

COMMISSION OF THE EUROPEAN COMMUNITIES

GENERAL BUDGET

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SECTION III - COMMISSION

Brussels, 15 November 1978

TRANSFER OF APPROPRIATIONS BETWEEN CHAPTERS

(non-compulsory expenditure)

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(Non-compulsory expenditure)

Transfer No 35/78

EUA

From Chapter 100: Provisional appropriations

To Chapter 37: Expenditure in the industrial and
transport sectors

1 000 000
appropriations
for payment

15 000 000
appropriations
for commitment

Article 371: Operations in the aerospace sector

Item 3710: Technological research

Pursuant to the provisions of Article 21(4) of the Financial Regulation, the Financial Controller has approved this proposal and attested the availability of the appropriations at 25 October 1978.

Reasons

(a) Legal and operational aspects

On the basis of the Council Statement of 14 March 1977 on industrial policy in the aeronautical sector, the Commission, on 2 August 1977, sent the Council a detailed proposal for a first research programme (COM(77) 362 of 26 July 1977). The programme proposed in this document was drawn up in the light of progress following earlier proposals by the aerospace industry and the limited resources currently available to the industry; it covers two priorities - helicopter construction and airframe construction.

The Economic and Social Committee delivered a favourable opinion on the Commission proposal on 24 November 1977, and the European Parliament on 17 January 1978. CREST submitted a report on 20 December 1977 after having studied the paper. In the course of this examination the total appropriations to be allocated to the helicopter and airframe programmes were reduced from 36.7 m EUA to 28.5 m EUA (after the Commission had received the programmes in conjunction with the industry and government experts, as requested by CREST); the technical assessment was unanimously positive as regards the helicopter programme, but some delegations had reservations on the airframe programme.

The Council's Working Party on Research, which examined the document after CREST (on 25 April 1978), closed its discussion without having been able to agree on a solution to put before the Council. Some delegations were in favour of both programmes whilst others approved the helicopter programme above and others again suggested taking a global decision with a staggered implementing schedule. The main reason for the hesitation over the airframe programme was uncertainty over the outcome of negotiations then going on between the industry and the governments of some Member States on future major aircraft programmes (Airbus, JET, BA 146, etc.) and the prospects of intra-Community industrial cooperation.

The airframe's programme is therefore to be re-examined in the light of changes in the industry's programmes. The helicopter programme, however, could be adopted without delay.

(b) Position as regards the Budget

With a view to implementing the measures proposed in the first research programme, a non-differentiated appropriation of 8 m u.a. was entered in Chapter 100 of the Budget for the 1977 financial year as a result of the intervention of the European Parliament.

As the Council took no decision on this first programme in 1977, the appropriation of 8 m u.a. was transferred from Chapter 100 to Item 3710 of the Budget (Technological research in the aerospace sector) and carried over to the 1978 financial year.

At its plenary part-session of 24 and 25 October 1977, the European Parliament again demonstrated its interest in the programme by proposing an amendment, namely the entry in Chapter 100 of the Budget for 1978 of differentiated appropriations specifically for aerospace technological research, which would supply the extra amount required for the research programme.

The total amounts required for implementing the research programmes in the first two fields adopted are as follows:

Helicopters	14 500 000 EUA
Airframes	13 500 000 EUA
Total	<hr/> 28 000 000 EUA

Appropriations available for commitment in 1978 total 23 m EUA (8 m EUA carried over from the 1977 financial year to Item 3710 of the 1978 Budget, plus 15 m EUA entered in Chapter 100 of the 1978 Budget).

The Commission has requested an entry in the 1979 Budget of an additional appropriation for commitment of 5 m EUA.

A Council decision on the implementation of that part of the first programme which covers helicopters is expected by the end of 1978.

If a decision is taken, the contracts for this part of the first programme could be concluded within a few days after notification of the decision; this would mean that an appropriation of approximately 14.5 m EUA must be committed before the end of 1978.

The Council may take a decision on the other part of the first programme (airframes) in 1979.

If 14.5 m EUA is to be committed in 1978, the sum of 6.5 m EUA, to be drawn from the appropriation for commitment of 15 m EUA entered in Chapter 100 will have to be added to the 8 m EUA.

Also, if the airframe part of the programme is to be implemented, arrangements must be made to carry over to the 1979 financial year the balance of appropriations not used in 1978. However, in view of the uncertain legal position as regards the possibility of carrying forward sums in Chapter 100, appropriations entered in Chapter 100 of the 1978 Budget may not be carried over to the 1979 Budget unless they have first been transferred to the relevant Budget heading in the 1978 financial year.

Consequently, in order to avoid cancellation of all or a part of the appropriation for commitment of 15 m EUA, and of the 1 m EUA appropriation for commitment of 1 m EUA entered in Chapter 100 for research in the aerospace sector, the Commission requests that this application for the transfer of appropriations be examined as early as possible so that it may be approved by the Budgetary Authority before the end of the 1978 financial year, and the appropriations not used in 1978 may then be carried over to 1979.

Position as regards appropriations in Chapter 100 at
24 October 1978

	in EUA	
	Total appropriations for commitments	Total appropriations for payments
1. Total allocation	56 393 800	39 225 300
2. Appropriations already transferred to the relevant Budget headings	1 622 000	1 488 500
3. Appropriations in respect of which the transfer decision is pending before the Budgetary Authority	6 379 100	6 379 100
4. Appropriations remaining in Chapter 100	48 392 700	31 357 700
<u>Including:</u>		
Title 1	2 079 500	2 079 500
Article 210 and Item 2353 (administration)	614 000	614 000
Article 282 - European Communities' Institute for Economic Analysis and Research	3 050 000	3 050 000
Article 289 - European schools (supplementary budgets for the 1978 financial year)	1 082 000	1 082 000
Item 3201 - Joint projects in prospecting for hydrocarbons	15 000 000	5 000 000
Item 3351 - Fusion and plasma physics (including the JET project)	8 029 200	15 000 000
Item 3358 - Irradiated fuel reprocessing	1 000 000	1 000 000
Item 3359 - Phasing-out of nuclear installations	500 000	500 000
Item 3371 - Implementation of coordinated projects	38 000	32 200
Item 3710 - Operations in the aerospace sector - technological research	15 000 000	1 000 000
Article 390 - Research projects in the field of technology and industry	2 000 000	2 000 000
	48 392 700	31 357 700