ISSN 0378-6986

Official Journal of the European Communities

C 113

Volume 38

5 May 1995

English edition

Information and Notices

Notice No — Contents — Page

I *Information*

([1]) Text with EEA relevance

(Continued overleaf)

Notice No	Contents (continued)	Page

III *Notices*

Commission

EN

I

(Information)

COUNCIL

COUNCIL DECISION

of 31 March 1995

appointing the Austrian, Finnish and Swedish members of the Consultative Committee of the European Coal and Steel Community

(95/C 113/01)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 18 thereof,

Having regard to the 1994 Act of Accession, and in particular Articles 25 and 161 thereof,

Whereas for the producers and workers' categories the Austrian, Finnish and Swedish representative organizations designated by the Council Decision of 20 February 1995 (1) have submitted their lists of candidates;

Whereas for the consumers and dealers' category the Austrian, Finnish and Swedish Governments have also submitted their lists of candidates,

HAS DECIDED AS FOLLOWS:

Article 1

The following are hereby appointed members of the Consultative Committee of the European Coal and Steel Community for the period until 10 June 1995:

1. **Producers' category**

   Austria

   Mr Peter STRAHAMMER

   Finland

   Ms Sirpa SMOLSKY

   Sweden

   Mr Orvar NYQVIST

   Mr Hans von DELWIG

2. **Workers' category**

   Austria

   Mr Werner MUHM

   Mr Karl HAAS

   Finland

   Mr Eero HOVI

   Sweden

   Mr Olli HAUTALA

(1) OJ No C 49, 28. 2. 1995, p. 2.

3. **Consumers and dealers' category**

Austria

Mr Alfred MAURIZIO

Finland

Mr Veijo NIEMI

Mr Christian CATANI

Sweden

Mr Heinrich BLAUERT

Article 2

This Decision shall be published, for information, in the *Official Journal of the European Communities.*

Done at Brussels, 31 March 1995.

For the Council

The President

F. BAYROU

COMMISSION

Ecu [1]

4 May 1995

(95/C 113/02)

Currency amount for one unit:

Belgian and Luxembourg franc	38,1570	Finnish markka	5,70823
Danish krone	7,27732	Swedish krona	9,76929
German mark	1,85154	Pound sterling	0,831910
Greek drachma	302,025	United States dollar	1,34628
Spanish peseta	164,946	Canadian dollar	1,83431
French franc	6,58466	Japanese yen	112,886
Irish pound	0,820403	Swiss franc	1,52695
Italian lira	2236,60	Norwegian krone	8,33886
Dutch guilder	2,07327	Icelandic krona	84,7753
Austrian schilling	13,0266	Australian dollar	1,81439
Portuguese escudo	195,978	New Zealand dollar	1,98479
		South African rand	4,89178

The Commission has installed a telex with an automatic answering device which gives the conversion rates in a number of currencies. This service is available every day from 3.30 p.m. until 1 p.m. the following day.

Users of the service should do as follows:

— call telex number Brussels 23789;

— give their own telex code;

— type the code 'cccc' which puts the automatic system into operation resulting in the transmission of the conversion rates of the ecu;

— the transmission should not be interrupted until the end of the message, which is marked by the code 'ffff'.

Note: The Commission also has an automatic telex answering service (No 21791) and an automatic fax answering service (No 296 10 97) providing daily data concerning calculation of the conversion rates applicable for the purposes of the common agricultural policy.

---

(1) Council Regulation (EEC) No 3180/78 of 18 December 1978 (OJ No L 379, 30. 12. 1978, p. 1), as last amended by Regulation (EEC) No 1971/89 (OJ No L 189, 4. 7. 1989, p. 1).

Council Decision 80/1184/EEC of 18 December 1980 (Convention of Lomé) (OJ No L 349, 23. 12. 1980, p. 34).

Commission Decision No 3334/80/ECSC of 19 December 1980 (OJ No L 349, 23. 12. 1980, p. 27).

Financial Regulation of 16 December 1980 concerning the general budget of the European Communities (OJ No L 345, 20. 12. 1980, p. 23).

Council Regulation (EEC) No 3308/80 of 16 December 1980 (OJ No L 345, 20. 12. 1980, p. 1).

Decision of the Council of Governors of the European Investment Bank of 13 May 1981 (OJ No L 311, 30. 10. 1981, p. 1).

List of establishments in Uruguay approved for the purpose of importing fresh meat into the Community

(95/C 113/03)

(Text with EEA relevance)

Commission Decision C(95) 879 of 20 April 1995

(Council Directive 72/462/EEC, Article 4 (1))

Approval No	Establishment/Address	Category (*)							
		SL	CP	CS	B	S/G	P	SP	SR
2	Colonia, Tarariras, Colonia	×	×		×				
3	Frigorífico y Matadero Carrasco SA, Paso Carrasco, Canelones	×	×		×	×			
6	Frigorífico Sarel SA, Sauce, Canelones	×	×					×	(2)
7	Pul, Melo, Cerro Largo	×	×		×				
8	Frigorífico Canelones MASA, Canelones, Canelones	×	×		×	×			
10	Frigorífico Modelo Propios SA, Montevideo			×					(1) (3)
12	Tacuarembo, Tacuarembo	×	×		×				
			×			×			
14	Frigocerro, Durazno	×	×		×	×			
23	Frimaral, Montevideo			×					(1)
30	Incur, Fray Bentos, Río Negro		×		×				
34	Frigorífico Del Este, Treinta y Tres	×	×		×				
52	Carlos Schneck, Montevideo	×	×		×				
55	Elbio Pérez Rodríguez, San José	×	×		×	×			
87	Arbiza, Montevideo			×					(1)
106	Central Cooperativa de Carnes (La Paz), La Paz, Canelones	×	×		×	×			
175	Corfrisa, Las Piedras, Canelones			×					(1)
303	Frigorífico Clay SA, Totoral del Sauce, Canelones	×	×					×	(2)
344	Frigorífico San Jacinto — NIREA SA, San Jacinto, Canelones	×	×		×	×			(3)
365	Kelvi, Florida	×	×		×				
379	Frigorífico Las Piedras SA, El Colorado, Canelones	×	×		×				
394	La Caballada (Cybaran), Salto	×	×		×	×			
701	Montes, Montes, Canelones	×	×		×	×			

(*) SL: Slaughterhouse
CP: Cutting premises
CS: Cold store
B: Bovine meat
S/G: Sheepmeat/Goatmeat
P: Pigmeat
SP: Meat from Solipeds
SR: Special remarks

(1) Packaged meat only.
(2) Livers and kidneys excluded.
(3) Fresh meat may be introduced into the territory of the Community only until 31 December 1995.

STATE AID

C 61/94 (N 375/94)

Germany

(95/C 113/04)

(Text with EEA relevance)

(Articles 92 to 94 of the Treaty establishing the European Community)

Commission notice pursuant to Article 93 (2) of the EC Treaty to other Member States and interested parties concerning aid which the German Government intends to grant to Buna GmbH

In the letter reproduced below, the Commission informed the German Government of its decision to initiate the procedure provided for in Article 93 (2) of the Treaty.

'By letter EB 2-70 20 02/2, dated 24 June 1994, your Government informed the Commission of the additional financial assistance by the THA to its company Buna GmbH. At the Commission's request, your authorities have provided additional information (expert's reports) by letter dated 8 September 1994, registered on 12 September 1994. Further information about the progressing implementation of the "integrated polyolefine concept" was forwarded to the Commission by letter dated 16 September 1994, registered on the same day. By letter dated 28 November 1994, registered the same day, your Government has also informed the Commission about the most urgent and imperative minimum investments to be carried through during the procedure.

Buna, located in Schkopau in the East German chemicals triangle of Halle-Merseburg (*Merseburger Dreieck*) in Saxony-Anhalt, is with 4 700 workers at 1 January 1994 (1 July 1990:18 100) still the second largest chemical producer in the new *Länder*. Formerly it belonged to the chemical's "Kombinate" — vertically integrated groups of companies (conglomerates) — in the former German Democratic Republic. There is a strong interdependence with Leuna-Werke GmbH (Merseburg), SOW GmbH (Böhlen) and Chemie GmbH (Bitterfeld) concerning raw material, initial and intermediate products and energies.

The restructuring phase was so far characterized by a reduction of costs through concentration on the core areas of production. Omitted investments in the past to be made up for were started and production units not essential for the core business were split off. The close down of production affected capacities to the amount of approximately 3,1 million tonnes per annum and 3 600 workers dismissed.

The continuation of Buna as it represents itself today has to be seen in the context of the "integrated polyolefine concept" of the locations Schkopau (Buna) and Böhlen (SOW). Due to the special interdependence relating to processes and products in the polyolefine chemical's industry the cracker dependant polymer production in Schkopau cannot be privatized separately from the production of raw material in Böhlen (cracker). To secure the East German polyolefine industry, an integration of raw material and polymer production has to be provided for as is common with west European competitors. Consequently, this leads to a concentration of its relevant production facilities overlapping the various locations in Schkopau (Buna) and Böhlen (SOW) in a single company. This includes the cracker dependant LDPE (low density polyethylene) production in Merseburg (Leuna) to be integrated into the new Buna Polymer GmbH, to profit by synergy effects.

The integration of the polyolefine field aimed at by the THA will provide considerably better medium-term opportunities for privatization in connection with the European-wide structural adjustments. This requires a restructuring of Buna's polyolefine sector and the reshaping and tightening of the range of products. The strategical goal is to create the necessary prerequisites in order to utilize the potential competitive advantages. These are contained in the proximity to the local and regional markets of the construction, car, and packing-material industry. This concept is composed of short-, medium- and long-term steps.

On a short-term basis the high operating losses have to be reduced considerably. In the area of energy and infrastructure supply cost reductions are to be achieved through adjustments and optimum allocation. A further cost reduction can be obtained by developing an efficient marketing and distribution system. A tightening of the present organization and the introduction of modern marketing methods are provided for. A trading company was acquired in 1994. Concepts of overlapping production sites (e.g. chlorides, ethylene) will achieve an improved utilization of existing capacities. A consequent cost management in overheads and the respective business fields will be implemented.

To achieve a concentration on core areas the following short and medium-term measures will be taken:

Supply of services (e.g. 60 laboratories and technical units), infrastructure installations (energy, waterworks, sewage plant, etc.) and workshops will be split off. The overheads will be adjusted to the current workforce, double positions will be eliminated, certain services will be centralized. Assets not essential for the continuation of operations will be sold. The concentration of the production area is a high priority step during the adjustment of the infrastructure. The area of Buna comprises more than 3 km^2 which will be reduced to 40 %. Non-essential buildings will be demolished and ground not necessary for production will be prepared for sale. Administration units will be combined. Road and rail systems will be adjusted to serve future companies setting up production in the free areas. Reduction of capacities of waterworks and sewage plants are to be carried through. The close down of unprofitable production such as the acetate plant has already reduced the negative cash flow.

On a medium-term basis the foundations for the development of new production areas have to be created. Alternative ranges of products, e.g. in the areas of dispersions and subsequent products of ethylene-oxides have to be developed. These products are the basis for an optimum of production and product mix. For a partial implementation, e.g. subsequent propylene-oxide production such as propylene-glycol-ether a decision has been taken by the THA.

On a medium-long-term basis the optimizing of capacities will be aimed at. The further improvement of competitivity can be secured by a corresponding growth of volume on the basis of a gas cracker. A more advantageous supply of feedstock for the cracker is currently under negotiation through an interest in Buna by the Russian raw material supplier Gazprom which has already signed a letter of intent. As a determining additional ethylene consumer the construction of a HDPE (high density polyethylene) plant with a capacity of 232 kilotonnes per year is inevitable in order to guarantee a cost-favourable utilization. Large investments will be also taken in the area of propylene-oxide and its subsequent products thus improving the utilization of the cracker as well. The THA is looking for a strong industrial partner in distribution for this investment. The destination of this restructuring orientated towards privatization, is the takeover of the polyolefine company by one or several private investors. A letter of intent has been signed for a majority interest in Buna Polymer by Dow Chemical (Germany).

The workforce of Buna has been reduced by almost 75 % from formerly 18 100 workers to 4 700 at the beginning of 1994. The workforce continued to decrease to 4 600 workers as of 1 June 1994 and will reach at the end of 1994 appoximately 4 000 workers.

Based on the studies of the consultant Chem Systems and the investment bank Goldman Sachs further improvements of operating results (DM 186 million) will take place within the next years. For the combined operating fields of Buna, SOW Böhlen and Leuna (LDPE) a turnover of DM 1,2 billion is expected for 1997, the operating results will amount to DM 145 million and the net results are expected to reach the break-even point.

The consultant firm Arthur D. Little and investment bank Goldman Sachs have examined the respective operating fields to be integrated in the new Buna Polymer GmbH.

Buna Polymer will comprise the core areas of synthetic material and rubber as well as the ethylene connection. The ethylene connection comprises the main areas with the subsequent chemical products. The core area is composed of the cracker and the production fields polyethylene (HDPE, LDPE), the organics ethylene-oxide (EO) and propylene-oxide (PO) as well as the area polyvinylchloride (PVC).

The cracker in Böhlen as the supplier of ethylene is the corner-stone of the polyolefine concept of Buna Polymer. The cracker, including its additional facilities will be rationalized during the restructuring phase and will become more flexible. As a compensation for the shut down of the Leuna cracker (90 kilotonnes per year) and the close down of the Buna acetylene production (300 kilotonnes per year) the cracker capacity in Böhlen will be brought from 330 kilotonnes per year to its optimum of 450 kilotonnes per year, resulting in a net capacity decrease. This capacity will secure the supply of the ethylene dependent facilities of Buna described below and facilitates a more flexible feedstock supply for the cracker.

The modernization of HDPE production will restore the competitivity of the polyethylene area. After the total investment of DM 280 million in a new HDPE facility with a capacity of 200 kilotonnes per year with an extruder line and its own storage facility and the modification of the present unipole HDPE plant with a capacity of 32 kilotonnes per year Buna will have an extended and improved range of products with more advantageous production costs. The other current Buna facilities with a capacity of approximately 30 kilotonnes per year will be closed down in 1997 after the start up of the new plant. This investment will be the centrepiece of Buna Polymer. Accordingly, this will entail a higher consumption of 160 kilotonnes per year ethylene resulting in a more favourable utilization of the cracker.

The acquisition of a licence for the new plant in the amount of DM 60 million caused a higher financing than in the previously announced plan of the THA with DM 209 million.

The size of the plant is justified by the higher HDPE demand in the new *Länder*, caused by a stronger ecological awareness and legislative measures as well as by the further growing construction boom.

Five LDPE production facilities with a capacity of around 180 kilotonnes per year will be split off from Leuna and integrated into Buna Polymer. Three older production facilities with capacities of around 40 kilotonnes per year will be closed down to utilize the remaining more competitively. The field-segment of compounds will be significantly augmented to increase the portion of products with higher value such as cable covers (supply networks), pipe foils and the growing market of refined foils in the area of food products and hygienics.

The field of ethylene-oxide contains an important potential for Buna. Due to a favourable cost position — the facility was constructed in 1979 — the marketing chances are considered as good. Its own consumption will be reduced by the close down of the unprofitable ethylene-glycol production with 66 kilotonnes per year. Besides the demand of the ethylene-chlorohydrine production the increased sales of tensides will lead to a higher utilization of the plant with a capacity of 100 kilotonnes per year. New concepts in research and development and new marketing will enhance the chances of higher developed and processed value-added products, considering also the new, more severe requirements in transportation which supports the production and further processing at the traditional chemical location such as Buna.

The other field in organics, propylene-oxide, offers additional opportunities for development by further processing PO at this location. The main subsequent product applications of polyole, polypropylene-glycol, glycol-ether and tensides are expected to grow considerably within the coming years. The additional demand is expected to be 150 kilotonnes per year until 1998 which has to be satisfied regionally due to transportation difficulties. Production capacities in Europe are fully employed. Due to self-consumption less than one-third of the production is being sold on the free market. Buna is expected to participate over-proportionally in the growth of the market. The extension of the PO production to 120 kilotonnes per year and its subsequent products to 54 kilotonnes per year is an important element of the company's business concept. This important measure of diversification creates the base for the competitivity of the chloride-PVC complex in Buna and guarantees the full utilization of the cracker by an additional propylene demand of 65 kilotonnes per year.

Competitors are limited for their plant extension by administrative conditions and orders. Buna has a long-term competitive advantage utilizing its present permission. The accumulated growth rate of 5 to 7 % until 2005 also justifies a plant extension. Present capacities of 40 kilotonnes per year will be closed down with the opening of the new facility in 1996. The plants for the subsequent PO production such as propylene-glycol, glycolmethylether and glycolbutylether will be modernized and enlarged from 13,5 to 54 kilotonnes per year due to strong market growth in general and in particular in the new *Länder*.

The new PVC facilities from 1981, with capacities of 120 kilotonnes per year (PVC-S:70, PVC-E:50 kilotonnes per year), belong to the most modern ones in Europe. Arthur D. Little has classified its technological position as competitive. Modernization necessitated by administrative obligations in the environmental field and workers' safety and the exchange of outdated and worn out essential technical parts and control instruments will avoid plant breakdowns thereby minimizing future costs of production failures. This will lead to an improved product quality and stabilization of the existing capacities. After optimizing its plant configuration the area of PVC will produce positive results.

After the conversion of the production on the basis of acetylene to that of ethylene the present plant configuration cannot achieve a closed processing circulation any more. To integrate the processing on the basis of the new, ecologically more justifiable raw material ethylene, a new OHC plant has to be constructed to start up in 1996. The existing vinylchloride (VC)- plant has to be adapted to the new OHC capacity of 150 kilotonnes per year of VC which necessitates an exchange of existing equipment.

The capacity of the PVC-S facility will be increased by 15 to 85 kilotonnes per year to compensate for the shut down of an old plant of 40 kilotonnes per year thereby improving the cost position considerably. The conversion of the production process of the PVC-E plant whose capacity will be decreased to 40 kilotonnes per year, will lead with moderate financial means for the substitution of equipment to the necessary quality improvement, which in turn will guarantee a high utilization. Since 50 % of the production will be destined for the application of products in the booming construction field in the new *Länder* the growth of the market in the new *Länder* will be considerably higher than in the rest of Europe. This will certainly benefit the relatively smaller PVC producer like Buna, benefiting from the proximity to its regional markets.

The field of polystyrene will be concentrated on the product "expansive polystyrene" (EPS). The increasing demand of non-burning material in the construction industry will cause higher growth rates in the new *Länder*. The present plant from 1970 will be modernized and supplemented with a new facility. The capacity will be increased to 40 kilotonnes per year, thereby accomplishing the basis for a ethylene-styrene-polystyrene-complex which can be realized by a private investor in phase II. Production of GPPS and HIPS with capacity of 26 kilotonnes per year is expected to be shut down.

The production area based on acetic acid with a total capacity of 73 kilotonnes per year will be closed down permanently. The production based on phthal acid shows a future potential to be developed further.

The construction of a new recycling facility for the utilization of 30 kilotonnes per year of liquid and solid surplus resulting from the production processes will resolve the increasing problems of delivering its waste products to the waste deposits. Through the utilization of the surplus, new raw material can be reclaimed and be channelled back into the production process. The facility is conceived in a way that it can recycle also the surplus of third companies which have the same waste disposal problems. Thereby, a new and attractive market will be developed by Buna. This important measure for environmental compatibility will also enhance privatization prospects.

Additional funds for the infrastructure to the previously planned are necessary to meet the requirements in the infrastructure for the anticipated investment projects. The financial means will be assigned predominantly to the sites where most of the production facilities will be concentrated. The common industry-typical factor of 20 % of the installed plant capital was applied for the necessary infrastructure in relation to the expansion of production. It mainly encompasses measures for the road and rail system, energy supply, central tank storages and partial renovation of complexes of buildings and laboratories, etc. The necessary adjustment of capacities for supply and surplus disposal systems to the future production, optimizing the network of logistics, will create the basis for the competitive and environmentally integrated polyolefine company.

Tho improve Buna's marketing and distribution capabilities, a trading company, Plast-Elast-Chemie Handelsges., founded in 1969 in Essen, West Germany to sell chemical products of the former German Democratic Republic producers, has been aquired for DM 8,5 million contained in the below mentioned shareholders' credits of DM 259,4 million.

The expected financial needs without investments will decrease from 1993 by 16 % to DM 309,4 million in 1994. The guarantee for liquidity of an amount of DM 50 million will be converted into shareholders' credits necessary to reduce the company's indebtedness which would otherwise force the company into bankruptcy. The total liquidity for 1994 can be secured accordingly by new shareholders' credits of DM 259,4 million.

A further loan of DM 17,4 million will be granted for employment schemes and consultant programs.

Guarantees with a maximum term of 12 years securing bank loans for investments in the amount of DM 1 232,1 million for 1994 will be granted by the THA. The investments based on Buna's investment plan were scrutinized and adapted by the THA and Arthur D. Little to be in conformity with the restructuring concept of the entire chemicals industry in the new *Länder*.

Thereof, investment measures of DM 1 143 million will be started in 1994.

Projects started in 1993 or earlier will be continued for which financial means will be released in the amount of DM 89,1 million, contained already in the investment tranche of 1993 and blocked until the completion of the entire restructuring concept.

The investment decision by the THA in 1994 to construct the new HDPE plant in the amount of DM 280 million is the key investment in Buna. This plant was started in 1993 as a basic investment of DM 11 million; accordingly means in the amount of DM 269 million are assigned to the 1994 budget.

Article 92 of the Treaty and Article 61 (1) of the EEA Treaty concern aid granted by public authorities which distorts or threatens to distort competition between Member States by favouring certain undertakings or the production of certain goods. The proposed aid provided by the German authorities will favour the THA-owned company Buna, and could affect trading between Member States since its product range is traded between Member States and so is, in principle, incompatible with the common market.

The financial means constitute aid for which notification pursuant to Article 93 (3) of the EC Treaty is called for. Your Government has complied with this obligation.

Though the aid is in principal incompatible according to Article 92 (1), a number of exceptions to this general rule is provided for in Article 92, where aid is to be regarded as compatible with the common market. Pursuant to Article 92 (3), aid may be authorized where it promotes the economic development of an area where there is serious under-employment or facilitates the development of certain economic activities or economic areas where the aid does not adversely affect trading conditions to an extent contrary to the common interest. Such aids may be considered compatible with the common market.

It should be recalled that the unprecedented case in the Community of a transformation of a planned economy into a market economy results in difficult economic, industrial and social circumstances for companies in the former German Democratic Republic. Without the THA commitment to cover the company's losses and enabling Buna to make for the company's future important investments resulting in necessary adjustments to the market, Buna would have to close down immediately before privatization could be achieved. In view of the links of Buna with other chemical producers in the East German chemicals centre, the future of these companies would also be in danger. Furthermore, the new *Länder* belong to the regions eligible for regional assistance pursuant to Article 92 (3) of the EC Treaty.

The operational funds of DM 259,4 million, destined to secure the liquidity in 1994 and the conversion of the existing liquidity guaranty of DM 50 million into shareholders' credits, will cover the estimated operating losses in 1994. Though they are expected to be reduced by 16 % in 1994 they still result from high operating costs of outdated installations to be shut down or to be restructured, ergo technical inefficiencies and production disadvantages and a work-force still too large. They are linked to the unavoidable severe losses during the restructuring period which will be reduced and eliminated according to the new restructuring plan based on studies made by the abovementioned groups of consultants.

Your authorities pointed out that the financial measures will only be granted if they are essential for the survival of the company. Accordingly, this aid can be considered as compatible with the common market since it is the absolute minimum necessary to finance the unavoidable large but decreasing losses during the phase of restructuring.

A loan of DM 17,4 million granted to Buna can be considered as compatible with the common market since it covers expenditure for consultants' programmes necessary for the development of the intensive restructuring concept. The other part of the loan will be spent on employment schemes necessary for slimming down the company's workforce further, since the company would not have been able to cover the costs of a socially compatible reduction on its own.

Guarantees securing bank loans for investments of DM 1 232,1 million are to be granted by the THA in 1994 and the following years.

A part of these guarantees are destined for the continuation of investments of DM 89,1 million started already in 1993. The largest single item was the release of funds for the new installation of oxychlorides. This plant guarantees a then complete production chain. For reasons of efficiency and environmental purposes the financing of new installations is justifiable and to be considered as compatible with the common market as already scrutinized and approved by the Commission on 11 June 1993 for aid N 199/93.

Additionally, new investments of DM 1 143,0 million are already approved by the THA to be started and partially spent during 1994.

The total financial investment aid is considered to be spent at this stage on the assumption that the THA will not find an industrial partner in the near future. Should an industrial investor decide to take over Buna Polymer the amount of aid might be lower due to the investor's own financial commitments. In any case, the investment aid already spent by the THA will boost the purchase price because of the productive investments being effected.

The largest single item is the key investment in the new HDPE plant of DM 269 million which was started already in 1993 with DM 11 million as a basic investment for the final project, now approved by the THA. This central investment with a capacity of 232 kilotonnes per year compensated by closed-down capacities of 60 kilotonnes per year is justifiable by the higher HDPE demand in the new *Länder* caused by ecological awareness and the further growing construction boom. Buna's capacities will account for only 4,4 % of the total west European market.

Another principal investment of DM 216 million in the field of propylene-oxide and its subsequent products is justifiable by its expected considerable growth, its long-term competitive advantage, utilizing its present permission for the plant expansion which competitors cannot obtain, and the fact that the high demand has to be satisfied regionally due to transportation problems of these products. Production capacities in Europe are fully employed and only a portion of the production is being sold on the market due to a high self-consumption.

A further important investment of DM 160 million for the new recycling plant can be considered as compatible with the common market since it does not adversely affect trading conditions by recycling liquid and solid surplus which cannot be disposed off any more on the usual deposits due to severe environmental reservations and obligations. Reclaimed products will not be sold on the market but only channelled back into the production process.

The investment of DM 90 million for the improvement of the chloride complex, as a prerequisite for the existing PVC production, is necessitated by the plant adjustments to the different supply of new raw material and by outdated and outworn equipment.

Further investments amounting to DM 295 million will be spent to comply with environmental, workers', and production safety and other administrative obligations, for the company internal infrastructure (reorganizing and adjusting roads, rails and pipe systems, waterworks and cooling systems on the company's ground to be adjusted to only 40 % of the former size of the terrain) and for investments for research and preparation of basic consulting studies concerning the overall restructuring of Buna, regarding products, processes and production plants.

It must be pointed out that in the former German Democratic Republic environmental and safety standards were at a very low level due to the restricted availability of funds and the attitude by the German Democratic Republic Government that these standards play a negligible role. Accordingly, these standards have be brought to common west European levels to protect the environment and the safety of workers and production.

The necessity of these financings of DM 51,5 million explained by the former omissions to respect these standards and other administrative obligations justifies considering these guarantees as compatible.

The same applies to the investments for the infrastructure of DM 228,5 million necessary to adjust the enormous terrain to well organized and interlinked lean production and processing systems. The restructuring of the infrastructure is an essential prerequisite for the newly started projects and to efficient and modern production processes and the company internal logistic network to manufacture higher developed and processed value-added, instead of basic, products internally.

The financing of the consultant's studies of DM 15,0 million is also an important pre-condition for the development of comprehensive plans and complete restructuring concepts. Both measures will allow Buna to achieve efficient and viable production in the future.

Finally, investments of DM 113,0 million concern measures for the improvement of productivity and a range of small and maintenance investments for optimizing production processes, rationalizing and modernizing plant facilities and improving product quality. The technical rationalization accounts partly for the omissions of the former system to invest in necessary equipment, neglected maintenance and repair and outdated equipment. To achieve efficient production the restructuring investments are necessary and appropriate.

All the investment measures mentioned above will support the future competitiveness, productivity and viability of the remaining production based on the following grounds:

Unprofitable production with substantial capacity has been shut-down permanently or will be closed down or appropriately reduced after the start up of the new facilities. These reductions, as an equivalent to the aid, are verifiable.

The integration of the polymer production and its generation of raw material (olefine) will be carried out according to west European structures as has been supported by the experts' opinion. The concentration of the relevant production facilities overlapping the various locations of Schkopau and Böhlen as well as Leuna in a single company (Buna Polymer) will further increase the competitiveness of its products according to the documents available.

The area of polyolefines will be restructured and the range of products reshaped will improve their marketability.

During phase I the core areas will become competitive until the end of 1997 according to the experts' opinions after the new plant facilities will be terminated. Cost-reduction programs will decrease operating losses. The substantial reduction of the workforce will make the company more productive.

New production areas will be created, developing existing facilities for specialities of higher values in the field of dispersions and subsequent products of ethylene-oxides. This development is supposed to increase the turnover of more profitable fields at Schkopau.

The annual result at the end of 1997 will be balanced in the polyolefine section based on an expected turnover of DM 1,2 billion. The three to four years are necessary, since the entire restructuring of Buna entails investments for new plant facilities and new production lines which need time for its construction, to run it to the desired capacities and to prepare the market for its new products.

The locations are suited for further investments in the chemicals sector due to favourable infrastructure conditions for transportation, existing interlinked pipeline systems, water supply, a highly qualified and motivated work-force, the start of investments and environmental programmes and the vicinity of markets for consumption of synthetics such as producers of tyres, cars, packing material, textiles and, especially, the important expanding construction industry.

The companies will be structured first of all to satisfy the regional demand for synthetic products. The modification and increase of existing capacities with a shift to new products will be based on improving market demand. The average per capita consumption of synthetics in the new *Länder* will adapt to the demand of the rest of western Europe. Therefore the planned capacities can only partly satisfy the future consumption in the new *Länder*. The new *Länder* will thereby contribute to absorbing western European capacities. Accordingly, the envisioned capacities are supposed not to be excessive, covering mainly the local markets.

The measures to be taken at Buna will comprise the polyolefine-production areas in the new Buna Polymer with favourable opportunities for development and privatization. SOW Böhlen with the cracker will be merged into Buna Polymer as well as the LDPE production of Leuna. Expenditure for investments amounting to DM 1 232 million will be earmarked for Schkopau of which an unquantified part will be spent in 1994. The cracker in Leuna will be shut down as well as other non-competitive production fields, other production will be separately privatized in 1994 as in the past.

The only remaining cracker in Böhlen is already employed to capacity (330 kilotonnes per year ethylene). The plants in Buna and Leuna are dependent on the secured ethylene supply of Böhlen to maintain permanently their competitive position. The planned capacity increase of the cracker to 450 kilotonnes per year as a compensation for the shut down of the Leuna cracker (90 kilotonnes per year) and the Buna acetylene production (300 kilotonnes per year) will result in a net capacity decrease. The extension of the then more flexible cracker with a configuration of different products is supposed to lead to a competitive and profitable production which will be consumed internally in the ethylene connection.

The conversion of guarantees fully utilized by Buna into shareholder's credits amounting to DM 238 million for investments in 1991 to 1993 and approved by the Commission will not lead to new inflows of funds. They are necessary to reduce the company's indebtedness, otherwise it would be forced into bankruptcy.

In view of Buna's important position as the second largest chemical company in the new *Länder* and its future central role in the chemical triangle of Merseburg its restructuring is vital for the survival of the other chemical companies in the region including the new ones which have settled down near Buna to be supplied in the future by its products for further processing. The presence of Buna will attract further investments in the region to develop and enhance economic activities in compliance with Article 92 (3) (c) of the Treaty. The large reduction of the workforce and capacities accompanied the restructuring efforts. The aid is intended to preserve significant employment in an area with a high level of underemployment within the meaning of Article 92 (3) (a) of the Treaty.

Finally, the aid to be granted is intended to support in the near future the transfer of ownership of a former German Democratic Republic State-run company to a private investor. After having restructured the company to a modern efficiently run chemical company, shaped similar to the most modern west European undertakings it will be easier for the THA or its successors to privatize it. The THA has already received two letters of intent by potential purchasers for the acquisition of Buna Polymer.

Accordingly, the restructuring will benefit Buna, promote the interlinked chemical industry in the chemical triangle and will further support the regional economic development. Consequently, a favourable approach to the restructuring aid could be justified based on the information available.

According to the new privatization concept which is based on several studies worked out by groups of outside experts and which was provided by your Government, all the abovementioned measures are necessary and appropriate to ensure a solid basis for the new Buna GmbH to restore the long-term viability of the company within a reasonable time scale and to foster privatization of the new ethylene complex. On the basis of the new privatization concept the THA has already received two letters of intent by potential purchasers for the acquisition of the new Buna Polymer GmbH.

The Commission has scrutinized this plan and regards it as consistent. However, in view of the complexities of the privatization concept, the Commission has decided to open the procedure pursuant to Article 93 (2) of the EC Treaty. In the process of this procedure, the Commission will order a report from outside experts to definitely assess the plausibility of the plan and the viability prospects of the proposed restructuring within a reasonable time scale. This would also allow competitors to submit their observations.

On the other hand, the opening of the procedure, as far as operating aid during the procedure pursuant to Article 93 (2) is concerned, would force Buna to close down immediately before initiated restructuring measures could show any effect. In accordance with the Commission's decision dated 8 December 1992 concerning the measures of the THA, operating aid can be granted to Buna in so far as such aid is limited to the absolute minimum necessary to enable the company to continue operations during the period in which the procedure is open. Also the non-approval of aid for those investments, that are necessary in order to comply with mandatory standards set by the public authorities in the field of security and environmental protection and aid for employment schemes (ABM) and for consultants' studies for the restructuring, would jeopardize the survival of the company.

The preparation of an outside study to reassure the Commission on its assessment, will not be allowed to have the effect of causing an existential strain on liquidity. Accordingly, the Commission distinguishes between aid necessary to ensure the company's liquidity during the procedure, aid necessary to comply with mandatory standards set by the public authorities and aid for other investments and only initiates the proceedings pursuant to Article 93 (2) against the latter aid, thus obtaining the opinion of experts on the viability of the restructured companies for its further decisions.

The Commission therefore has decided not to raise objections, pursuant to Article 92 (3) (c), to the aid necessary to continue the company's production during the procedure and to comply with mandatory standards and other public obligations. This concerns DM 259,4 million to ensure the liquidity of the company in 1994, the conversion of a DM 50 million liquidity guaranty into a shareholders' credit, a loan and a guaranty of DM 32,4 million for employment schemes and consultant's studies, guarantees of DM 10 million for the compliance with mandatory standards set by public authorities in the field of security and environmental protection, and finally the guarantee of DM 89,1 million for investments started in 1993, approved by the Commission on 11 June 1993, but where the funds have not been released by the THA until 1994. It concerns as well the conversion of investment guarantees of 1991 to 1993 into shareholders' credits amounting to DM 238 million.

As regards the remaining investment aid of DM 1 143 million, the compatibility of the aid pursuant to a derogation from Article 92 (3) seems doubtful on the basis of information actually available and the Commission therefore has decided to initiate the procedure provided for by Article 93 (2).

In their letter dated November 1994, your Government expressed its opinion that additional investment aid in the amount of DM 268 million is of a compellingly urgent nature and notes that a delay until the procedure has ended would seriously jeopardize the company, as this would cause extra losses of DM 235 million.

If specific aid tranches should in the view of your Government be absolutely necessary to carry out investment, the delay of which would seriously jeopardize the existence of Buna, such tranches can then be notified to the Commission pursuant to Article 93 (3) with the demonstration of the compellingly urgent nature of these investments. The information presently available does not allow to identify such investments.

The Commission requests your Government to assist the experts in their study.

As part of the procedure, the Commission hereby gives your Government the opportunity to present within one month of being notified of this letter, its comments and any information relevant to the aid.

The Commission would remind you of the suspensory effect of Article 93 (3) of the EC Treaty and would draw your attention to the communication published in *Official Journal of the European Communities* No C 318, of 24 November 1983, page 3, in which it was stipulated that any aid granted unlawfully, i.e. without prior notification or without awaiting the Commission's final decision pursuant to the procedure provided for in Article 93 (2), may have to be recovered from the beneficiary.

The Commission also requests your Government to inform Buna and the THA without any delay of the initiation of the procedure and the fact that they might have to repay aid improperly received.

The Commission hereby informs your Government that it will publish a notice in the *Official Journal of the European Communities* and the EFTA Supplement to the *Official Journal of the European Communities* giving the other Member States and the EFTA States and other parties concerned notice to submit their comments.'

The Commission hereby gives the other Member States and interested parties notice to submit their comments on the measures in question within one month of the date of publication of this notice to:

Commission of the European Communities,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.

The comments will be communicated to the German Government.

STATE AID

C 62/94 (N 376/94)

Germany

(95/C 113/05)

(Text with EEA relevance)

(Articles 92 to 94 of the Treaty establishing the European Community)

Commission notice pursuant to Article 93 (2) of the EC Treaty to other Member States and interested parties concerning aid the German Government intends to grant to Sächsische Olefinwerke GmbH, Böhlen

In the letter reproduced below, the Commission informed the German Government of its decision to initiate the procedure provided for in Article 93 (2) of the Treaty.

'By letter EB 2-70 20 02/2 — dated 24 June 1994 your Government informed the Commission of the additional financial assistance by the THA to its company Sächsische Olefinwerke GmbH (SOW). At the Commission's request, your authorities have provided additional information by letter dated 16 September 1994 and 28 November 1994, both registered on the same day and amended and specified the notified aid.

Although formally independent SOW, like Leuna GmbH, Buna GmbH and Chemie GmbH Bitterfeld-Wolfen, was part of the centrally controlled chemical Kombinat of the former German Democratic Republic. It consists of a cracker for ethylene, propylene and other monomers and subordinated plants for butadiene, carburettor fuel, benzol and toluene. SOW obtains 90 % of its raw materials (mainly raw gasoline) from the Leuna and Zeitz refineries and supplies Buna and Leuna by pipeline with its products which they use in their downstream production.

Consequently, there is strong interdependency between the pipeline connected regional ethylene consumers and the only ethylene supplier of the region, SOW. As the viability of the former chemical Kombinat companies in question depend on each other, privatization would, according to THA's consultants, only be feasible if realized within the context of a global restructuring plan which takes into consideration the situation of each individual company. Consequently, such a global plan has been worked out. All investements will be coordinated including those measures foreseen for Buna and Leuna, as these are the main consumers of SOW's products. As a result of the new polyolefin concept the companies will be combined and SOW's cracker will be linked into the olefin production. The merger of SOW and the core activities of the other abovementioned companies will take place at the end of 1994. The resulting company will be named "Buna GmbH" (Buna Polymer GmbH during the planning phase).

As regards SOW, the plan foresees the improvement of the configuration of the plants in Böhlen to enable the company to process naphtha as well as heavy products of the mineral oil processing to ethylene. Due to this flexibility it will be possible to adjust the feedstock supply to the market, resulting in a higher use of SOW's capacities.

Additionally, SOW plans to develop more specialized products to open up new profitable fields of operations with higher net profit margins and reorganize its marketing.

As of the beginning of the restructuring process on 1 July 1990, SOW's workforce was reduced from 7 100 workers to currently 1 200 workers and it will be further reduced to 950 by the end of 1994 (which results in a reduction of 33 % of the expenses for the workforce and saves DM 35 million). Further reduction by approximately 400 workers is planned.

Production capacities in Böhlen of more than 3 000 kilotonnes per annum are already closed down. The capacities of ethylene and propylene will be increased by 127 000 tonnes per annum until 1996/97 (120 000 tonnes per annum and 7 000 tonnes per annum respectively) whereas SOW's other productions will be reduced by 212 000 tonnes per annum during the same period. Regarding the whole of the petro chemical complex, the capacities of olefines (C2-C4 and by-products) were reduced by 270 kilotonnes per annum as capacities of 300 kilotonnes per annum of acetylene in Buna and capacities of 90 kilotonnes per annum of ethylene in Leuna were closed.

Despite the fact that the overall privatization plan foresees a merger of the companies Leuna GmbH, Buna GmbH, Chemie GmbH Bitterfeld-Wolfen and SOW, the financial planning of the different sites for 1994 remains nearly unaffected. This regards the covering of liquidity as well as the financing of investment that will be independent of possible future investors, but in which they may take a financial stake.

The company at present is still operating at a loss but shows a decreasing negative result after taxes: — DM 219,9 million in 1992, — DM 212,8 million in 1993 and — DM 184,8 million are expected for 1994 (which means an improvement of 17 %). Profits are expected for 1998.

The demand for ethylene and propylene is expected to rise in the new *Länder* whereas the demand in the EC is expected to stay fairly flat in the 1990s. But with the recovery of the economy the demand of ethylene of actually 23 kilogrammes per annum per capita of the new *Länder* will align to the average demand in the common market of 48 kilogrammes per annum per capita. In the whole of the EU the demand for propylene is still fairly strong and expected to rise annually by 6 %.

1. The THA has approved an interest-bearing loan of DM 92,2 million to be repaid by 31 March 1995, earmarked to cover the continued losses in 1994. The expected liquidity demand in the amount of DM 80,8 million for the second half of 1993 could be reduced to DM 55,5 million so that the remaining DM 25,3 million can be used to finance part of the demand in 1994 which is estimated to amount to DM 117,5 million. Consequently, SOW has an uncovered demand for DM 92,2 million for 1994.

2. Secondly, the THA intends to provide a guarantee of DM 261,7 million for investment credits and a DM 147,6 million interest-bearing shareholder's credit whereof DM 82,2 million will be used to continue investments started in former years and DM 327,0 million for new investments starting in 1994. Additionally, the THA approved a grant of DM 160 million for the construction of a pipeline between Leuna 2000 and Böhlen as well as for a terminal in Rostock and a stock for liquid gas in Böhlen.

3. Thirdly, THA has approved to convert the abovementioned loan of DM 80,8 million, granted to cover the losses of the second half of the year 1993, into an interest-bearing shareholder's credit. This credit is to be repaid by 31 March 1995.

4. THA will stand guarantor for SOW for up DM 5,0 million to secure the company's delivery and contractual obligations. This guarantee will be time limited until 31 March 1995.

5. The already granted shareholder's credits DM 259,0 million will be extended until 31 March 1995.

The transformation of the guarantees and the other additional measures that THA will provide to SOW would distort or threaten to distort competition and effect trade within the common market in the meaning of Article 92 (1) of the EC Treaty and Article 61 (1) of the EEA Agreement, since the product range of SOW is traded between the Member States and State aid effects trade between the Member States even if the beneficiary does not export goods to other Member States, since the aid may enable the beneficiary to increase its production and thus reduce the potential market for goods imported from other Member States (1).

As to whether one of the derogations set out in Article 92 of the EC Treaty can be applied to the aid, it should be recalled that the unprecedented case in the Community of a transformation of a planned economy into a market economy results in difficult economic, industrial and social circumstances in the former German Democratic Republic. Without the THA commitment to cover the company's losses enabling the company to invest in order to make the necessary adaptations to the market, SOW would have to close down immediately before attempts to privatize would have had a chance to succeed. In view of the abovementioned links of SOW as the supplier of ethylene for the downstream production of the other companies of the new Buna Polymer GmbH the future of this company would also be in danger. Furthermore, the whole of the former German Democratic Republic is an area that the Commission has decided is eligible to regional assistance pursuant to Article 92 (3) (a) of the EC Treaty.

First it should be recalled that the Commission decided in September 1991 that the exception foreseen in Article 92 (3) (c) of the EC Treaty applies to guarantees awarded by the THA to THA-held companies, to enable them to take out commercial loans for their continued operations if these guarantees are limited to the absolute minimum necessary.

DM 92,2 million of the aid in question will be used in 1994 to ensure the liquidity of the company. Expected expenditure result, *inter alia*, from the still very high operating costs which will be reduced by the reorganization as it is foreseen in the new restructuring plan. Your authorities pointed out that the financial measures will only be granted if they are essential for the survival of the company. Accordingly, this aid can be considered as compatible with the common market since it is necessary to finance the unavoidable severe but decreasing losses during the restructuring period.

DM 82,2 million will be used to continue investments that were already started in the past two to three years. Additionally, new investments of DM 487 million (including a grant of DM 160 million for a pipeline from Leuna 2000, a terminal in Rostock and a liquid gas stock in Böhlen) will be approved in 1994 whereof DM 235,6 million will be due to be paid in the course of this year.

(1) Case 102/87, France v. Commission, [1988] ECR, p. 4067, ground 19.

The main investment focuses on measures for the rationalization and the automatization of SOW's core activities (DM 112 million), especially recycling and reuse of waste materials, as well as on safety technology and environmental protection (DM 47 million, whereof DM 40,2 million are necessary to comply with mandatory standards set by the German authorities). These technical rationalizations make up for omissions of the former system to invest into necessary equipment and their maintenance and repair. DM 223 million will be invested into the cracker, whereof DM 76 million will be used for a new heater which is necessary due to the planned increase of the capacity of ethylene to 450 kilotonnes per annum and DM 17 million for its automatization. Additionally, DM 30 million will be necessary to construct a pipeline for the transportation of naphtha from Leuna 2000. DM 130 million will be used for a naphtha and liquid gas terminal in Rostock and a stock for liquid gas in Böhlen.

The measures for the rationalization and automatization as well as the investments resulting from the increase of the ethylene capacity will serve to adapt SOW's production to the market demand, i.e. especially the demand of Leuna and Buna as the main processors of SOW's products. It should not be forgotten here that, as said above, regarding the whole of the petrochemical complex, the capacity of olefines was reduced.

Due to the new pipeline from Leuna 2000 and the setting-up for the liquid gas supply from Hamburg and Rotterdam via Rostock harbour, SOW will be able to secure an economical supply of raw materials.

As regards the investment for the improvement of recycling and reuse of waste materials and for the protection of the environment, it should also be noted that the rational and prudent utilization of natural resources and reuse of waste is explicitly mentioned in the Council resolution of 7 May 1990 on waste policy (OJ No C 122, 18. 5. 1990), which states that it should be encouraged.

The conversion of the guarantee which the company made use of until the end of 1993 into a shareholder's credit for investment, the guarantee for delivery and contractual obligations as well as the extension of already awarded shareholder's credits will hardly lead to an influx of liquidity. The are necessary to reduce the company's indebtedness which would otherwise force the company into bankruptcy.

Although considerable restructuring tasks need to be carried out, there are several factors which make the chemical location attractive: *inter alia* a favourable infrastructure for transportation, the access to west and eastern European markets, the supply of water, the pipeline connections, a strongly motivated and highly qualified workforce as well as investment and environmental programmes that have been started.

According to the new privatization plan, which is based on several studies made by groups of outside experts and which was provided by your Government, all the above-mentioned measures are necessary and appropriate to ensure a solid basis for the new Buna GmbH to restore the long-term viability of the company within a reasonable time scale and to foster privatization of the new ethylene-complex. On the basis of the new privatization concept the THA has already received two letters of intent by potential purchasers for the acquisition of the new Buna Polymer GmbH.

The Commission has scrutinized this plan and regards it as consistent. However, in view of the complexities of the privatization concept, the Commission has decided to open the procedure pursuant to Article 93 (2) of the EC Treaty. In the process of this procedure, the Commission will order a report from outside experts to definitely assess the plausibilty of the plan and the restoration of the viability of the companies in question within a reasonable time scale. The opening of the procedure will also allow competitors to submit their observations.

On the other hand, the opening of the procedure as far as operating aid during the procedure pursuant to Article 93 (2) of the EC Treaty is concerned, would force SOW to close down immediately before initiated restructuring measures could show any effect. In accordance with the Commission's decision dated 8 December 1992 concerning the measures of the THA, operating aid can be granted to SOW in so far as such aid is limited to the minimum necessary to enable the company to continue operations during the period in which the procedure is open. Also the non-approval of aid for those investments, that are necessary in order to comply with mandatory standards set by the public authorities in the field of security and environmental protection, i.e. DM 40,2 million, and aid for ABM-measures and for consultants studies for the restructuring would jeopardize the survival of the company.

The making of an outside study to reassure the Commission on its assessment, will not be allowed to have the effect of causing an existential strain of liquidity. Accordingly, the Commission distinguishes between aid necessary to ensure the company's liquidity during the procedure, aid necessary to comply with mandatory standards set by the public authorities and aid for other investments and only initiates the proceedings pursuant to Article 93 (2) of the EC Treaty against the latter aid, thus obtaining the opinion of experts on the viability of the restructured companies for its further decisions.

Further, the Commission has decided not to raise objections, pursuant to Article 92 (3) (c) of the EC Treaty, to the aid necessary to continue the company's production during the procedure and aid necessary to comply with mandatory standards set by the public authorities in the field of security or environmental protection. This concerns DM 92,2 million, to ensure the liquidity of the company in 1994, the conversion of a DM 80,8 million loan into an interest-bearing shareholder's credit, a guarantee of DM 5 million and an extension of the shareholder's credits of DM 259 million. Investment aid of DM 40,2 million is necessary in order to enable the company to comply with mandatory standards set by the public authorities in the field of security or environmental protection.

Possible investment aid for ABM-measures or consultants studies could not be identified.

As regards the remaining aid of DM 529,1 million, the compatibility of the aid pursuant to a derogation of Article 92 (3) of the EC Treaty seems doubtful on the basis of information actually available and the Commission therefore has decided to initiate the procedure provided for in Article 93 (2) of the EC Treaty.

In their letter dated 28 November 1994, your Government expressed its opinion that additional investment aid in the amount of DM 344,3 million are of compellingly urgent nature and notably that a delay until the procedure has ended would seriously jeopardize the company, as this would cause extra losses of DM 92 million.

If specific aid tranches should in the view of your Government be absolutely necessary to carry out investment, the delay of which would seriously jeopardize the existence of SOW, such tranches can then be notified to the Commission pursuant to Article 93 (3) of the EC Treaty with the demonstration of the compellingly urgent nature of these investments. The information presently available does not allow to identify such investments.

The Commission requests your Government to assist the experts in their study.

As part of the procedure, the Commission hereby gives your Government the opportunity to present within one month of being notified of this letter, its comments and any information relevant to the aid.

The Commission would remind you of the suspensory effect of Article 93 (3) of the EC Treaty and would draw your attention to the communication published in the *Official Journal of the European Communities* No C 318, 24 November 1983, page 3, in which it was stipulated that any aid granted unlawfully, i.e. without prior notification or without awaiting the Commission's final decision under the procedure provided for in Article 93 (2) of the EC Treaty, may have to be recovered from the beneficiary.

The Commission also request your Government to inform SOW and the THA without any delay of the initiation of the procedure and the fact that they might have to repay aid improperly received.

The Commission hereby informs your Government that it will publish a notice in the *Official Journal of the European Communities* and the EEA Supplement to the Official Journal giving the other Member states and the EFTA States and other parties concerned notice to submit their comments.'

The Commission hereby gives the other Member States and interested parties notice to submit their comments on the measures in question within one month of the date of publication of this notice to:

Commission of the European Communities,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.

The comments will be communicated to the German Government.

STATE AID

C 64/94 (NN 2/93)

Germany

(95/C 113/06)

(Text with EEA relevance)

(Articles 92 to 94 of the Treaty establishing the European Community)

Commission notice pursuant to Article 93 (2) of the EC Treaty to other Member States and other parties concerned regarding aid which Germany has decided to grant to Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG, a subsidiary of Siemens AG/Siemens Nixdorf Informationssysteme AG

By means of the letter reproduced below, the Commission informed the German Government of its decision to initiate the Article 93 (2) procedure.

'On 5 January 1993, the Commission received information from external sources about a land purchase agreement concluded February 1992 between the City of Mainz and the Grundstücksverwaltungsgesellschaft Fort Malakoff mbH & Co. KG, a 80 % subsidiary of Siemens AG/Siemens Nixdorf Informationssysteme AG which may contain State aid.

The Commission formally requested the German Government by letter dated 7 January 1993 to provide detailed information concerning the abovementioned transaction within 15 working days. By letter dated 3 February 1993, this deadline was extended until 18 February 1993.

By letter dated 16 February 1993 the German Government confirmed the main facts set out by the Commission in its initial letter following the information given by external sources. In addition the background of the agreement and the motivation of the authorities of Mainz were explained. The German authorities failed to provide information and documents expressively requested by the Commission in its initial letter such as information about the shareholders and other relevant circumstances of Fort Malakoff Mainz mbH & Co. KG and copies of the relevant notarial agreements, the relevant development charge charter (Erschließungsbeitragssatzung) and a possible valuation report.

By letter dated 31 March 1993 the German authorities informed the Commission that the notarial purchase agreement had not yet been followed by a formal transfer of ownership of the site in question. This information was confirmed by the German authorities by letter dated 6 October 1993, in reply to the Commission's request for information about the actual state of affairs, by letter dated 31 August 1993.

A similar letter of the Commission, dated 13 June 1994, was answered by the German authorities on 28 June 1994 saying that the buildings on the site in question are going to be removed by the City of Mainz in summer 1994 and that the formal transfer of ownership is considered to take place in 1995.

The case was discussed in two meetings with the German authorities (27 May and 5 July 1994); on these occasions, and by letter dated 8 July 1994, the Commission reminded the German authorities of the missing information and documents, initially requested in its letter dated 7 January 1993.

Relevant information was finally received by letter dated 29 August 1994.

By contract dated 24 February 1992, the City of Mainz acquired a site of 24 212 m^2 from the Land of Rheinland-Pfalz. This site had been used as barracks for a riot police unit of the Land Rheinland-Pfalz. The City of Mainz had intended to get the riot police unit moved from the inner town area to another area, and to find a more attractive use of the inner town area. The Land of Rheinland-Pfalz had not agreed to sell the site without being compensated for the value of the buildings. The site was sold at a price of DM 33 950 000 (DM 1 402,20 m^2). This price was based on a valuation carried out by the Staatsbauamt Mainz-Süd on 8 July 1980, i.e. 12 years before the signature of the contract. This price comprises DM 10 895 400 (i.e. DM 450/m^2) for land and DM 23 054 600 for buildings on the site. A recent estimation, carried out by the secretariat of a committee of independent experts ("Geschäftsstelle des Gutachter-ausschusses") estimates the price of the land at DM 935/m^2 (situation: 31 December 1992).

The German authorities argue that the increase of the land price between 1980 and 1992 was compensated by an important deterioration of the value of the buildings (limited maintenance), so that the overall value remained unchanged. This statement implies that the buildings lost about half of their value over a period of 11 years, which seems rather unusual.

The contract foresees that the land be transferred into the property of the City on 30 June 1994 (partially 30 September 1994).

The contract obliges the City of Mainz to sell the land, after removal of the existing buildings, to a third party, under the following conditions: the third party has to accept contractually to construct office and business buidings for a distribution and training centre of Siemens AG and/or Siemens Nixdorf Informationssysteme AG that is to be created. The built-up site is to be let to Siemens/Nixdorf/connected firms for a minimum period of 15 years. These firms have to run a taxable business ("Gewerbesteuer" for the benefit of Mainz). In case this provision in not or only partially fulfilled, the third party acquiring the site has to pay at least DM 40 million, half of which to be transferred by the City of Mainz to the Land of Rheinland-Pfalz.

These provisions indicate the strong interest taken by the land in the envisaged investment by Siemens/Nixdorf.

Parts of the said area together with other sites already property of the city of Mainz were sold to Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG, a real estate holding of Siemens AG, Siemens Nixdorf Informationssysteme AG, by contract dated 24 February 1992. The contract stipulates that the existing buildings be removed by the City of Mainz. The whole area comprises 22 010 m^2 and was sold for DM 13 528,650 (DM 614,66/m^2), notwithstanding several additional advantages to the beneficiary that are not calculable with available information.

The difference between the known costs to the City of Mainz to acquire the site on one hand, and the price the area in question was sold for to Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG on the other amounts to DM 20 421 350.

According to information provided by the German authorities in their letter dated 16 February 1993, the standard property value (Bodenrichtwert) of the site (without buildings) amounted to DM 935/m^2 for 31 December 1992, while the standard property value in November 1989 amounted to DM 690/m^2. Using extrapolation, a standard property value of at least DM 870/m^2 can be calculated for February 1992 when the purchase agreement was concluded. Therefore, an estimated standard property value of the 22 010 m^2 site amounts to about DM 19 million.

It should be noted that the price of the site is payable on the transfer of the land by the city to the Grundstücksverwaltungsgesellschaft, foreseen in principle for 1 January 1995. The price valuation that is reflected in the contract does not account for possible price increases between the date of signature of the contract and 1 January 1995.

The contract between the City of Mainz and the Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG contains the following specific provisions:

— The Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG is obliged to construct office and business buildings (25 000 m^2 usable floor space) with a 800 car parking lot garage for a distribution and training centre of Siemens AG and Siemens Nixdorf Informationssysteme AG that is to be created. The construction must be terminated at the latest five years after the conclusion of the purchase agreement, i.e. February 1997.

— In case the construction is not terminated on time, or the site is sold to a third party, the City of Mainz has the right to claim retransfer of the site and a compounded indemnification of DM 7 million.

— The Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG is further obliged to let the built-up site at the latest one year after completion for a minimum period of 15 years to Siemens AG, Siemens Nixdorf Informationssysteme AG or connected enterprises, where these enterprises have to run a taxable business ("Gewerbesteuer for the benefit of Mainz").

— In case the last mentioned provision is not or only partially fulfilled, the Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG has to pay the difference between the agreed price and the current market price at the time of sale, but at least DM 40 million (including the abovementioned general indemnification of DM 7 million).

The question of the possible existence of State aid focuses on the question whether the price and the accompanying conditions of the sale depart from normal commercial practise and criteria to an extent as to constitute State aid under the meaning of Article 92 (1) of the EC Treaty.

It is evident that no reasonable market member would sell any good for a price below its own prime cost.

According to information available, the City of Mainz calculated its own costs to acquire the land at an amount of DM 35 024 280. The purchase price agreed with Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG amounted to DM 13 528 650, i.e. DM 21 495 630, less.

The estimated standard property value of the site, free of buildings, calculated for the date of signature of the contract (February 1992), amounts to some DM 19 million, as compared to a purchase price agreed of DM 13 528 650.

The analysis of the information available so far indicates that the conditions of sale of the site in question contain State aid in the meaning of Article 92 (1) of the EC Treaty as the market value of the site is considerably higher than the purchase price paid.

The investment intended apparently concerns the distribution of electronic products and software of Siemens Nixdorf Informationssysteme AG and the closely linked software training of clients employees.

Since there is an intensive intra-Community exchange in the field of computerized data processing for business purposes as well as a strong crowding out competition in this field, this aid threatens to distort intra-Community competition.

Mainz is not located in an area with an abnormally low standard of living or with serious underemployment pursuant to Article 92 (3) (a) of the EC Treaty, or in an area eligible for regional aid under Article 92 (3) (c) of the EC Treaty. Nor does the aid seem to qualify for exemption under Article 92 (3) (b) of the EC Treaty.

Lastly, as regards the exemption provided for in Article 92 (3) (c) for aid to faciliate the development of certain economic areas, the prosperious business orientated data processing sector can be considered as a sector in which State aid could affect trading conditions to an extent contrary to the common interest.

Consequently the Commission has decided to initiate the procedure provided for by Article 93 (2) of the EC Treaty with respect to the terms of the sale of a 22 010 m^2 site by the city of Mainz to Grundstücksverwaltungsgesellschaft Fort Malakoff Mainz mbH & Co. KG.

Your Government is invited to provide the Commission with any information necessary to evaluate the transaction in the light of Article 92 of the EC Treaty as well as any comment it may feel to be appropriate.

Within the context of the Article 93 (2) procedure, the Commission would invite the German authorities to provide for an independent evaluation of the market value of the site in question at the time of sale.

The Commission draws the attention of your Government to its letter dated 3 November 1993 sent to all Member States regarding their obligations as they arise from the provisions of Article 93 (3) of the EC Treaty and to the communication published in the *Official Journal of the European Communities* No C 318/3 of 24 November 1983, on the basis of which any aid provided illicitly, that is without waiting for the Commission's final decision resulting from the Article 93 (2) procedure could be subject to a recovery order.

The Commission is also, by means of the publication of this letter in the *Official Journal of the European Communities*, giving notice to the other Member States and third parties concerned to submit their comments.

This Commission requests your Government to inform the recipients forthwith of the initiation of the procedure and the fact that they might have to repay any aid improperly received.'

The Commission hereby gives the other Member States and other parties concerned notice to submit their comments on the measures in question within one month of the date of publication of this notice to:

Commission of the European Communities,
Rue de la Loi/Wetstraat 200,
B-1049 Brussels.

The comments will be communicated to the German Government.

III

(Notices)

COMMISSION

Phare — technical equipment for sewerage pipe system

Notice of invitation to tender issued by the Commission of the European Communities on behalf of the Government of the Czech Republic for a project financed from Phare funds

(95/C 113/07)

Project title

Supply of technical equipment for sewerage pipe system at Krompach in the Czech Republic

1. **Participation and origin**

Participation is open on equal terms to all natural and legal persons of the Member States of the European Community, or of Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia.

Supplies and services offered must originate in the above State.

2. **Subject**

The European Commission/Phare Regional Environmental Programme, Black Triangle Project hereby announces a request for tender for the supply and installation of technical equipment for sewerage pipe system for Krompach in the Czech Republic.

Required supply and installation in 1 lot of the following goods:

1. sewers for household sewage drainage. Total length: 1 608 m;
2. 47 access shafts for repair and maintenance;
3. household connection lines installed in property owned by the community to connect with the borders of private land. Total length: 144 m;
4. additional equipment.

3. **Invitation to tender dossier**

The complete tender dossier may be obtained, free of charge, by written request from:

a) The Commission of the European Communities, Directorate-General for External Relations, Operational Service Phare, Ms Karla Verstraelen, Rue de la Loi/Wetstraat 200, (AN88-4/55), B-1049 Bruxelles/Brussel, facsimile (02) 295 75 02, telex 21877 COMEU B.

4. **Tenders**

Must arrive, at the latest, on 3. 7. 1995 (09.00) local time, at:

— Project Coordination Unit, Dr. Anthony Smith, Cajkovského 94, CZ-400 01 Ústí nad Labem.

They will opened in public session on 3. 7. 1995 (09.00) local time at the same place. Minutes of the tender opening session may be obtained by tenderers upon written request by the tenderer.

EFICS study

Notice for a services contract using the open procedure involving a study to be conducted within the context of the setting-up of a European Foresty Information and Communication System (EFICS)

(95/C 113/08)

1. ***Awarding authority:*** European Commission, Directorate-General for Agriculture, VI-FII-2 Unit, for the attention of Mr Anz, rue de la Loi/Wetstraat 200 (Loi 130 - 10/192), B-1049 Bruxelles/Brussel.

   Tel. (32-2) 295 67 63. Telex COMEU B 21877, AGREC B 22037. Facsimile (32-2) 296 62 55. Telegraphic address: COMEUR Bruxelles.

2. ***Service category and description:*** Via EEC Council Regulation No 1615/89 of 29. 5. 1989 (OJ No L 165 of 15. 6. 1989, p. 12), extended by EEC Council Regulation No 400/94 of 21. 2. 1994 (OJ No L 54 of 25. 2. 1994, p. 5), a European Forestry Information and Communication System was established to collect, coordinate, make consistent and process data involved in the forestry sector and the development thereof. In order to set up such a system, the Commission, in close association with the Standing Forestry Committee, established via EEC Council Decision No 367/89 (OJ No L 165 of 15. 6. 1989, p. 14), must develop, in particular, the operational methods enabling reliable and comparable data on European Union forestry resources to be available, by relying on national and/or regional inventory systems already in existence in the Member States. Within this context, the Commission wishes to make an external contractor responsible for conducting a study with the following aim:

   — to analyse and compare forestry inventory and survey systems in existence on a national and/or regional level in all Member States, their methods, procedures and results;

   — to analyse in which measure existing data fulfil the conditions necessary to be able to be compiled at European level, taking account of the differences in the definitions and methods involved in their collection, updating and adjustment for international use;

   — with regard to data requiring adjustments, modifications or some harmonization, to draw up propositions for improving the quality of European forestry statistics by developing new operational approaches and new means enabling more accurate international data on forestry resources to be available.

3. ***Place of delivery:*** As in 1.

4. The propositions must involve all of the data indicated in the invitation to tender documents.

5. ***Contract duration or time limit for executing the service:*** The study is scheduled to be for a 10-month period following contract signature.

6. a) ***Address of the service to which requests for invitation to tender documents are to be sent:*** Directorate-General for Agriculture, VI-FII-2 Unit, Mr C. Anz, rue de la Loi/Wetstraat 200 (L130 - 10/192), B-1049 Bruxelles/Brussel, facsimile (32-2) 296 62 55.

   b) ***Final date for requests for invitation to tender documents:*** In the 20 calendar days following date of publication of the contract notice in the Official Journal of the European Communities.

7. a) ***Final date for receipt of tenders:*** In the 52 calendar days following date of publication of the contract notice in the Official Journal of the European Communities.

   b) ***Address to which they must be sent:*** As in 8 (a).

8. ***Tenderer's legal situation:*** Any type of public institution, private company or group legally established in the Member States may participate in the invitation to tender. Tenders may be submitted individually or jointly. However, the Commission will favour institution associations with a legal form in accordance with national and European legislation and which regroup an expertise covering several Member States.

9. ***Tenders may lapse after:*** 6 months from the final submission date.

10. ***Contract award criteria:*** See invitation to tender documents.

11. ***Date of dispatch of the notice:*** 24. 4. 1995.

12. ***Date of receipt of the notice by the Office for Official Publications of the European Communities:*** 24. 4. 1995.

Technical assistance

Public invitation to tender — DG XI.D.3

(95/C 113/09)

1. ***Awarding authority:*** European Commission, XI.D.3 Unit, rue de la Loi/Wetstraat 200, B-1049 Bruxelles/Brussel.

2. ***Award procedure:*** Open invitation to tender XI.D.3/1128.

3. ***The contract involves:*** DG XI.D.3 is issuing a technical assistance contract for the implementation of Directive 92/72/EEC concerning air pollution through ozone.

   As the scheduled work relates to requirements in Article 7 of the said directive, the contractor will help the Commission organize consultations with Member States on photochemical air-pollution problems.

   The contractor shall help the Commission develop dissemination methods.

4. ***Contract duration:*** 1 year from date of signature.

5. ***Request for documents:***

   a) 'Contracts' Unit, by letter or facsimile (facsimile (32-2) 299 44 49).

   b) Final date for requesting documents: 37 days from date of publication in the Official Journal.

   c) Documents will be sent free of charge.

6. ***Tender submissions:***

   a) Tenders are to be sent to the address in 1, for the attention of Mr Bhardwaj, Finance and Contracts Unit, BU-5 3/170.

   b) They must be sent in 3 copies in 1 of the Community languages.

   c) Tenders must be postmarked 52 days from the date of publication of this invitation to tender in the Official Journal of the European Communities, at the latest.

7. ***Price and payment conditions:***

   a) Submission prices are to be firm and final.

   b) Payment conditions are those which govern study contracts given by the Commission.

8. ***Selection criteria:*** The only candidates who will be considered will be those with proven experience in the field, as much for developing models, processing, analysis and application of data concerned with air-quality monitoring as for the integration of scientific results and the development of emission-reduction measures.

9. ***Contract award criteria:*** Cost, technical experience, knowledge of several European Union languages, knowledge of European legislation with regard to air quality, flexibility and availability.

10. ***Date of dispatch:*** 24. 4. 1995.

11. ***Date of receipt by the Office for Official Publications of the European Communities:*** 24. 4. 1995.

Orthochromatic film, fixers, Rapid Access system developer

(95/C 113/10)

1. *Name, address, telephone, telegraph, telex and facsimile numbers of the awarding authority:* European Commission, Directorate-General for Personnel and Administration IX.C.1, Buildings Policy, Options and Contracts, ORBN 1/69, rue de la Loi/Wetstraat 200, B-1049 Bruxelles/Brussel.

   Tel. 295 21 00. Facsimile 295 23 72.

2. a) *Type of procedure chosen:* Open invitation to tender.

   b) *Type of contract involved in the invitation to tender:* Framework-contract to run for a maximum 5-year period with an annual price revision in accordance with the procedure in force.

3. a) *Place of delivery:* Delivery to European Commission warehouses in B-Brussels.

   b) *Nature and quantity of the products to be supplied. CPA reference number:*

   product: orthochromatic film;

   quantity: an estimated ± 30 000 sheets per year;

   format: 30 × 40 cm;

   chemicals for the developing process;

   quantities in accordance with the concentration of fixer and developer as compared with the number of films to be processed.

   CPA No: 24.64.

   c) *Indications relating to the possibility for suppliers to tender for part of the supplies concerned:* Only tenders for the supplies as a whole will be considered for reasons involving accounting and liability.

4. *Time limit for delivery, if any:* No set time limit.

5. a) *Name and address of the service from which the relevant documents may be requested:*

   — Tender documents may be requested from the address in 1.

   — All requests must be made in writing and quote reference 94/59/IX.C.1.

   b) *Final date for making such requests:* 14. 7. 1995.

   c) *Where applicable, the amount and terms of payment of the sum to be paid to obtain these documents:* Free of charge.

6. a) *Final date for receipt of tenders:* 31. 7. 1995.

   b) *Address to which they must be sent:* As in 1.

   c) *Language(s) in which they are to be drawn up:* 1 of the 11 official European Community languages.

7. a) *Persons authorized to be present at the opening of tenders:*

   b) *Date, time and place of such opening:*

8. *Where applicable, any deposits and guarantees required:*

9. *The main terms concerning financing and payment and/or reference to the provisions in which these are contained:* Payment on invoice, 60 days from the date of receipt of invoice or request for payment, the payment being considered effected the day it is debited from the Commission's account.

10. *Where applicable, the legal form to be taken by the grouping of suppliers to whom the contract is awarded:*

11. *Information concerning the supplier's own position and information and formalities necessary for an appraisal of the minimum economic and technical requirements required of the supplier:* An annual turnover which is sufficient compared with the volume of this contract. The balance sheets and trading accounts or other supporting documents must be enclosed.

12. *Period during which the tenderer is bound to keep open his tender:* 5 months from 31. 7. 1995.

13. *Criteria to be used during the contract award procedure (criteria other than those of lowest price shall be mentioned if they do not appear in the contract documents):* The contract will be awarded to the economically most advantageous tender taking account of price, quality and delivery time.

14. *Where applicable, prohibition on variants:*

15. *Other information:*

16. *Date of publication of the pre-information notice in the Official Journal of the European Communities or references to its non-publication:* No pre-information notice was published as the total contract value does not reach the threshold requiring publication of this type of notice.

17. *Date of dispatch of the notice:* 25. 4. 1995.

18. *Date of receipt of the notice by the Office for Official Publications of the European Communities:* 25. 4. 1995.

Open call for tender for a study entitled 'Regulatory and Legal Issues associated with the Creation of a Regulatory Authority for Telecommunications at the Level of the Union'

(95/C 113/11)

1. ***Awarding authority:*** The European Commission, Directorate-General for Telecommunications, Information Market and Exploitation of Research, DG XIII/A, for the attention of Mr P. Picard, BU9 5/176, Rue de la Loi/Wetstraat 200, B-1049 Bruxelles/Brussel.

   Tel (02) 296 83 42. Facsimile (02) 296 83 93.

2. ***Category of service and description:***

   The Commission intends to examine the regulatory and legal issues associated with the creation of a regulatory authority for the telecommunications industry at a European level in the light of (i) the completion of liberalization by 1998 and (ii) the development of the global information society. The analysis carried out in the study should combine consideration of both relevant regulatory and legal issues based on existing policy, and a survey of the views of a representative sample of current and future market players. The study will in particular focus on:

   — identifying the issues which can best be dealt with at a European level addressing, in particular, the areas of (i) licensing, (ii) resource management, (iii) interconnection and (iv) the assessment of alliances, joint ventures and other forms of cooperation within the telecoms industry and between the telecoms sector and other sectors, such as broadcasting and information technologies;

   — analysing potential operational problems which might arise from any split of regulatory responsibilities between the European and the national level and recommending solutions to those problems;

   — the legal issues surrounding the creation of such a European level authority and the delegation of certain responsibilities to it, including its legal basis both under current Treaty rules and in the perspective of the 1996 Inter-Governmental Conference.

   The study is likely to be carried out by a firm or consortium of firms with extensive regulatory expertise, in particular in the telecommunications sector but not limited to that sector. The contractor should have confirmed experience of regulatory work at the level of the Union, in at least some of the Member States, and ideally also in relevant jurisdictions outside the Union.

3. ***Place of delivery:*** as in 1.

4., 5., 6.

7. ***Time limit for completion of work:*** the study will commence in 1995. The duration will be 8 months.

8. a) ***Name and address of the service from which the terms of reference for the studies may be requested:*** as in 1.

   b) ***Final date for making such requests:*** 26. 5. 1995.

   c) ***Requests for the terms of reference for the studies may be made by facsimile or letter:*** when requests are made by facsimile, they must be confirmed by letter dispatched before the expiry of the time limit referred to in 8 (b).

9. a) ***Final date for submission of tenders:*** 17. 6. 1995.

   b) ***Name and address of the service to which proposals must be sent:*** as in 1.

10., 11.

12. ***Main terms concerning financing:*** the study will receive 100 % funding.

13. ***Legal form in the case of group bidders:*** proposals may be submitted individually or jointly. If 2 or more applicants submit a joint bid 1 must be designated as the lead contractor and agent responsible.

14. ***Information concerning the proposer's position:*** the proposer will be required to provide economic and technical information for appraisal purposes. These requirements will be specified in the specifications.

15. ***Validity period:*** 9 months.

16. ***Evaluation criteria:*** will be included in the terms of reference.

17.

18. ***Date of dispatch of the notice:*** 26. 4. 1995.

19. ***Date of receipt of the notice by the Office for Official Publications of the European Communities:*** 26. 4. 1995.