

## DECISION No 22-66

of 16 November 1966

on information to be furnished by undertakings about their investments

THE HIGH AUTHORITY,

Having regard to Articles 46, 47 and 54 of the Treaty;

Having regard to Decision No 27-55 of 20 July 1955 on information to be furnished by undertakings about their investments (*Official Journal of the ECSC* of 26 July 1955, p. 872) and Decision No 26-56 of 11 July 1956 amending Decision No 27-55 (*Official Journal of the ECSC* of 19 July 1956, p. 209);

Whereas Article 54 of the Treaty entrusts the High Authority with the task of encouraging co-ordinated development of investment; whereas it must therefore be able to form an opinion, within the framework of the general objectives laid down in Article 46, on the investment programmes of undertakings; whereas, to form an opinion, an accurate picture is needed of the capacities of production plant in operation, under construction or being planned;

Whereas investment programmes must be notified in accordance with Decisions No 27-55 of 20 July 1955 and No 26-56 of 11 July 1956; whereas the scope of this obligation has been found satisfactory as regards new plant to be built, and it is not therefore necessary to alter it;

Whereas the rapid development of production techniques in recent years frequently leads to the closure of industrial plants before their complete technical amortisation; whereas such measures have an influence on the level of production capacity in operation and therefore must be notified in advance in the same way as new programmes;

Whereas, owing in particular to such rapid development, undertakings are often led to introduce substantial changes to their programmes of investment or capacity reduction while in the process of carrying them out; whereas the High Authority is not able to give a well-founded opinion on new programmes if it is not kept informed of the way in which programmes of investment or capacity

reduction as originally notified are actually carried out; whereas it must therefore receive reports on those matters;

Whereas notifications and reports concerning the main production capacities already in operation or to be built cannot give a sufficiently full picture of foreseeable developments; whereas, on the one hand, certain capacities are too small to justify separate notification while their total importance should not be underestimated; whereas, on the other hand, it is in the common interest to co-ordinate investment on the basis not only of capacities in operation or under construction, but also of those which may be still at the planning stage; whereas an overall annual survey of investments and of the capacities in operation, under construction or in the planning stage is likely to complement usefully the information obtained by means of notifications and reports;

Whereas this Decision shall be substituted for the existing rules governing information to be furnished by undertakings about their investments; whereas Decisions No 27-55 of 20 July 1955 and No 26-56 of 11 July 1956 must therefore be repealed;

DECIDES:

## SECTION I

## Prior notification of investment programmes

*Article 1*

The coal and steel undertakings of the Community shall notify the High Authority of investment programmes relating to their production activities in respect of one or more of the products listed in Annex I to the Treaty.

*Article 2*

Such notification shall cover investment programmes concerning:

- new plant, where the estimated total expenditure exceeds 500 000 EMA units of account; or
- replacement or conversion work, where the estimated total expenditure exceeds 1 000 000 EMA units of account.

However, investment programmes for steel furnaces and converters for steel production must be notified whatever the amount of the estimated expenditure.

The estimated total expenditure shall include all expenditure resulting directly from implementation of the programme in question, and shall be calculated by combining in a single programme all elements constituting a technically indivisible whole, even if implementation covers several distinct stages in time.

#### *Article 3*

Notifications shall contain:

- an exact description of the investment programme;
- the approximate estimated expenditure;
- all relevant information as to:
  - the purpose and technical nature of the work;
  - the time required for its completion;
  - the results expected, particularly as regards production and production capacity;
  - the supply of raw materials;
  - the effects on manpower.

#### *Article 4*

Notifications concerning investment programmes shall be sent to the High Authority as early as possible, and not later than three months before the first contracts are concluded with the suppliers or, if the work is to be carried out by the undertaking itself, three months before the work is put in hand.

The High Authority shall acknowledge receipt of notifications sent to it and may request any information thereon that it considers necessary, particularly as regards financing of programmes.

#### *Article 5*

Information in respect of any major changes in investment programmes not notified to the High Authority shall be forwarded in an amending notification in the form and within the time limits laid down in Articles 3 and 4.

Any decision likely to delay the implementation of the programme by at least one year or to double the estimated cost or to reduce it by half or to increase or decrease estimated production capacity by at least 20% shall be considered as involving major changes.

## SECTION II

### Prior notification of programmes to reduce production capacity

#### *Article 6*

The coal and steel undertakings of the Community shall notify the High Authority of programmes involving a reduction in production capacity in respect of one or more of the products listed in Annex I to the Treaty.

#### *Article 7*

Such notification shall cover withdrawal of investments, disposal, permanent or temporary closure and in general all reductions in production capacity leading to an appreciable change in the production structure of an undertaking or which may lead to major changes in the use of manpower within the undertaking.

Apart from the repercussions referred to in the preceding paragraph, the following shall in any event be notified in advance:

- decisions concerning the closure of plant with replacement value of at least one million EMA units of account;
- any reduction in capacity involving steel furnaces or converters used for steel production.

#### *Article 8*

Notifications shall contain:

- an exact description of the plant to be withdrawn from service;
- the approximate liquidation and replacement value of such plant;
- the immediate future of the plant (demolition, sale, temporary closure, etc.);
- the time required to put the proposed measures into effect;
- the actual production recorded during the twelve months preceding notification;
- the results expected, especially as regards production and production capacity;

- effects on manpower, with an indication of future possibilities, if any, of re-employment in the same undertaking.

#### *Article 9*

Notifications concerning reduction of capacity shall be sent to the High Authority as early as possible, and not later than three months before the plant concerned ceases to operate (beginning of demolition work, date of entry into force of the contract of sale, temporary closure, etc.).

The High Authority shall acknowledge receipt of notifications sent to it and may request any information thereon that it considers necessary, particularly as regards financing of programmes.

#### *Article 10*

Where a plant which was the subject of a notification within the meaning of this Section is brought into operation again, this shall be notified to the High Authority in accordance with Section I, whatever the amount of the estimated expenditure.

### SECTION III

#### **Reports on the implementation of programmes of investment or capacity reduction**

#### *Article 11*

The coal and steel undertakings of the Community shall send to the High Authority a report on the actual manner of implementation of the programmes of investment or capacity reduction referred to in Sections I and II of this Decision, and of any other investment programmes the cost of which has, contrary to estimates, exceeded the limits given in Article 2.

#### *Article 12*

Reports shall contain:

- an exact description of the investment programme carried out, with specific reference to any changes made to the original programme;

- the date of completion of the programme of investment or capacity reduction (if the programme was carried out in a number of stages, the dates of completion of these stages);

- the expenditure incurred;

- all relevant information as to:

- the purpose and technical nature of the work done;

- the results already obtained or foreseen as a result of the implementation of the programme, particularly as regards production and production capacity, with specific mention of any divergence from the estimated results;

- the supply of raw materials;

- the effects on manpower.

#### *Article 13*

The reports referred to in Article 12 shall be sent to the High Authority as early as possible and not later than three months after the plant to which they refer starts or ceases to operate.

The High Authority shall acknowledge receipt of reports sent to it and may request any information thereon that it considers necessary, particularly as regards financing of programmes.

### SECTION IV

#### **Annual Survey**

#### *Article 14*

Apart from the notifications and reports referred to above, the coal and steel undertakings of the Community shall reply to the High Authority's annual survey on investments or reductions in

capacity carried out, being carried out, or planned for the future.

Replies shall in particular describe the investments or reductions in capacity still at the planning stage. Such replies shall not exempt undertakings from submitting, in due course, a notification in accordance with Sections I and II.

*Article 15*

This Decision shall be published in the *Official Journal of the European Communities*. It shall enter

into force on 1 January 1967. Decisions No 27-55 of 20 July 1955 and No 26-56 of 11 July 1956 shall cease to be in force on the same date.

This Decision was considered and adopted by the High Authority at its meeting on 16 November 1966.

*For the High Authority*

*The President*

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