

EUROPEAN PARLIAMENT

Working Documents

1980 - 1981

4 February 1981

DOCUMENT 1-836/80

MOTION FOR A RESOLUTION

tabled by Mr TURCAT

rapporteur for the Committee on Energy and Research

with request for urgent debate pursuant

to Rule 14 of the Rules of Procedure¹

on the proposals from the Commission of the

European Communities to the Council (Doc. 1-526/80) for

- I. a regulation amending Regulation (EEC) No. 725/79 on financial support for demonstration projects in the field of energy saving;
- II. a regulation amending Regulation (EEC) No. 726/79 on financial support for projects to exploit alternative energy sources

¹ Urgent procedure requested by :

Mrs WALZ, Mr GALLAGHER, Mr NORMANTON, Mr TURCAT, Mr BEAZLEY, Mr BEUMER, Mr CALVEZ, Mr COPPIETERS, Mr CROUX, Mr GALLAND, Mr LINDE, Mrs LIZIN, Mr MORELAND, Mr MÜLLER-HERMANN, Mr PAISLEY, Mr PETERSEN, Mr PINTAT, Mr PRICE, Mr PURVIS, Mr RINSCHÉ, Mr SÄLZER, Mr SASSANO, Mr SELIGMAN, Mr SOUSSOUROYIANNIS, Sir Peter VANNECK, Mr VERONESI, Mrs VIEHOFF and Mr VLAHOPOULOS.



The European Parliament,

- having regard to the Brown report of 17 November 1977, the Dalyell report of 17 January 1979 and the Sassano report of 19 September 1980,
 - concerned to ensure that all procedural defects are eliminated from the adoption of Council regulations in future,
 - having regard to the non-initiation of the conciliation procedure on Council Regulations Nos. 725/79 and 726/79 and on the Commission proposal amending Regulation No. 726/79,
1. Urges the Council in the strongest possible terms to initiate discussions with the European Parliament on the extremely serious problems which these regulations raise for the budgetary powers of Parliament;
 2. Cannot deliver an opinion on the Commission's proposals pursuant to Article 235 of the EEC Treaty until these discussions have taken place;
 3. Instructs its President to forward this resolution to the Council and the Commission.

JUSTIFICATION FOR URGENT PROCEDURE

The Committee on Energy and Research, the committee responsible, shares the concern expressed by the Committee on Budgets, which was asked for its opinion, and it is this concern which makes discussion with the Council at an early date necessary to enable Parliament to deliver an opinion as soon as possible.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman: Mr G. PFENNIG

On 3/4 December 1980 the Committee on Budgets appointed G. Pfennig draftsman.

It considered the draft opinion at its meetings of 3/4 December 1980 and 9/10/11 December 1980 and adopted it unanimously at the latter meeting.

Present: Mr Lange chairman; Mr Spinelli vice-chairman; Mr Pfennig draftsman; Mr Aigner, Mr Barbi, Mrs Boserup, Mr Forth, Mr Gouthier, Mrs Hoff, Mr Howell, Mr R. Jackson, Mr Langes, Mr Newton Dunn, Mr O'Leary, Mr Orlandi, Mr Simonnet, Mr J.M. Taylor and Mr Tuckman.

I. The Commission proposal

1. Despite objections from the Committee on Budgets and Parliament, the first Council Regulation (No. 725/79 of 9 April 1979) fixed a maximum amount of 55 million EUA in aid for a 4-year programme of demonstration projects on energy saving.

2. At the same time, it was decided in the second Regulation (No. 726/79) to adopt a 5-year programme on financial aid to projects to exploit alternative energy sources. Here again a maximum figure (95 million EUA) was fixed by the Council.

3. As these programmes elicited a considerable response and the funds are almost exhausted, the Commission is now proposing an amendment to the Regulation to increase the total allocation:

- to 110 million EUA under Regulation No. 725/79, which represents twice the original amount;
- to 200 million EUA for projects under Regulation No. 726/79 instead of the original 95 million EUA.

II. Problems relating to the powers of Parliament and the Commission

4. The fact, that the Commission is once again obliged to approach Parliament and the Council to secure amendments to the original regulations, is the result of a long and complex chain of events, which, in the view of the Committee on Budgets needs to be reconsidered.

5. It should be made clear at the outset, that despite widespread criticism from the Committee on Budgets and Parliament, the Council has in fact created a basic procedural framework for regulations which is totally at variance with Parliament's wishes. This basic framework is roughly as follows:

- acting on a Commission proposal, the Council issues a basic regulation outlining policy requirements in very general terms. Parliament is consulted on this regulation;

- the Council then spells out various programmes for the implementation of this policy. Here too Parliament is consulted;
- finally the appropriations allocated for the implementation of the individual projects are fixed by the Council in a separate regulation. At this stage Parliament is not consulted.

6. This is exactly what has been done in the energy sector with the projects on energy saving and the use of alternative energy sources but also, and even more rigorously (individual projects chosen by the Council), in other areas such as the measures relating to hydrocarbons. In the opinion of the Committee on Budgets, this procedure represents a blatant infringement of the European Parliament's budgetary powers.

7. It would perhaps be worthwhile in this context to recall the various stages in this process as it applies to the projects for energy saving and the exploitation of alternative energy sources:

- on 25 May 1977, the Commission submitted two proposals to the Council for Council Regulations on the granting of financial aid to demonstration projects on energy saving and projects to exploit alternative energy sources,
- the Commission's proposals were in line with Parliament's views on the matter and were adopted both by the Committee on Budgets and the Committee on Energy and Research as the committee responsible on 17 November 1977 in the BROWN report¹,
- on 12 June 1978 the Council issued two basic regulations, the texts of which differed fundamentally from those proposed by the Commission; in particular, they stated that the regulations would only come into force 'following the decision taken by the Commission, or by the Council in the event of appeal, on the first series of projects ... and following the adoption by the Council of a Regulation fixing by unanimity the maximum amount of aid to be made available under the relevant implementing regulations and the corresponding project programmes'.²
- a few days later, the chairman of the Committee on Budgets and the chairman of the Committee on Energy and Research informed the President of the European Parliament of the procedure thus adopted - which was unacceptable to Parliament - and on 14 July 1978 the President notified the Council accordingly. The Commission too stated in response to a written question

¹ Doc. 362/77

² OJ No. L 158, 16.6.1978, p. 5 (Article 11)

from a member (Dondelinger), that it also regarded these two Council regulations as incompatible with Article 205 of the EEC Treaty and counselled Parliament to initiate the conciliation procedure,

- the Council replied to the President of Parliament on 10 October 1978, pointing out that the Regulations to which Parliament objected had been adopted but that this was not yet the case with the necessary implementing regulations and the regulations specifying the maximum amounts.

8. Up until that point, the matter could have been solved to Parliament's full satisfaction and this was apparently also the Council's view. In fact, however, events took a different course:

- on 18 October 1978 the Commission submitted to the Council a regulation on the implementation of Regulation (EEC) No. 1302/78 on the granting of financial support for projects to exploit alternative energy sources in the solar energy sector¹.
- Parliament delivered its opinion on 17 January 1979, in the DALYELL report², and expressed serious reservations concerning the decision-making procedure for alternative sources of energy introduced by the Council in Regulation 1302/78. It requested that the conciliation procedure be initiated 'should the Council attempt to adopt a Regulation, pursuant to Article 11 of Regulation (EEC) No. 1302/78, which would enable it to fix unilaterally the maximum amount of aid to be made available for projects to exploit alternative energy sources'³.
- on 9 April 1979 the Council issued a whole series of Regulations (Nos. 725/79 to 729/79) to implement in a number of sectors, the basic regulation on financial support for projects to exploit alternative energy sources, together with two regulations fixing the maximum amount of aid pursuant to Regulation (EEC) No. 1303/78 on the granting of financial support for demonstration projects on energy saving and to Regulation (EEC) No. 1302/78 on the granting of financial support for projects to exploit alternative energy sources.

No attempt was made to consult the European Parliament, particularly on the last two of the above regulations and the request for conciliation was ignored.

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¹ OJ No. C 259, 1.11.1978, p.4

² Doc. 557/78

³ OJ No. C 39, 12.2.1979, p. 39

9. In the present document, the Commission states that it has formally and repeatedly made known its objections to the unilateral fixing, by the Council, of financial ceilings in the provisions of its regulations and decisions: 'In a declaration that was noted in the Council's minutes, the Commission considered that "the respect due to the powers of the Parliament with regard to non-obligatory expenditure implies that figures should not be included in the Council regulation except by way of illustration with the sole aim of enabling the budgetary authority to have a reasonable idea of the volume of expenditure that will probably be involved"'.¹

10. In the context of the decision on basic regulations of 30 May 1978 one of the Member States had already expressed reservations on the procedure for financial decisions on projects and its incompatibility with Article 205 of the EEC Treaty and pointed out that the fixing of maximum amounts ignored the rights of the other arm of the budgetary authority.

11. This procedure in fact deprives Parliament and the Commission of the rights and obligations conferred on them by the Treaties:

- the Commission is reduced to the role of an administrative staging-post between Member States, which submit projects, and the Council, which adopts them judges Commission decisions according to certain rules.
- Parliament is not even able to exercise its existing powers in the matter of non-compulsory expenditure and, when it comes to entering appropriations in the budget, is demoted to a purely book-keeping role, since the Council alone decides on the regulations which fix the actual amounts. This was again brought out by this year's budgetary procedure when, on the grounds that the regulations had not yet been amended, the Council declined to go beyond the ceilings which it had specified for projects on energy saving and alternative sources of energy. Following its second reading of the 1981 draft budget it has, however, exceeded the maximum amounts which it had itself fixed in the regulations so that the Commission now has at its disposal some of the resources it had requested.

12. The absurdity of the Council procedure is shown by the confusing mass of regulations and amendments to regulations. For example, the Commission submitted as early as 29 November 1979 a proposal to amend Regulation No. 726/79 as regards the granting of financial support for projects to exploit alternative energy sources which simply contained a proposal to increase the maximum amount for liquefaction and gasification of solid

¹COM(80) 567, p. 4

fuels from 50 to 100 m EUA and to fix the total amount for the 5-year programme at 145 m EUA. The second of the present proposals seeks to double the amounts for projects to exploit geothermal energy and solar energy and to impose a ceiling on the programme of 200 m EUA.

13. In its opinion on the first of the above proposed amendments from the Commission¹, Parliament called for an amendment to the appropriate article of the Regulation and the incorporation of a reference to the indicative character of these figures. In its resolution it also requested the initiation of the conciliation procedure ' should the Council once again attempt to fix unilaterally the maximum amount of aid to be made available for projects to exploit alternative energy sources'².

14. The European Parliament wishes to ensure that the Council does not issue regulations fixing the amount of spending for major Community policies before the actual budgetary procedure and thus pre-empt decisions by the Commission on the implementation of these policies. These guarantees must be given by the Council.

Conclusions

15. It is important to note that the Council is increasingly pursuing a policy which seeks to restrict the Commission's and Parliament's powers and room for manoeuvre in introducing, financing and implementing new Community policies.

The Committee on Budgets regards this tendency as extremely dangerous and would therefore ask the Committee on Energy, before presenting to Parliament its report on the Commission's proposals to make the following points in a motion for a resolution:

The European Parliament,

- having regard to the Brown report of 17 November 1977, the Dalyell report of 17 January 1979 and the Sassano report of 19 September 1980,
- concerned to ensure that procedural defects are eliminated from the adoption of Council regulations,

¹ SASSANO report (Doc. 1-214/80)

² OJ No. C 265, 13.10.1980

- having regard to the non-initiation of the conciliation procedure on Council Regulations Nos. 725/79 and 726/79 and on the Commission proposal amending Regulation No. 726/79,
- 1. Urges the Council in the strongest possible terms to initiate discussions with the European Parliament on the extremely serious problems which these regulations raise for the budgetary powers of Parliament;
- 2. Cannot deliver an opinion on the Commission's proposals pursuant to Article 235 of the EEC Treaty until these discussions have taken place.