

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (74) 1931 final.

Brussels, 20 November 1974

Proposal for a Regulation of the Council
modifying the Regulation (EEC) 1107/70 relative to aids
granted in the field of transport by railway, road and
inland waterway

(submitted to the Council by the Commission)

COM (74) 1931 final.



Exposition of objectives (Motives)

Article 4 of Regulation (EEC) 1107/70 of the Council of 4 June 1970 ⁽¹⁾ relative to aids granted in the field of transport by rail, road and inland waterways provides that until the coming into force of community regulation taken in conformity with Article 8 of the Decision of the Council of 13 May 1965 ⁽²⁾ relative to harmonization of certain provisions having a bearing on the competition in the field of transport by rail, road and inland waterways and without prejudice to the provisions of Regulation (EEC) 1191/69 and Regulation (EEC) 1192/69 of the Council of 26 June 1969 ⁽³⁾ payments by the States and public authorities may be awarded to railway undertakings by reason of the failure to realize harmonization, as laid down in the said Article 8, of the rules governing the financial relations between railway undertakings and the States, the purpose of such harmonization being to make these undertakings financially autonomous. By reason of Article 5 paragraph 2 of the aforesaid Regulation (EEC) 1107/70, these aids, because of their special character, are exempt from the procedure provided for in Article 93 paragraph 3 of the Treaty and are communicated to the Commission in the form of estimates at the beginning of each year and subsequently in the form of a report after the end of the financial year.

The adoption, for the national railway undertakings, of the decision of the Council of taken in conformity with Article 8 of the Decision of 13 May 1965, has the consequence that the aids for these undertakings provided under Article 4 of Regulation (EEC) 1107/70 of the Council are no longer authorized. On the other hand, by reason of the aforesaid decision of the Council, Member States may grant aids to the railway undertakings within the context of their programmes of activity by virtue of Article 5 paragraph 1 of the decision and may also grant equilibrium subsidies by virtue of Article 15 of the same decision.

(1) OJ L 130 of 15.6.1970, p. 1

(2) OJ 88 of 24.5.1965, p. 1500/65

(3) OJ L 156 of 28.6.1969

These aids having a similar specific character to those provided for by Article 4 of Regulation (EEC) 1107/70, it appears advisable by applying Article 94 of the Treaty, to maintain the special procedure of informing the Commission provided for in Article 5 paragraph 2 of the same Regulation and specified in the indent preceding and thereby to modify the provision of Article 4 of Regulation (EEC) 1107/70.

Proposal for a Regulation of the Council
modifying the Regulation (EEC)
relative to aids granted in the field of transport by railway, road
and inland waterway (1)

THE COUNCIL OF EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community
and particularly Articles 75 and 94 thereof

Having regard to the proposal of the Commission

Having regard to the Opinion of the European Parliament

Having regard to the Opinion of the Economic and Social Committee

Whereas in the application of Article 4 of Regulation (EEC) 1107/70 of the
Council of 4 June 1970 and until the entry into force of community regul-
ation adopted pursuant to Article 8 of the Decision of the Council of 13
May 1965 relative to the harmonization of certain provisions having a
bearing on the competition in the field of transports by railway, road
and inland waterways, ⁽²⁾ payments to railway undertakings from the States and
public bodies may be awarded because of the failure to achieve harmoniza-
tion, as laid down in the aforesaid Article 8, of rules governing the
financial relationships between the railway undertakings and the States,
the purpose of such harmonization being to make those undertakings finan-
cially autonomous : that by reason of Article 5 paragraph 2 of the above-
mentioned regulation these aids are exempt from the procedure provided for
in Article 93 paragraph 3 of the Treaty and that details of such aids
should be communicated to the Commission in the form of estimates at the
beginning of each year and subsequently in the form of a report after the
end of the financial year.

(1) OJ L 130 of 15.6.1970, p. 1

(2) OJ 88 of 24.5.1965, p. 1500/65

Whereas, following the adoption for the national railway undertakings of the Decision of the Council of _____ conforming to Article 8 of the Decision of 13 May 1965, the aids to these undertakings provided for by the aforesaid mentioned provisions are no longer authorized; on the other hand the Member States may grant to these same enterprises aids within their programmes of activity on the basis of Article 5 paragraph 1 of the decision of the Council of _____ and also subsidies of equilibrium on the basis of Article 15 of the same decision. It appears advisable that because of the special character of these aids, by application of Article 94 of the Treaty, to maintain the special procedure for informing the Commission provided for in Article 5 paragraph 2 of Regulation (EEC) 1107/70 of the Council;

Whereas it is consequently requisite to modify the provision of Article 4 of Regulation (EEC) 1107/70 of the Council of 4 June 1970,

HAS PASSED THE PRESENT REGULATION.

The only article

Article 4 of Regulation (EEC) 1107/70 of the Council of 4 June 1970 is replaced by the following provision :-

"1. Until the entry into force of community regulations conforming to Article 8 of the Decision of the Council of 13 May 1965 concerning the railway undertakings other than those envisaged in the first article of the decision of the Council of _____ relative to the improvement of the financial situation of the railway undertakings and the harmonization of the rules governing the financial relationships between these undertakings and the States, and without prejudice to the provisions of Regulation (EEC) 1191/69 and of Regulation (EEC) 1192/69, the provisions of Article 3 shall not apply to payments by the States and public authorities to railway undertakings made by reason of any failure to achieve harmonization as laid down in the said Article 8, the rules governing the financial relationships between the railway undertakings and the States, the purpose of such harmonization being to make those undertakings financially autonomous.

2. Until the entry into force of the provisions provided for in Article 17 of the Decision of the Council of _____ relative to the improvement of the financial situation of the railway undertakings and the harmonization of the rules governing the financial relationships between these undertakings and the States, the provisions of Article 3 do not apply to aids granted within the railway undertaking's programmes of activity by application of Article 5 paragraph 1 of the said decision nor to the equilibrium subsidies granted in application of Article 15 of the same decision."

This regulation is binding in its entirety and directly applicable in all Member States.

Done at _____, the

For the Council
the President,

