Resolution on state aid modernisation

2012/2920(RSP) - 17/01/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution tabled by the Committee on Economic and Monetary Affairs welcoming the Commission Communication entitled 'EU State Aid Modernisation (SAM)'.

Parliament recalls that the Commission has presented proposals for two regulations implementing the state aid modernisation programme, with Article 109 TFEU as their legal base, but that the latter provides only for **consultation of Parliament, not codecision**. It 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. Members propose that **this deficit be overcome through interinstitutional arrangements and corrected in any future Treaty change**. In the meanwhile, the Commission and Council are urged to take the utmost account of proposals for amendment, which Parliament brings forward in the consultation procedure.

Recalling that 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 bearing on trade between Member States, Parliament 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. It 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. It 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.

Members share 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. They take note of the Commission's proposal to raise its level of discretion in deciding how to deal with complaints. However, the resolution calls on the Commission to **provide detailed criteria for distinguishing between important and less important cases** in this context, pointing out at the same time that appropriate ways of making such distinctions would be to raise the thresholds for the Regulation (EC) No 1998/2006 (*De Minimis* Regulation) and to extend the horizontal categories in the Enabling Regulation and Regulation (EC) No 800/2008 (the General Block Exemption Regulation).

Parliament notes that the Commission's stated objectives have been set on numerous occasions in the past, and have been the basis for past revisions of state aid law, but it would appear that they have not been fully met, given that these new proposals are now necessary. Parliament 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.

Noting the Commission's general intention to exempt more measures from the notification requirement, Members stress that **Members 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 case**s. Parliament underlines that this must not lead to an increase in state aid. It 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. Members request further clarification regarding the 40 % of the cases of state aid granted under the Block Exemption Regulations that may be problematic, underlining the **special difficulty this poses for new entrants** and for small and medium-sized enterprises, and the distorting effect it has on competition.

Parliament urges the Commission to address these issues in the context of state aid modernisation, and 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.