



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 July 2013

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**Interinstitutional File:
2012/0344 (NLE)**

**RC 31
COMPET 561
ECO 139
TRANS 390
MI 634
RECH 347
IND 208
ENV 698
REGIO 152
TELECOM 200
ENER 361
EF 146
AUDIO 84
CULT 86
SPORT 68**

"I/A" ITEM NOTE

From: General Secretariat of the Council
To: Coreper/Council

Subject: Proposal for a Council Regulation amending Council Regulation (EC) No. 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid
– Adoption

1. On 6 December 2012, the Commission submitted to the Council its proposal for a Council Regulation amending Council Regulation (EC) No. 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid and Regulation (EC) No. 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road (Enabling Regulation).

2. The proposal is part of a comprehensive reform of the State aid framework launched by the Commission Communication on "*EU State aid modernisation (SAM)*"¹ on 8 May 2012 with a view to ensuring that State aid policy contributes both to the implementation of the Europe 2020 agenda and to budget consolidation.
3. The aim of the proposal is to include certain new categories in the Enabling Regulation, without entailing the immediate block exemption of all these categories or the block-exemption of all measures within a category in their entirety. Rather, the Commission is enabled to adopt block exemptions gradually, when experience acquired is sufficient to allow the Commission to define clear compatibility criteria for certain types of aid measures, ensuring that the effect on competition and trade between Member States is limited. The legal base for the proposal is Article 109 TFEU.
4. On 29 May 2013, the Competitiveness Council adopted a general approach on the proposal.
5. On 2 July 2013, the European Parliament adopted its opinion on the proposal (consultation procedure in accordance with Article 109 TFEU) which is broadly in line with the Council's general approach.
6. The Permanent Representatives Committee is therefore asked to confirm the general approach and to suggest that the Council:
 - adopts Council Regulation amending Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid, as set out in doc. 11080/13, as an "A" item at a forthcoming meeting
 - orders that the statement in the addendum to this note be entered in the minutes of that meeting.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *EU State Aid Modernisation (SAM)*, 8.05.2012, COM(2012) 209 final.