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⁽¹⁾ Text with EEA relevance

I

(Information)

COMMISSION

Euro exchange rates ⁽¹⁾

13 September 2006

(2006/C 221/01)

1 euro =

Currency	Exchange rate	Currency	Exchange rate		
USD	US dollar	1,2677	SIT	Slovenian tolar	239,59
JPY	Japanese yen	149,23	SKK	Slovak koruna	37,368
DKK	Danish krone	7,4597	TRY	Turkish lira	1,8630
GBP	Pound sterling	0,67655	AUD	Australian dollar	1,6885
SEK	Swedish krona	9,2478	CAD	Canadian dollar	1,4228
CHF	Swiss franc	1,5892	HKD	Hong Kong dollar	9,8636
ISK	Iceland króna	89,71	NZD	New Zealand dollar	1,9653
NOK	Norwegian krone	8,3825	SGD	Singapore dollar	1,9989
BGN	Bulgarian lev	1,9558	KRW	South Korean won	1 215,85
CYP	Cyprus pound	0,5766	ZAR	South African rand	9,3236
CZK	Czech koruna	28,541	CNY	Chinese yuan renminbi	10,0764
EEK	Estonian kroon	15,6466	HRK	Croatian kuna	7,3820
HUF	Hungarian forint	273,76	IDR	Indonesian rupiah	11 551,92
LTL	Lithuanian litas	3,4528	MYR	Malaysian ringgit	4,656
LVL	Latvian lats	0,6959	PHP	Philippine peso	63,816
MTL	Maltese lira	0,4293	RUB	Russian rouble	33,9850
PLN	Polish zloty	3,9637	THB	Thai baht	47,389
RON	Romanian leu	3,5024			

⁽¹⁾ Source: reference exchange rate published by the ECB.

Commission communication in the framework of the implementation of the Council Directive 93/15/EEC of 5 April 1993 on the harmonisation of the provisions relating to the placing on the market and supervision of explosives for civil uses

(Text with EEA relevance)

(Publication of titles and references of harmonised standards under the directive)

ESO (¹)	Reference and title of the harmonised standard (and reference document)	Reference of superseded standard	Date of cessation of presumption of conformity of super- seded standard Note 1
CEN	EN 13630-1:2003 Explosives for civil uses — Detonating cords and safety fuses — Part 1: Requirements	—	
CEN	EN 13630-2:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 2: Determination of thermal stability of detonating cords and safety fuses	—	
CEN	EN 13630-3:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 3: Determination of sensitiveness to friction of the core of detonating cords	—	
CEN	EN 13630-4:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 4: Determination of sensitiveness to impact of detonating cords	—	
CEN	EN 13630-5:2003 Explosives for civil uses — Detonating cords and safety fuses — Part 5: Determination of resistance to abrasion of detonating cords	—	
CEN	EN 13630-6:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 6: Determination of resistance to tension of detonating cords	—	
CEN	EN 13630-7:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 7: Determination of reliability of initiation of detonating cords	—	
CEN	EN 13630-8:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 8: Determination of resistance to water of detonating cords and safety fuses	—	
CEN	EN 13630-9:2004 Explosives for civil uses — Detonating cords and safety fuses — Part 9: Determination of transmission of detonation from detonating cord to detonating cord	—	
CEN	EN 13630-10:2005 Explosives for civil uses — Detonating cords and safety fuses — Part 10: Determination of initiating capability of detonating cords	—	

ESO (¹)	Reference and title of the harmonised standard (and reference document)	Reference of superseded standard	Date of cessation of presumption of conformity of super- seded standard Note 1
CEN	EN 13630-11:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 11: Determination of velocity of detonation of detonating cords	—	
CEN	EN 13630-12:2002 Explosives for civil uses — Detonating cords and safety fuses — Part 12: Determination of burning duration of safety fuses	—	
CEN	EN 13631-1:2005 Explosives for civil uses — High explosives — Part 1: Requirements	—	
CEN	EN 13631-2:2002 Explosives for civil uses — High explosives — Part 2: Determination of thermal stability of explosives	—	
CEN	EN 13631-3:2004 Explosives for civil uses — High explosives — Part 3: Determination of sensitiveness to friction of explosives	—	
CEN	EN 13631-4:2002 Explosives for civil uses — High explosives — Part 4: Determination of sensitiveness to impact of explosives	—	
CEN	EN 13631-5:2002 Explosives for civil uses — High explosives — Part 5: Determination of resistance to water	—	
CEN	EN 13631-6:2002 Explosives for civil uses — High explosives — Part 6: Determination of resistance to hydrostatic pressure	—	
CEN	EN 13631-7:2003 Explosives for civil uses — High explosives — Part 7: Determination of safety and reliability at extreme temperatures	—	
CEN	EN 13631-10:2003 Explosives for civil uses — High explosives — Part 10: Method for the verification of the means of initiation	—	
CEN	EN 13631-11:2003 Explosives for civil uses — High explosives — Part 11: Determination of transmission of detonation	—	
CEN	EN 13631-12:2004 Explosives for civil uses — High explosives — Part 12: Specifications of boosters with different initiating capability	—	
CEN	EN 13631-13:2003 Explosives for civil uses — High explosives — Part 13: Determination of density	—	
CEN	EN 13631-14:2003 Explosives for civil uses — High explosives — Part 14: Determination of velocity of detonation	—	

ESO (1)	Reference and title of the harmonised standard (and reference document)	Reference of superseded standard	Date of cessation of presumption of conformity of super- seded standard Note 1
CEN	EN 13631-15:2005 Explosives for civil uses — High explosives — Part 15: Calculation of thermodynamic properties	—	
CEN	EN 13631-16:2004 Explosives for civil uses — High explosives — Part 16: Detection and measurement of toxic gases	—	
CEN	EN 13763-1:2004 Explosives for civil uses — Detonators and relays — Part 1: Requirements	—	
CEN	EN 13763-2:2002 Explosives for civil uses — Detonators and relays — Part 2: Determination of thermal stability	—	
CEN	EN 13763-3:2002 Explosives for civil uses — Detonators and relays — Part 3: Determination of sensitiveness to impact	—	
CEN	EN 13763-4:2003 Explosives for civil uses — Detonators and relays — Part 4: Determination of resistance to abrasion of leading wires and shock tubes	—	
CEN	EN 13763-5:2003 Explosives for civil uses — Detonators and relays — Part 5: Determination of resistance to cutting damage of leading wires and shock tubes	—	
CEN	EN 13763-6:2003 Explosives for civil uses — Detonators and relays — Part 6: Determination of resistance to cracking in low temperatures of leading wires	—	
CEN	EN 13763-7:2003 Explosives for civil uses — Detonators and relays — Part 7: Determination of the mechanical strength of leading wires, shock tubes, connections, crimps and closures	—	
CEN	EN 13763-8:2003 Explosives for civil uses — Detonators and relays — Part 8: Determination of the resistance to vibration of plain detonators	—	
CEN	EN 13763-9:2003 Explosives for civil uses — Detonators and relays — Part 9: Determination of resistance to bending of detonators	—	
CEN	EN 13763-11:2003 Explosives for civil uses — Detonators and relays — Part 11: Determination of resistance to damage by dropping of detonators and relays	—	
CEN	EN 13763-12:2003 Explosives for civil uses — Detonators and relays — Part 12: Determination of resistance to hydrostatic pressure	—	
CEN	EN 13763-13:2004 Explosives for civil uses — Detonators and relays — Part 13: Determination of resistance of electric detonators to electrostatic discharge	—	

ESO (1)	Reference and title of the harmonised standard (and reference document)	Reference of superseded standard	Date of cessation of presumption of conformity of super- seded standard Note 1
CEN	EN 13763-15:2004 Explosives for civil uses — Detonators and relays — Part 15: Determination of equivalent initiating capability	—	
CEN	EN 13763-16:2003 Explosives for civil uses — Detonators and relays — Part 16: Determination of delay accuracy	—	
CEN	EN 13763-17:2003 Explosives for civil uses — Detonators and relays — Part 17: Determination of no-fire current of electric detonators	—	
CEN	EN 13763-18:2003 Explosives for civil uses — Detonators and relays — Part 18: Determination of series firing current of electric detonators	—	
CEN	EN 13763-19:2003 Explosives for civil uses — Detonators and relays — Part 19: Determination of firing impulse of electric detonators	—	
CEN	EN 13763-20:2003 Explosives for civil uses — Detonators and relays — Part 20: Determination of total electrical resistance of electric detonators	—	
CEN	EN 13763-21:2003 Explosives for civil uses — Detonators and relays — Part 21: Determination of flash-over voltage of electric detonators	—	
CEN	EN 13763-22:2003 Explosives for civil uses — Detonators and relays — Part 22: Determination of capacitance, insulation resistance and insulation breakdown of leading wires	—	
CEN	EN 13763-23:2002 Explosives for civil uses — Detonators and relays — Part 23: Determination of the shock-wave velocity of shock tube	—	
CEN	EN 13763-24:2002 Explosives for civil uses — Detonators and relays — Part 24: Determination of the electrical non-conductivity of shock tube	—	
CEN	EN 13763-25:2004 Explosives for civil uses — Detonators and relays — Part 25: Determination of transfer capability of surface connectors, relays and coupling accessories	—	
CEN	EN 13857-1:2003 Explosives for civil uses — Part 1: Terminology	—	
CEN	EN 13857-3:2002 Explosives for civil uses — Part 3: Information to be provided by the manufacturer or his authorised representative to the user	—	

ESO (¹)	Reference and title of the harmonised standard (and reference document)	Reference of superseded standard	Date of cessation of presumption of conformity of super- seded standard Note 1
CEN	EN 13938-1:2004 Explosives for civil uses — Propellants and rocket propellants — Part 1: Requirements EN 13938-1:2004/AC:2006	—	
CEN	EN 13938-2:2004 Explosives for civil uses — Propellants and rocket propellants — Part 2: Determination of resistance to electrostatic energy	—	
CEN	EN 13938-3:2003 Explosives for civil uses — Propellants and rocket propellants — Part 3: Determination of deflagration to detonation transition	—	
CEN	EN 13938-4:2003 Explosives for civil uses — Propellants and rocket propellants — Part 4: Determination of burning rate under ambient conditions	—	
CEN	EN 13938-5:2004 Explosives for civil uses — Propellants and rocket propellants — Part 5: Determination of voids and fissures	—	
CEN	EN 13938-7:2004 Explosives for civil uses — Propellants and rocket propellants — Part 7: Determination of properties of black powder	—	

(¹) ESO: European Standardisation Organisation:

— CEN: rue de Stassart 36, B-1050 Brussels, tel. (32-2) 550 08 11; fax (32-2) 550 08 19 (<http://www.cenorm.be>)

— CENELEC: rue de Stassart 35, B-1050 Brussels, tel. (32-2) 519 68 71; fax (32-2) 519 69 19 (<http://www.cenelec.org>)

— ETSI: 650, route des Lucioles, F-06921 Sophia Antipolis, tel. (33) 492 94 42 00; fax (33) 493 65 47 16 (<http://www.etsi.org>)

Note 1 Generally the date of cessation of presumption of conformity will be the date of withdrawal (dow), set by the European Standardisation Organisation, but attention of users of these standards is drawn to the fact that in certain exceptional cases this can be otherwise.

Note 3 In case of amendments, the referenced standard is EN CCCC:YYYY, its previous amendments, if any, and the new, quoted amendment. The superseded standard (column 3) therefore consists of EN CCCC:YYYY and its previous amendments, if any, but without the new quoted amendment. On the date stated, the superseded standard ceases to give presumption of conformity with the essential requirements of the directive.

Note:

— Any information concerning the availability of the standards can be obtained either from the European Standardisation Organisations or from the national standardisation bodies of which the list is annexed to the Directive 98/34/EC of the European Parliament and Council (¹) amended by the Directive 98/48/EC (²).

— Publication of the references in the *Official Journal of the European Union* does not imply that the standards are available in all the Community languages.

— This list replaces all the previous lists published in the *Official Journal of the European Union*. The Commission ensures the updating of this list.

More information about harmonised standards on the Internet at

<http://europa.eu.int/comm/enterprise/newapproach/standardization/harmstds/>

(¹) OJ L 204, 21.7.1998, p. 37.

(²) OJ L 217, 5.8.1998, p. 18.

Prior notification of a concentration
(Case COMP/M.4383 — APHL/Permira/Clessidra/Sisal)
Candidate case for simplified procedure

(2006/C 221/03)

(Text with EEA relevance)

1. On 6 September 2006, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 ⁽¹⁾ by which the undertakings Apax Partners Holdings Ltd ('APHL', UK), Permira Holdings Limited ('PHL', UK) and Clessidra SGR SpA ('Clessidra', Italy) acquire within the meaning of Article 3(1)(b) of the Council Regulation joint control of the whole of the undertaking Sisal SpA ('Sisal', Italy) by way of purchase of shares.
2. The business activities of the undertakings concerned are :
 - APHL: investment management and investment advisory services to private equity funds;
 - PHL: investment management and investment advisory services to private equity funds;
 - Clessidra: private equity fund;
 - Sisal: betting and gambling.
3. On preliminary examination, the Commission finds that the notified transaction could fall within the scope of Regulation (EC) No 139/2004. However, the final decision on this point is reserved. Pursuant to the Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No 139/2004 ⁽²⁾ it should be noted that this case is a candidate for treatment under the procedure set out in the Notice.
4. The Commission invites interested third parties to submit their possible observations on the proposed operation to the Commission.

Observations must reach the Commission not later than 10 days following the date of this publication. Observations can be sent to the Commission by fax (fax No (32-2) 296 43 01 or 296 72 44) or by post, under reference number COMP/M.4383 — APHL/Permira/Clessidra/Sisal, to the following address:

European Commission
Directorate-General for Competition
Merger Registry
J-70
B-1049 Bruxelles/Brussel

⁽¹⁾ OJ L 24, 29.1.2004, p. 1.

⁽²⁾ OJ C 56, 5.3.2005, p. 32.

Authorisation for State aid pursuant to Articles 87 and 88 of the EC Treaty
Cases where the Commission raises no objections

(2006/C 221/04)

(Text with EEA relevance)

Date of adoption: 11.7.2006

Member State: The Netherlands (Province of South Holland)

Aid number: N 96/06

Title: 'Eneco renewable energy'

Objective: CO₂ reduction (Energy)

Legal basis: Algemene subsidieverordening Zuid-Holland

Budget: EUR 450 000

Intensity or amount: 26 % of the extra investment costs

Duration: 1.7.2005 t/m 30.6.2007

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community_law/state_aids/

Date of adoption: 15.6.2006

Member State: The Netherlands

Aid number: N 543/2005

Title: 'MEP stimulating CHP'

Objective: Environment: emission reduction (Energy)

Legal basis: Wet van 5 juni 2003 tot wijziging van de Elektriciteitswet 1998 ten behoeve van de stimulering van de milieukwaliteit van de elektriciteitsproductie

Budget: EUR 110 million

Duration: Two years: 1.1.2006 until 31.12.2007

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community_law/state_aids/

Date of adoption: 30.3.2006

Member State: The Netherlands

Aid number: N 628/2005

Title: Verkorte Melding PRIOO

Legal basis: Kaderwet EZ-subsidies

Type of measure: Aid scheme

Form of aid: Direct grant

Economic sectors: All sectors

Duration: End date: 1.10.2011

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community_law/state_aids/

Date of adoption: 4.7.2006

Member State: Austria

Aid number: NN 162/A/2003 and N 317/A/2006

Title: Support of electricity production from renewable sources under the Green Electricity Act (feed-in tariffs)

Objective: Environmental protection; stimulating the generation of electricity from renewable energy sources (Electricity production)

Legal basis: Ökostromgesetz in der Fassung der Regierungsvorlage 655 dB, des Abänderungsantrages, beschlossen im Wirtschaftsausschuss vom 25. November 2005 (1225 dB) und des Abänderungsantrages in 2. Lesung, beschlossen im Plenum des Nationalrates vom 23. Mai 2006

Duration: Since 1.1.2003

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community_law/state_aids/

Date of adoption: 4.7.2006

Member State: Austria

Aid number: NN 162/B/2003 and N 317/B/2006

Title: Support of CHP production under the Green Electricity Act (support tariff)

Objective: Environmental protection; stimulating the generation of CHP energy for district heating (Electricity production)

Legal basis: Ökostromgesetz in der Fassung der Regierungsvorlage 655 dB, des Abänderungsantrages, beschlossen im Wirtschaftsausschuss vom 25. November 2005 (1225 dB) und des Abänderungsantrages in 2. Lesung, beschlossen im Plenum des Nationalrates vom 23. Mai 2006

Duration: 1.1.2003 until 31.12.2008 respectively 2010

The authentic text(s) of the decision, from which all confidential information has been removed, can be found at:

http://ec.europa.eu/community_law/state_aids/

EUROPEAN ECONOMIC AREA
EFTA SURVEILLANCE AUTHORITY

EFTA SURVEILLANCE AUTHORITY DECISION

No 41/04/COL

of 17 March 2004

amending for the fortyfourth time the procedural and substantive rules in the field of state aid by introducing a new chapter 24b: framework on state aid to shipbuilding

(2006/C 221/05)

(Text with EEA relevance)

THE EFTA SURVEILLANCE AUTHORITY,

HAVING REGARD TO the Agreement on the European Economic Area⁽¹⁾, in particular to Articles 61 to 63 and Protocol 26 thereof,

HAVING REGARD TO the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice⁽²⁾, in particular to Article 24, Article 5 (2) (b) and Article 1 in Part I of Protocol 3 thereof⁽³⁾,

Whereas under Article 24 of the Surveillance and Court Agreement, the EFTA Surveillance Authority shall give effect to the provisions of the EEA Agreement concerning State aid,

WHEREAS under Article 5 (2) (b) of the Surveillance and Court Agreement the EFTA Surveillance Authority shall issue notices or guidelines on matters dealt with in the EEA Agreement, if that Agreement or the Surveillance and Court Agreement expressly so provides or if the EFTA Surveillance Authority considers it necessary,

RECALLING the Procedural and Substantive Rules in the Field of State Aid⁽⁴⁾ adopted on 19 January 1994 by the EFTA Surveillance Authority⁽⁵⁾,

WHEREAS, on 30 December 2003, the Commission of the European Communities (hereinafter the EC Commission) published a new framework on state aid to shipbuilding⁽⁶⁾,

WHEREAS this framework is also of relevance for the European Economic Area,

WHEREAS a uniform application of the EEA State aid rules is to be ensured throughout the European Economic Area,

WHEREAS, according to point II under the heading 'GENERAL' at the end of Annex XV to the EEA Agreement, the EFTA Surveillance Authority is to adopt, after consultation with the EC Commission, acts corresponding to those adopted by the EC Commission,

HAVING consulted the EC Commission,

RECALLING that the EFTA Surveillance Authority has consulted the EFTA States in a multilateral meeting on 3 February 2004 on the subject,

HAS ADOPTED THIS DECISION:

⁽¹⁾ Hereinafter referred to as the EEA Agreement.

⁽²⁾ Hereinafter referred to as the Surveillance and Court Agreement.

⁽³⁾ Protocol 3 to the Surveillance and Court Agreement as amended by the EFTA States on 10 December 2001. The amendments entered into force on 28 August 2003.

⁽⁴⁾ Hereinafter referred to as the State Aid Guidelines.

⁽⁵⁾ Initially published in OJ L 231, 3.9.1994, and in the EEA Supplement thereto No 32 on the same date, last amended by College Decision No 40/04/COL of 17.3.2004, not yet published.

⁽⁶⁾ Framework on State Aid to Shipbuilding, OJ C 317, 30.12.2003, p. 11.

1. The State Aid Guidelines are amended by adding a new Chapter 24B: 'Framework on State Aid to Shipbuilding'. The new Chapter 24B can be found in Annex I to this Decision.

2. The EFTA States shall be informed by means of a letter, including a copy of this Decision and including Annex I.

3. The EC Commission shall be informed, in accordance with point (d) of Protocol 27 of the EEA Agreement, by means of a copy of this Decision, including Annex I.
4. The Decision, including Annex I, shall be published in the EEA Section of and in the EEA Supplement to the Official Journal of the European Union.
5. The Decision is authentic in the English language.

Done at Brussels, 17 March 2004

For the EFTA Surveillance Authority

Hannes Hafstein
President

Einar M. Bull
College Member

ANNEX I

24B. STATE AID TO SHIPBUILDING ⁽¹⁾

24B.1. Introduction

- (1) State aid to shipbuilding has been subject to a series of specific EEA regimes. Compared to industrial sectors that have not been subject to specific rules, the regimes applicable to the shipbuilding sector have contained a mixture of both stricter and more lenient provisions. This Framework provides for new rules for the assessment of State aid to shipbuilding following the expiry of Council Regulation (EC) No 1540/98 of 29 June 1998 establishing new rules on aid to shipbuilding ⁽²⁾ on 31 December 2003, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 12/1999 of 29 January 1999 ⁽³⁾.
- (2) The objectives of this Framework are, to the largest extent possible, to remove the differences between the rules applicable to the shipbuilding industry and to other industrial sectors and, thereby, to simplify and make more transparent the EFTA Surveillance Authority's (hereinafter referred to as 'the Authority') policy in this area, by extending general horizontal provisions to the shipbuilding sector.
- (3) Nevertheless, the Authority recognises that certain specific factors affecting the shipbuilding sector should be reflected in the Authority's policy of State aid control. These factors include:
 - (a) over-capacity, depressed prices and trade distortions in the world shipbuilding market;
 - (b) the nature of ships as very large, capital goods, which raises the potential of State-supported credit facilities to distort competition;
 - (c) the existence of agreements within the Organisation for Economic Cooperation and Development ('OECD') in the shipbuilding sector, namely the 1998 OECD Arrangement on Guidelines for Officially Supported Export Credits with its Sector Understanding on Export Credits for Ships, which applies within the Community pursuant to Council Decision 2001/76/EC of 22 December 2000 replacing the Decision of 4 April 1978 on the application of certain guidelines in the field of officially supported export credits ⁽⁴⁾.
- (4) The Authority acknowledges that work is being undertaken within the OECD framework to replace the 1994 Agreement on respecting normal competitive conditions in the shipbuilding and repair industry ⁽⁵⁾, which has not entered into force. This Framework is in no way intended to prejudice the outcome of that work and may be reviewed in the light of an agreement within the OECD.
- (5) In the light of these special characteristics, the objectives of this Framework, in addition to simplifying the applicable rules, are to:
 - (a) encourage greater efficiency and competitiveness of EEA yards, in particular through the promotion of innovation;
 - (b) facilitate the reduction of economically non-viable capacity where necessary;
 - (c) respect applicable international obligations in the field of export credits and development aid.
- (6) In order to achieve these objectives, this Framework provides for specific measures in relation to aid for innovation, closure aid, export credits and development aid and regional aid.
- (7) Certain features make shipbuilding unique and distinguish it from other industries such as short production series, the size, value and complexity of the units produced as well as the fact that prototypes are generally used commercially. As a consequence, shipbuilding is the only sector eligible for innovation aid. Investment aid for innovation was introduced by Regulation (EC) No 1540/98 and was intended to be authorised only in duly justified cases, as an incentive to technological risk-taking. However, the implementation of this provision was not satisfactory. It is considered that the unique characteristics of the shipbuilding industry justify maintaining a sector-specific innovation aid. Therefore, this Framework aims at improving support to innovation, by taking into account notably the difficulties of application of the previous provision.

⁽¹⁾ This Chapter corresponds to Community Framework on State Aid to Shipbuilding (OJ C 317, 30.12.2003, p. 11).

⁽²⁾ OJ L 202, 18.7.1998, p. 1.

⁽³⁾ OJ No L 35, 10.2.2000 and EEA Supplement No 7, cf. point 1b of Annex XV to the EEA Agreement.

⁽⁴⁾ OJ L 32, 2.2.2001, p. 1. Decision as amended by Decision 2002/634/EC (OJ L 206, 3.8.2002, p. 16).

⁽⁵⁾ OJ C 375, 30.12.1994, p. 1. Of the EFTA countries, only Norway is party to the 1994 Agreement.

- (8) The Authority may only consider aid to shipbuilding, ship repair and ship conversion to be compatible with the common market if it complies with the provisions of this Framework.
- (9) This Framework is without prejudice to the temporary measures established by Council Regulation (EC) No 1177/2002 of 27 June 2002 concerning a temporary defensive mechanism to shipbuilding⁽¹⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 170/2002 of 16 December 2002⁽²⁾.

24B.2. Definitions

- (10) For the purposes of this Framework, the following definitions shall apply:
- (a) 'shipbuilding' means the building, in the EEA, of self-propelled seagoing commercial vessels;
 - (b) 'ship repair' means the repair or reconditioning in the EEA of self-propelled seagoing commercial vessels;
 - (c) 'ship conversion' means the conversion, in the EEA, of self-propelled seagoing commercial vessels of not less than 1000 gt, on condition that conversion operations entail radical alterations to the cargo plan, the shell, the propulsion system or the passenger accommodation;
 - (d) 'self-propelled seagoing commercial vessels' means:
 - (i) vessels of not less than 100 gt used for the transportation of passengers and/or goods,
 - (ii) vessels of not less than 100 gt for the performance of a specialised service (for example, dredgers and ice breakers),
 - (iii) tugs of not less than 365 kW,
 - (iv) fishing vessels of not less than 100 gt, with regards to export credits and development aid if in compliance with the 1998 OECD Arrangement on Guidelines for Officially Supported Export Credits and with its Sector Understanding on Export Credits for Ships, or with any agreement amending or replacing either of them.
 - (v) unfinished shells of the vessels referred to in points (i) to (iv) that are afloat and mobile.

For the purposes of the above, 'self-propelled seagoing vessel' shall mean a vessel that, by means of its permanent propulsion and steering, has all the characteristics of self-navigability on the high seas. Military vessels (i.e. vessels which according to their basic structural characteristics and capability are specifically intended to be used exclusively for military purposes, such as warships and other vessels for offensive or defensive action) and modifications made or features added to other vessels exclusively for military purposes shall be excluded, provided that any measures or practices applied in respect of such vessels, modifications or features are not disguised actions taken in favour of commercial shipbuilding inconsistent with State aid rules;

- (e) 'related entity' means any natural or legal person who:
 - (i) owns or controls an undertaking engaged in shipbuilding, ship repair or ship conversion, or
 - (ii) is owned or controlled, directly or indirectly, whether through stock ownership or otherwise, by an undertaking engaged in shipbuilding, ship repair or ship conversion.Control shall be presumed to arise once a person or undertaking engaged in shipbuilding, ship repair or ship conversion owns or controls an interest of more than 25 % in the other or vice versa.
- (f) 'aid' means aid within the meaning of Article 61 (1) of the EEA Agreement, including measures such as credit facilities, guarantees and tax concessions.

24B.3. Applicable provisions

24B.3.1. Scope

- (11) Aid to shipbuilding shall include aid to any shipyard, related entity, shipowner and third party which is granted, whether directly or indirectly, for building, repair or conversion of ships.

⁽¹⁾ OJ L 172, 2.7.2002, p. 1.

⁽²⁾ OJ L 38, 13.2.2002 and the EEA Supplement No 9. cf. point 1ca of Annex XV to the EEA Agreement.

24B.3.2. *Application of Horizontal Provisions*

- (12) The general principle is that aid to shipbuilding may be granted in accordance with Article 61 of the EEA Agreement and Article 1 in Part I of Protocol 3 to the Surveillance and Court Agreement and all legislation and measures adopted on those bases, including the following provisions:
- (a) Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of [ex] Article 93 of the EC Treaty ⁽¹⁾, as incorporated into Part II of Protocol 3 to the Surveillance and Court Agreement ⁽²⁾;
 - (b) Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid ⁽³⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 88/2002 of 25 June 2002 ⁽⁴⁾;
 - (c) Commission Regulation (EC) No 69/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to *de minimis* aid ⁽⁵⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 88/2002 of 25 June 2002 ⁽⁶⁾;
 - (d) Commission Regulation (EC) No 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises ⁽⁷⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 88/2002 of 25 June 2002 ⁽⁸⁾;
 - (e) Council Regulation (EC) No 1177/2002 of 27 June 2002 concerning a temporary defensive mechanism to shipbuilding ⁽⁹⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 170/2002 of 16 December 2002 ⁽¹⁰⁾;
 - (f) the Authority's Guidelines on Aid for rescuing and restructuring firms in difficulty ⁽¹¹⁾;
 - (g) the Authority's Guidelines on Aid for environmental protection ⁽¹²⁾; and
 - (h) Framework on Aid for research and development ⁽¹³⁾.

24B.3.3. *Specific Provisions*

- (13) The general principle outlined in Section 24B.3.2 is subject to the following exceptions, which are justified by the specific factors presented in Section 24B.1.

24B.3.3.1. ***Aid to research, development and innovation***

- (14) Aid granted to defray expenditure by shipbuilding, ship repair or ship conversion undertakings on research and development projects may be considered compatible with the functioning of the EEA Agreement if it is in compliance with the rules laid down in the EEA Framework for State aid for research and development, or any successor arrangement.
- (15) Aid granted for innovation in existing shipbuilding, ship repair or ship conversion yards may be deemed compatible with the functioning of the EEA Agreement up to a maximum aid intensity of 20 % gross, provided that:
- (a) it relates to the industrial application of innovative products and processes, i.e. technologically new or substantially improved products and processes compared to the state of the art existing in this industry in the EEA, which carry a risk of technological or industrial failure;
 - (b) the aid is limited to supporting expenditure on investments, design, engineering and testing activities directly and exclusively related to the innovative part of the project. Exceptionally, additional production costs that are strictly necessary to validate the technological innovation can be eligible to the extent they are limited to the minimum necessary amount.

⁽¹⁾ OJ L 83, 27.3.1999, p. 1.

⁽²⁾ Protocol 3 to the Surveillance and Court Agreement as amended by the EFTA States on 10 December 2001. The amendments entered into force on 28 August 2003. The amended Protocol 3 can be found on the Authority's website under State aid — Legal texts: www.eftasurv.int

⁽³⁾ OJ L 10, 13.1.2001, p. 20.

⁽⁴⁾ OJ L 266, 3.10.2002 and EEA Supplement No 49, cf. point 1d of Annex XV to the EEA Agreement.

⁽⁵⁾ OJ L 10, 13.1.2001, p. 30.

⁽⁶⁾ OJ L 266, 3.10.2002 and EEA Supplement No 49, cf. point 1e of Annex XV to the EEA Agreement.

⁽⁷⁾ OJ L 10, 13.1.2001, p. 33.

⁽⁸⁾ OJ L 266, 3.10.2002 and EEA Supplement No 49, cf. point 1f of Annex XV to the EEA Agreement.

⁽⁹⁾ OJ L 172, 2.7.2002, p. 1.

⁽¹⁰⁾ OJ L 38, 13.2.2002 and the EEA Supplement No 9, cf. point 1ca of Annex XV to the EEA Agreement.

⁽¹¹⁾ EFTA Surveillance Authority's State Aid Guidelines Chapter 16 (OJ No L 274, 26.10.2000 and EEA Supplement No 48). These guidelines correspond to the European Community Guidelines on State aid for rescuing and restructuring firms in difficulty (OJ C 288, 9.10.1999, p. 2).

⁽¹²⁾ EFTA Surveillance Authority's State Aid Guidelines Chapter 15 (OJ No L 21, 24.1.2002 and EEA Supplement No 6). These guidelines correspond to the European Community guidelines on Aid for environmental protection (OJ C 37, 3.2.2001, p. 3).

⁽¹³⁾ EFTA Surveillance Authority's State Aid Guidelines Chapter 14 (OJ No L 245, 26.9.1996 and EEA Supplement 43). These guidelines correspond to the European Community Guidelines on State aid for research and development (OJ C 45, 17.2.1996, p. 5).

24B.3.3.2. Closure aid

- (16) Aid to defray the normal costs resulting from the total or partial closure of shipbuilding, ship repair or ship conversion yards may be considered compatible with the functioning of the EEA Agreement provided that the resulting capacity reduction is of a genuine and irreversible nature.
- (17) The costs eligible for the aid referred to in paragraph 16 are:
- (a) payments to workers made redundant or retired before legal retirement age;
 - (b) the costs of counselling services to workers made or to be made redundant or retired before legal retirement age, including payments made by shipyards to facilitate the creation of small enterprises which are independent of the shipyards in question and whose activities are not principally shipbuilding;
 - (c) payments to workers for vocational retraining;
 - (d) expenditure incurred for the redevelopment of the yard(s), its buildings, installations and infrastructure for use other than shipbuilding.
- (18) In addition, in the case of undertakings which totally cease shipbuilding, ship repair and ship conversion, the following measures may also be deemed compatible with the functioning of the EEA Agreement:
- (a) aid of an amount not exceeding the higher of the following two values, as determined by an independent consultant's report: the residual book value of the installations, or the discounted operational profits obtainable over a projected three-year period, less any advantages the aided undertaking derives from the closure of the installations;
 - (b) aid such as loans or loan guarantees for working capital needed to enable the undertaking to complete unfinished works provided that this is kept to the minimum necessary and a significant proportion of the work has already been done.
- (19) Undertakings receiving partial closure aid must not have benefited from rescue or restructuring aid in the past 10 years. Where less than 10 years have elapsed since the rescue or restructuring aid was granted, the Authority will allow partial closure aid only in exceptional and unforeseeable circumstances for which the company is not responsible.
- (20) The amount and intensity of aid must be justified by the extent of the closures involved, account being taken of the structural problems of the region concerned and, in the case of conversion to other industrial activities, of the EEA legislation and rules applicable to those new activities.
- (21) In order to establish the irreversible nature of aided closures, the EFTA State concerned shall ensure that the closed shipbuilding facilities remain closed for a period of not less than 10 years.

24B.3.3.3. Employment aid

- (22) Aid granted for the creation of employment as well as for the recruitment of disadvantaged and disabled workers or to cover the additional costs of employing disadvantaged and disabled workers in shipbuilding, ship repair or ship conversion undertakings may be considered compatible with the functioning of the EEA Agreement if it is in compliance with the substantive rules laid down in Commission Regulation (EC) No 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment ⁽¹⁾, as incorporated into the EEA Agreement by EEA Joint Committee Decision No 83/2003 of 20 June 2003 ⁽²⁾.

24B.3.3.4. Export credits

- (23) Aid to shipbuilding in the form of State-supported credit facilities granted to national and non-national shipowners or third parties for the building or conversion of vessels may be deemed compatible with the functioning of the EEA Agreement if it complies with the terms of the 1998 OECD Arrangement on Guidelines for Officially Supported Export Credits and with its Sector Understanding on Export Credits for Ships or any successive terms laid down in such an arrangement or replacing the Arrangement.

⁽¹⁾ OJ L 337, 13.12.2002, p. 3.

⁽²⁾ OJ L 257, 9.10.2003 and EEA Supplement No 51, cf. point 1g of Annex XV to the EEA Agreement.

24B.3.3.5. Development aid

- (24) Aid related to shipbuilding and ship conversion granted as development assistance to a developing country may be deemed compatible with the functioning of the EEA Agreement if it complies with the terms laid down for that purpose by the 1998 OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector Understanding on Export Credits or any successive terms laid down in such an arrangement or replacing the Arrangement.
- (25) The Authority will verify the particular development content of the proposed aid, that the aid is necessary and that it falls within the scope of the 1998 OECD Arrangement on Guidelines for Officially Supported Export Credits and its Sector Understanding on Export Credits for Ships or any successive terms laid down in such an arrangement or replacing the Arrangement. The offer of development assistance must be open to bids from different yards. To the extent that EEA public procurement rules are applicable, bidding procedures have to comply with them.

24B.3.3.6. Regional aid

- (26) Regional aid to shipbuilding, ship repair or ship conversion may be deemed compatible with the functioning of the EEA Agreement only if it fulfils the following conditions:
- (a) the aid must be granted for investment in upgrading or modernising existing yards, not linked to a financial restructuring of the yard(s) concerned, with the objective of improving the productivity of existing installations;
 - (b) in regions referred to in Article 61 (3)(a) of the EEA Agreement and complying with the map approved by the Authority for each EFTA State for the grant of regional aid, the intensity of the aid must not exceed 22,5 %;
 - (c) in regions referred to in Article 61 (3)(c) of the EEA Agreement and complying with the map approved by the Authority for each EFTA State for the grant of regional aid, the intensity of the aid must not exceed 12,5 % or the applicable regional aid ceiling, whichever is the lower;
 - (d) the aid must be limited to support eligible expenditure as defined in the applicable State Aid Guidelines on regional aid.

24B.4. Notification obligation

- (27) All plans to grant new aid to shipbuilding, ship repair or ship conversion, either in the form of a scheme or as individual aid not covered by a scheme, shall be notified to the Authority except if they fulfil the conditions set forth in one of the State aid block exemptions ⁽¹⁾, exempting certain categories of State aid from the requirement of prior notification.

24B.5. Monitoring

- (28) EFTA States shall submit to the Authority annual reports on all existing aid schemes pursuant to the rules set forth in Part II of Protocol 3 to the Surveillance and Court Agreement and in its implementing provisions.

24B.6. Overlapping aid from different sources

- (29) The aid ceilings stipulated in this Framework are applicable irrespective of whether the aid in question is financed wholly or in part from State resources or from resources accruing from EEA cooperation. Aid authorised under this Framework may not be combined with other forms of State aid within the meaning of Article 61(1) of the EEA Agreement or with other forms of financing obtained through the participation of EFTA States in Community programmes, the cumulation of which produces an aid intensity higher than that laid down in these guidelines.
- (30) In the case of aid serving different purposes and involving the same eligible costs, the most favourable aid ceiling will apply.

24B.7. Application of this framework

- (31) This Framework will be applicable from 1 January 2004 until 31 December 2006 at the latest. It may be reviewed by the Authority during this period.

⁽¹⁾ See above in paragraphs 12 (b), (c), (d) and 22.