


Procedure file

| Basic information | |
|---|---------------------|
| COS - Procedure on a strategy paper (historic) 1999/2108(COS) | Procedure completed |
| Competition reform: rules applying to undertakings, EC Treaty art. 85 and 86. White paper | |
| Subject 2.60.01 Trade restrictions, concerted practices, dominant positions | |

| Key players | | | |
|-------------------------------|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | ECON Economic and Monetary Affairs | | 27/07/1999 |
| | | PPE-DE VON WOGAU Karl | |
| | Committee for opinion | Rapporteur for opinion | Appointed |
| | JURI Legal Affairs and Internal Market | The committee decided not to give an opinion. | |
| Council of the European Union | Council configuration | Meeting | Date |
| | Industry | 2214 | 09/11/1999 |

| Key events | | | |
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| 28/04/1999 | Non-legislative basic document published | COM(1999)0101 | Summary |
| 13/09/1999 | Committee referral announced in Parliament | | |
| 09/11/1999 | Debate in Council | 2214 | |
| 24/11/1999 | Vote in committee | | Summary |
| 24/11/1999 | Committee report tabled for plenary | A5-0069/1999 | |
| 18/01/2000 | Debate in Parliament |  | |
| 18/01/2000 | Decision by Parliament | T5-0009/2000 | Summary |
| 18/01/2000 | End of procedure in Parliament | | |
| 24/10/2000 | Final act published in Official Journal | | |

| Technical information | |
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| Procedure reference | 1999/2108(COS) |
| Procedure type | COS - Procedure on a strategy paper (historic) |
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| Procedure subtype | Commission strategy paper |
| Legal basis | Rules of Procedure EP 142 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ECON/4/10960 |

Documentation gateway

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|---|---|------------|-----|---------|
| Non-legislative basic document | COM(1999)0101 | 28/04/1999 | EC | Summary |
| Committee report tabled for plenary, single reading | A5-0069/1999 OJ C 296 18.10.2000, p. 0006 | 24/11/1999 | EP | |
| Economic and Social Committee: opinion, report | CES1130/1999 OJ C 051 23.02.2000, p. 0055 | 08/12/1999 | ESC | |
| Text adopted by Parliament, single reading | T5-0009/2000 OJ C 304 24.10.2000, p. 0022-0066 | 18/01/2000 | EP | Summary |

Competition reform: rules applying to undertakings, EC Treaty art. 85 and 86. White paper

PURPOSE : to modernise the rules implementing Articles 85 and 86 of the EC Treaty (Commission Programme 99/027). **CONTENT :** given this new Community and global economic environment, the continued application of Regulation No 17, as drawn up in 1962, with its highly centralised system of prior authorisation, is no longer consistent with the effective supervision of competition. This White Paper sets out the Commission's views on the subject and is intended to seek reactions from all interested parties by the 30/09/1999, a prerequisite for the formal presentation of a new regulation to the Council. In this White Paper, the Commission discusses several options for reform. It proposes a system which meets the objectives of rigorous enforcement of competition law, effective decentralisation, simplification of procedures and uniform application of law and policy development throughout the EU. The proposed reform involves the abolition of the notification and exemption system and is replaced by a Council Regulation which would render the exemption rule of Article 85(3) directly applicable without prior decision by the Commission. Article 85 as a whole would be applied by the Commission, national competition authorities and national courts, as is already the case for Article 85(1) and 86. This reform would allow the Commission to refocus its activities on the most serious infringements of Community law in cases with a Community interest. It would pave the way for decentralised application of the EC competition rules by national authorities and courts and eliminate unnecessary bureaucracy and compliance costs for industry. It would also stimulate the application of the EC competition rules by national authorities. In the new system, the Commission would keep a leading role in determining EC competition policy. It would continue to adopt Article 85 and 86. The Commission would also continue to adopt prohibition decisions and positive decisions to set out guidance for the implementation of these provisions. The Commission would maintain the power to remove a case from the jurisdiction of national competition authorities and to deal with a case itself if there is a risk of divergent policy. There should also be a clear obligation for national courts to avoid conflicts with Commission decisions.?

Competition reform: rules applying to undertakings, EC Treaty art. 85 and 86. White paper

The committee adopted the report by Karl Von Wogau (EPP/ED, D) which broadly endorsed Commission plans, as set out in a White Paper, to reform EU competition policy rules. The Commission argues that after 40 years of competition policy rules and faced with a growing number of cases, there is a need for change in the rules relating to agreements between companies that at present have to be notified to the Commission. It wants to decentralise this aspect of competition policy decision-making to the Member States. At present, the Commission faces a backlog of 1200 unprocessed cases and it receives around 220 notifications a year. The report pointed out that the White Paper relates only to the situation regarding restrictive practices and the abuse of the dominant market position. The rules affecting mergers and state aids would remain the same. The committee was anxious, however, to ensure that the changes would not affect legal certainty and the consistent application of EU law. It wanted the Commission to ensure that the national authorities are able to administer competition policy rules and take proper account of consumers' interests. The committee also considered it necessary to further clarify the rules as they affect small firms. ?

Competition reform: rules applying to undertakings, EC Treaty art. 85 and 86. White paper

In adopting the report by Mr von Wogau (EPP/ED, D), the European Parliament adopts the resolution on the Commission White Paper on modernisation of the rules implementing Articles 85 and 86 of the EC Treaty with some amendments. The European Parliament: - urges the Commission to set up a conference on competition issues in the EU; - stresses that the modernisation of the existing system must not impair legal certainty or the consistent application of competition rules in the Community, and draws attention in this regard to its resolution of 18 July 1997 and opinions of 15 April 1999 on the Commission's Green Paper on vertical restraints and the ensuing regulations; - considers it necessary that the Commission should assist the national authorities and courts by means of group exemption regulations, guidelines and notices; - calls on the Commission to monitor the quality of competition legislation in the Member States, in order to create a level playing field on the internal market; - considers it necessary to clarify further the rules on small and medium-sized enterprises and to protect such enterprises from possibly dubious penalty procedures, so that only wilful and grossly negligent violations of the cartel prohibition are penalised with fines; - considers that, as part of the modernisation process, the application of competition rules by the Commission would gain further in

efficiency and consistency if competition issues relating to all sectors were dealt with by a single Directorate-General, and calls therefore for competition issues relating to agriculture, fisheries, transport, coal and energy to be transferred to the Directorate-General for Competition; - emphasises that the Commission's annual report must include all the developments and decisions that are essential for the Community and that will take place in the Member States after decentralisation.?