's R&D programmes, and winning the battle against public opinion, which because of either bias or the simplistic influence of the media, considers fishing and fishermen as merely predatory.

All these alternatives to simply scrapping vessels could be adopted gradually (in the short and medium term) and do not entail traumatic and irreversible measures, but would facilitate the recovery of resources and the controlled exercise of fishing activity.

The European Commission has always had all these possibilities and, moreover, a mechanism to regulate and control fleet policy, the famous MAGPs (Multiannual Guidance Programmes for the Fishing Fleet) to match the fleet to the level of resources available, but has been unwilling or unable to make all the Member States comply with them. The Commission has failed in its executive power to monitor the fishing fleet, and whilst some States have scrupulously met their commitments to reduce their fleet, others not only have not reduced but have increased the fleet, whilst others have not even complied with their obligation to forward to the Commission data concerning their fleet. The Commission has not intervened, despite constant criticism from the EP's Committee on Fisheries, which advocated exemplary and effective sanctions for those who failed to comply, such as the withdrawal of aid or fishing

quotas, which the Commission always rejected. However, it now wants to do so by replacing the current MAGP system by a new system of reference levels and 'fleet indicators', in an unjust and discriminatory attempt, once again, to gloss over non-compliance with the current MAGP IV by treating equally those who comply or do not comply.

The Commission takes the view that the current state of resources – in general, as if all species were equal – is poor because of the fleet and aid, and never because of its own incompetence. It therefore abolishes MAGPs and aid, because they lead to a fleet surplus, and encourages the scrapping of vessels. At this point it should be made clear that there are Member States which, despite being the main recipients of aid for the fleet, have been able to modernise it and reduce it by 50%, thereby complying fully with the objectives of the MAGPs. Others, without aid for the fleet, have increased it and failed to comply with the MAGPs, for which reason this link between aid for renewal and modernisation and the automatic increase in capacity must be rejected. What is needed, as pointed out by the EP on several occasions – the last time in the Kindermanns report: A5-0092/2002 – is harmonisation of the system for measuring tonnage and power, and compliance with all measures by everybody on an equal footing; effective sanctions against those who fail to comply, exhaustive monitoring by the Commission, the establishment of a proper comprehensive European Fleet Register with a rigorous and transparent system of entry and exit so that, under no circumstances, do newly built vessels entail increases in capacity, by withdrawing corresponding capacity and exhaustive checks on withdrawal from the fleet register and to ensure that the modernisation of our fishing fleet – which has an average age of 20 years – does not entail a real increase in capacity. It might be necessary to increase the Commission's material and human resources, but this would still be better and less expensive than applying exclusive vessel-destruction measures.

A.- Aid for fleet renewal

As the name suggests the aid is not simply for the building of new vessels. Renewal means replacement – replacing old vessels with new ones. Sometimes it is more expensive to repair and adapt by 'modernising' old vessels than by building new ones. In fact, as already pointed out, new fleet entries require the replacement of old boats and the capacity introduced into the fleet should not exceed that withdrawn, in order to maintain the fleet's equilibrium and the objectives of the MAGP, or the 'fleet development objectives'. It is feasible, but resources and determination are needed to implement the objectives, as well as deterrents against failure to comply.

What is also needed, as we have said, is a more effective and strict policy, with a harmonised and transparent Register, to facilitate quantification of the actual increases in capacity, technological adjustments which may lead to larger fishing capacity, thereby raising the percentage of replacement or net reduction in order to offset the increases in capacity and ensure that the Register is classified perfectly according to the various segments of the fleet, in the interests of greater and better control of capacity and fishing effort in the various fishing grounds.

A modern and renewed fleet is an essential precondition for crew safety, high-quality processing of the fish on board and, ultimately, the profitability of the fleet.

B. – Aid for modernisation of the fleet

Despite the heavy restrictions established by the Commission, this form of aid would be maintained. As with the aid for renewal, we feel it is essential to maintain this aid unrestricted, to complement the former in specific aspects, which means improving safety, habitability, hygiene, working conditions, navigation and the quality and selectiveness of fishing. As with the aid for renewal, it is essential that this aid should not entail an increase in capacity, and hence all the considerations regarding regulation and monitoring referred to earlier apply here too.

C. – Aid for export of vessels to third countries

Here, as in the case of joint enterprises, there is a blatant contradiction in the proposal to reform the CFP. If the resources in Community waters are in as bad a state as the Commission claims, capacity in them must be reduced and, at the same time, if one of the fundamental objectives of the CFP, as the Treaty states, is to supply the Community market with fishery products, of which there is a severe shortage, so that we import almost 60% of the fish we consume, it is hard to understand why the EU itself should stop encouraging vessels to go outside Community fishing grounds – and hence leave the fleet Register – thereby achieving the dual objective of reducing our surplus internal capacity and, at the same time, helping to supply the Community market with fish, whilst at the same time creating a formula for cooperation with third countries.

For this reason the measure to promote the export of vessels to third countries should be maintained. The Commission's justification for discontinuing this aid is a desire to prevent the export of our surplus capacity to third countries, which is untenable for the simple fact that the surplus capacity may be surplus in the Community but it remains to be seen whether it is so in a third country, precisely when it is those countries which are asking for more fleet capacity and technology – in most cases now non-existent – in order to create or boost their own fishery sector.

D. – Aid for joint enterprises

As in the previous case, this is clearly an attempt to reduce capacity in Community waters, but with the addition of a clear and innovative element of development cooperation for third countries which need it, as demonstrated by established practice, which has shown very positive results for this measure for all the reasons explained earlier, but with the addition that in this case, furthermore, the Community obligation as regards the provenance of capital is maintained, with a favourable impact on Community employment in regions dependent on fisheries, since the disappearance of this kind of aid would be a grave historical mistake on the part of the EU. Combined with the reduction in the Community fleet, it is an extremely useful development cooperation instrument which has been very fruitful in many countries in which it is operational both for the third country and for the EU itself, and hence it would be totally unacceptable and pointless for it to disappear, creating a lacuna which other countries or private agreements would fill, without the guarantees of sustainability of resources that the EU can offer.

In conclusion, for all the reasons mentioned, we consider that the Commission proposal is unjustified and is technically, scientifically, legally, financially, economically and socially

non-viable and although the best possible balance needs to be achieved between the fleet and the resources in Community waters, it does not need to be achieved at all costs and at the expense of the economic and social sector dependent on fisheries, by means of the unilateral abolition, imposed by the Commission, of the current aid to the fleet currently in force and programmed until 2006, replacing them with a single policy of scrapping. They should rather be achieved by means of gradual measures combining the recovery of resources with appropriate short and medium-term cyclical technical and social measures, which will result, in the longer term, in a genuine reduction in fishing capacity by means of a rigorous, demanding, effective and transparent fleet policy. This will ensure the survival of a whole section of society and a way of life essential for the EU, especially in heavily dependent regions, which have maintained their fishing and sea-faring tradition, rather than increasing the EU's dependence and vulnerability in this strategic sector.

Consequently, maritime scientific research policy must be stepped up and attempts must be made, without fear or inhibition, to try out new fisheries management systems which are already successful in other countries, so that our resources are not simultaneously everybody's and nobody's. A proper scrupulous harmonisation of the fleet policies of the Member States is also needed, using Commission resources and control, in order to maintain a renewed and modern fleet, which is profitable and in balance with the resources available.

This is undoubtedly more complicated than scrapping vessels, but more thought needs to be given to the subject in the context of this historic reform of the CFP, whilst maintaining for the time being, until 2006 at least, the present policy of aid, solidarity and economic and social cohesion agreed on in Berlin, and exploiting this reform and the future revision of the Structural Funds, to achieve, once and for all and by means other than the radical and irreversible ones advocated by the Commission in this proposal, a more realistic CFP, more acceptable to the fishing sector and the countries involved, hence more credible and less expensive, ultimately more logical and hence more acceptable to everybody. It would also set an example to the world of a genuine common long-term fisheries policy which is environmentally, but also socially, sustainable.