

State aid rules: aid categories or measures exempted from notification requirements

2012/0344(NLE) - 02/07/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 598 votes to 19, with 93 abstentions, a legislative resolution on the proposal for a Council Regulation amending 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.

Parliament approved the Commission proposal subject to the following amendments:

Exemptions by category: Council Regulation (EC) No 994/98 (**‘Enabling Regulation’**) permits the Commission to declare, by means of regulations, that certain defined categories of horizontal state aid are compatible with the single market and are exempted from the notification requirement of Article 108(3) of the Treaty on the Functioning of the European Union (TFEU).

Parliament proposes including in the ‘Enabling Regulation’ aids in favour of:

- **research, development and innovation**, in particular if they are in line with EU2020 flagship initiatives and the new Innovation policy [Horizon 2020](#);
- **environmental protection**, in particular if they are in line with EU2020 flagship initiatives and the Union’s objectives in the field of the environment;
- **promotion of tourism**, in particular if in line with the Union tourism policy objectives;
- **amateur sports and youth development in sport**; an amendment stipulates that amateur sport cannot be regarded as an economic activity and that amateur sports include economic activities on an exceptional basis.

On the other hand, **aids in the following areas should be excluded:**

- residents of remote regions for transport, when this aid has a social character and is granted without discrimination related to the identity of the carrier;
- coordination of transport or reimbursement for the discharge of certain obligations inherent in the concept of a public service pursuant to Article 93 of the Treaty.

Transparency and control: on implementation of aid systems or individual aids granted outside any system, which have been exempted pursuant to the regulations, Member States shall take into consideration the respect of public procurement rules, Europe 2020 and the environmental policies and objectives of the Union.

The Commission should make access to the Member States’ annual reports on the application of group exemptions **available to the European Parliament**.

Evaluation report: every two years, the Commission should submit a report. The report shall, in particular, provide for a broad cost-benefit assessment of the group exemptions granted in accordance with this Regulation as well as an assessment of its contribution to the overall Europe 2020 flagship initiatives and the Horizon 2020 policy objectives. Every year, the Commission should submit to the European Parliament and to the Council the results of the monitoring exercise on the application of the block exemption regulations and publish on its website a summary report.

Legal basis: the resolution notes that the legal basis for this Regulation, Article 109 TFEU, **provides only for the consultation of Parliament, not for the ordinary legislative procedure** in line with other areas of market integration and economic regulation further to the entry into force of the Lisbon Treaty.

Parliament considers 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. This **deficit should be corrected** in any future Treaty change.