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B7-0024/2013

## MOTION FOR A RESOLUTION

further to Question for Oral Answer B7-0102/2013

pursuant to Rule 115(5) of the Rules of Procedure

on state aid modernisation  
(2012/2920(RSP))

**Sharon Bowles**

on behalf of the Committee on Economic and Monetary Affairs

**European Parliament resolution on state aid modernisation  
(2012/2920(RSP))**

*The European Parliament,*

- having regard to the Treaty on the Functioning of the European Union (TFEU), and in particular Article 109 thereof,
  - having regard to the proposal of the Commission for a Council Regulation amending Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty<sup>1</sup>,
  - having regard to the proposal of the Commission for a Council Regulation amending Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid and Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road (COM(2012)0730),
  - having regard to the Commission Communication entitled ‘EU State Aid Modernisation (SAM)’ (COM(2012)0209),
  - having regard to the opinion of the Committee of the Regions adopted at its 98th plenary session, held on 29 November 2012,
  - having regard to European Court of Auditors Special Report No. 15/2011 entitled ‘Do the Commission procedures ensure effective management of state aid control?’<sup>2</sup>,
  - having regard to the Framework Agreement of 20 November 2010 on relations between the European Parliament and the European Commission<sup>3</sup> (hereinafter ‘the Framework Agreement’), and in particular paragraph 15 thereof,
  - having regard to the question to the Commission on state aid modernisation (O-000213/2012 – B7-0102/2013),
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the Commission has presented proposals for two regulations implementing the state aid modernisation programme, with Article 109 TFEU as their legal base; whereas this legal base provides only for consultation of Parliament, not codecision;
- B. whereas the objective of the proposals is to focus resources on assessing more serious cases of aid rather than dealing with smaller cases and minor complaints which have no

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<sup>1</sup> OJ L 83, 27.3.1999, p. 1.

<sup>2</sup> <http://eca.europa.eu/portal/pls/portal/docs/1/10952771.PDF>

<sup>3</sup> OJ L 304, 20.11.2010, p. 47.

bearing on trade between Member States;

- C. whereas the proposals, and in particular the amendment to the procedural Regulation (EC) No 659/1999, concern the modalities for Commission control of decisions by elected national and local authorities, and whereas there is therefore a strong case for democratic oversight of these texts to be exercised by Parliament;
  - D. whereas Parliament should be associated in the preparation of such proposals, as foreseen by paragraph 15 of the Framework Agreement between Parliament and the Commission;
1. Welcomes the Commission's Communication on state aid modernisation and the Commission's new proposals for regulations; calls on the Commission, however, to ensure that stimulating economic growth, as one of the overall aims of this reform, will not again lead to an increase in public debt;
  2. Underlines the need for less, but better-targeted, state aid which places less demand on public spending and does not distort competition, while supporting the shift to a knowledge economy;
  3. Stresses that state aid must be designed in a way that fosters the development of services, knowledge and infrastructure per se, rather than providing support to specific companies;
  4. Underlines the fact that the primary role of state aid control is to ensure a level playing field in the internal market; welcomes the State Aid Modernisation package as a cornerstone of the ongoing process of modernising competition policy; calls for timely implementation of the reform package;
  5. Recognises the role played by state aid, enabled through a special crisis regime, in addressing the crisis; recognises also that using and controlling state aid appropriately will play an important part in achieving the goals of the EU 2020 growth strategy;
  6. Stresses that competition policy must enable appropriate state support for the ecological transformation of the economy, in particular with regard to renewables and energy efficiency, and that the new guidelines should be based on this premise;
  7. Shares the Commission's view that state aid procedures need to be accelerated to allow for greater concentration on complicated cases that can have serious effects on competition in the internal market; takes note of the Commission's proposal to raise its level of discretion in deciding how to deal with complaints; calls on the Commission to provide detailed criteria for distinguishing between important and less important cases in this context; points out that appropriate ways of making such distinctions would be to raise the thresholds for the De Minimis Regulation and to extend the horizontal categories in the Enabling Regulation and the General Block Exemption Regulation;
  8. Notes that these objectives have been set on numerous occasions in the past, and have been the basis for past revisions of state aid law, but would appear not to have been fully met, given that these new proposals are now necessary;
  9. Expresses the hope that, on this occasion, the proposals will meet the objectives set, while

not discouraging complainants from coming forward to draw serious cases of distortion of competition to the Commission's attention;

10. Notes the Commission's general intention to exempt more measures from the notification requirement; notes, in particular, that the Commission's proposal includes coverage by the Enabling Regulation of aid granted to culture and aid to make good the damage caused by natural disasters; stresses, however, that the Member States will have to ensure ex ante compliance with state aid rules of de minimis measures and block-exempted schemes in order to preserve a sufficient level of control, while the Commission will continue to exercise ex post control of such cases; underlines that this must not lead to increased state aid; calls on the Commission to ensure that there is a long-term reduction in state aid;
11. Underlines the fact that the Commission must ensure a better exchange with Member States in terms of the quality and timeliness of submission of information and the preparation of notifications; stresses that effective national systems must ensure that state aid measures exempted from the ex ante notification obligation comply with EU law;
12. Notes that to date relevant information for state aid control cases has been delivered exclusively by the Member States; asks the Commission to assess whether there will be a further need for additional human resources in order to extend its information-gathering tools and to enable it to receive direct information from market participants;
13. Is deeply concerned by the Court of Auditors' findings that the Commission does not attempt systematically to detect unnotified aid measures or assess the ex post impact of its state aid control in a comprehensive way; requests further clarification regarding the 40 % of the cases of state aid granted under the Block Exemption Regulations that may be problematic; underlines the special difficulty this poses for new entrants and for small and medium-sized enterprises, and the distorting effect it has on competition;
14. Urges the Commission to address, in the context of state aid modernisation, the abovementioned issues, and to ensure that the possible weakening of the ex ante monitoring of notifications will be offset by effective and strict ex post control on behalf of the Commission to ensure adequate compliance;
15. Regrets that the legal base for the new proposals, Article 109 TFEU, provides only for consultation of Parliament, not codecision in line with other areas of market integration and economic regulation further to the entry into force of the Lisbon Treaty;
16. Believes that this democratic deficit cannot be tolerated in respect of proposals that concern the means of oversight by the Commission of decisions and acts by national and local elected authorities, notably as regards services of general economic interest related to fundamental rights;
17. Proposes that this deficit be overcome through interinstitutional arrangements and corrected in any future Treaty change;
18. Urges the Commission and Council, meanwhile, to take the utmost account of proposals for amendment which Parliament brings forward in the consultation procedure;

19. Instructs its President to forward this resolution to the Council and the Commission.