



Union of Industrial and Employers' Confederations of Europe
Mr. Jacques Santer
Union des Confédérations de l'Industrie et des Employeurs d'Europe
President of the
European Commission
BREY 12/100
rue de la Loi, 200
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ZT/FM/6.3/3/1

6 February 1998

Dear Sir,

RE: PROPOSAL FOR A "PROCEDURAL REGULATION" IN STATE AID CASES

State aid absorbs at least two percent of GDP per year and constitutes the single biggest threat to the Internal Market.

UNICE therefore attaches great importance to the whole issue of increased transparency and improved enforcement of state aid rules in the European Union. In this context, UNICE has in recent years repeatedly called for procedural improvements and enhancement of the rights of third parties in state aid cases.

UNICE has now been informed that the Commission will shortly examine a draft proposal for a Council Regulation on the application of Article 93 of the Treaty – the so-called "procedural regulation" – and it warmly welcomes the Commission's commitment to tougher policing of state subsidies.

At this juncture, and while it regrets that it has not been given an opportunity to comment on the specific text which the Commission is due to examine, UNICE would like to point to some key elements which it believes the proposed procedural regulation must contain if it is to ensure transparency and acknowledge the position and rights of third parties in the process:

- The regulation should contain provisions empowering the Commission to publish the fact that individual cases of aid have been notified, together with the basic related information. In UNICE's view, publication is crucial to attainment of the objectives of transparency and enhanced third-party rights.
- Time limits for the preliminary investigation must be confirmed, and binding time limits for the in-depth investigation must be introduced. Since the period within which a decision must be taken begins after complete notification has been received, a mandatory standard form should be devised in order to preclude incomplete notifications and hence delays in decisions being reached.
- In UNICE's view, the whole issue of access to the file must be addressed in the regulation. Complainants, as well as other interested parties who have submitted comments on a case under investigation, should be entitled to receive information to the extent necessary to safeguard their interests.

UNICE understands that the present version of the proposed regulation does not deal adequately with these points, which it sees as crucial for more effective policing of state aid.

I therefore take the liberty of urging you to support inclusion in the proposed regulation of provisions which will achieve this objective.

Yours sincerely,

Zygmunt Tyszkiewicz
Secretary General