

EUROPEAN PARLIAMENT

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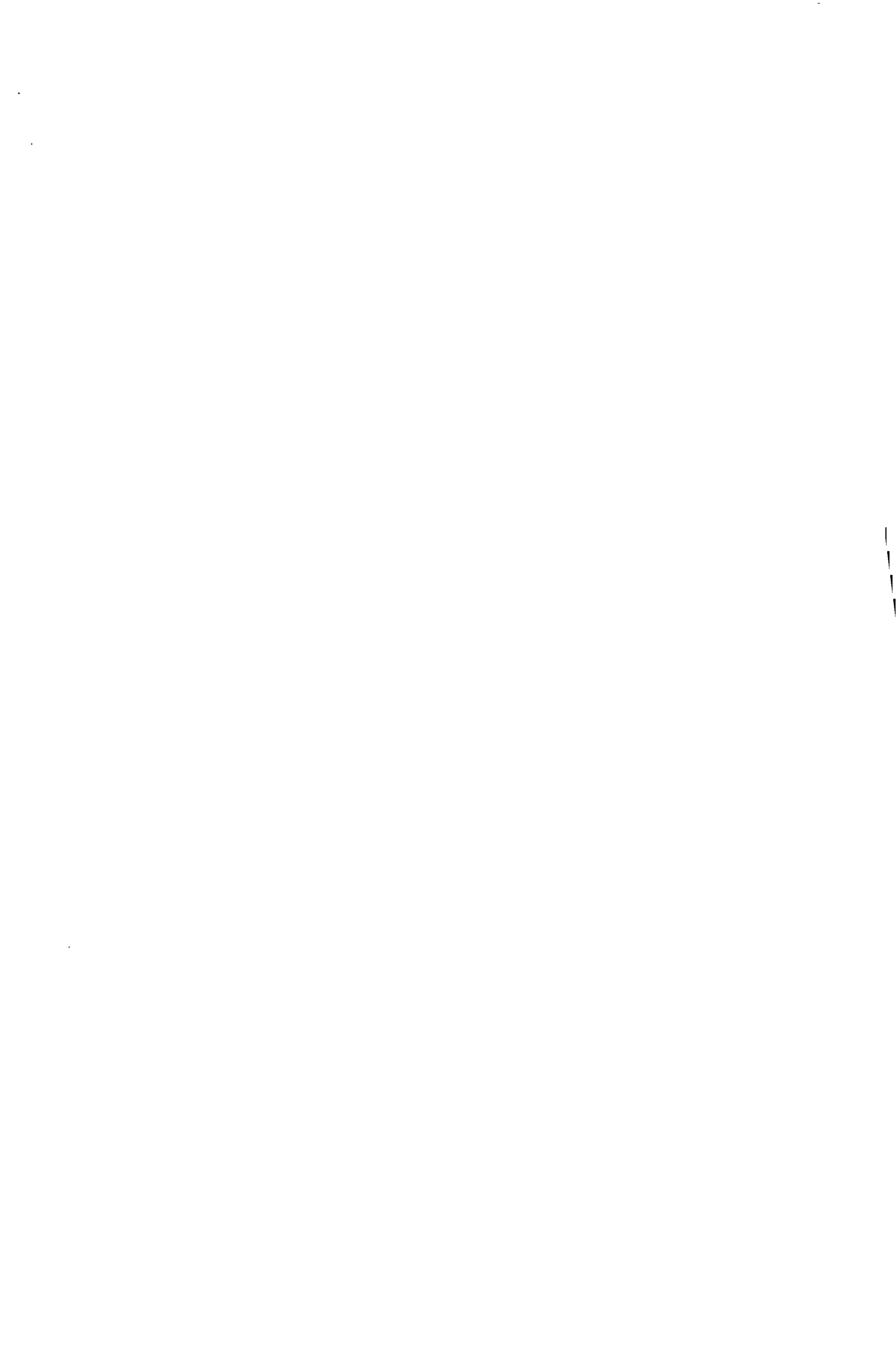
REPORT

drawn up on behalf of the Committee on Energy, Research and Technology

on the outcome of the conciliation procedure in respect of the proposals from the Commission of the European Communities to the Council for

- a Regulation (EEC) on the granting of financial support for demonstration projects relating to the exploitation of alternative energy-saving and the substitution of hydrocarbons  
(COM(82) 458 final - Doc. 1-639/82)
  
- a Regulation (EEC) on the granting of financial support for pilot industrial projects and demonstration projects relating to the liquefaction and gasification of solid fuels  
(COM(82) 555 final - Doc. 1-449/82)  
(Doc. 1-267/83)

Rapporteur : Mr T. NORMANTON



On 22 March 1983 the European Parliament informed the Council that it wished the conciliation procedure established by the Joint Declaration by Parliament, the Council and the Commission of 4 March 1975 to be opened in respect of the proposed regulations on the granting of financial support for demonstration projects relating to (i) the exploitation of alternative energy sources, energy-saving and the substitution of hydrocarbons, and (ii) the liquefaction and gasification of solid fuels.

By letter of 25 April 1983 the Council presented its common position on the proposed regulations on which the Parliament had given its opinion, and on which the request for conciliation was based.

The President referred the common position of the Council on 16 May 1983 to the committee responsible.

The conciliation meeting between the European Parliament and the Council was held on 22 June 1983.

At its meeting of 11 July 1983 the Committee on Energy, Research and Technology appointed Mr T. NORMANTON rapporteur on the outcome of the conciliation procedure pursuant to Rule 38 (4) of the Rules of Procedure.

At its meeting of 2 December 1983, the Committee on Energy, Research and Technology unanimously adopted the report and motion for a resolution as a whole.

The following took part in the vote: Mrs WALZ, chairman; Mr SELIGMAN, vice-chairman; Mr NORMANTON, rapporteur; Mr BERNARD; Mr GALLAND; Mr GHERGHO (deputizing for Mr SASSANO); Mr HERMAN (deputizing for Mr PEDINI); Mr LINKOHR; Mr MORELAND; Mr PETRONIO; Mrs PHLIX; Mr PINTAT; Mr PROTOPAPADAKIS; Mr PURVIS; Mr ROGALLA; Mr VERONESI; Mr WURTZ

The report was submitted on 6 December 1983.

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The Committee on Energy, Research and Technology hereby submits to the European Parliament pursuant to Rule 38 (4) of the Rules of Procedure the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the outcome of the conciliation procedure on the proposed regulations on the granting of financial support for demonstration projects relating to (i) the exploitation of alternative energy sources, energy-saving and the substitution of hydrocarbons, and (ii) the liquefaction and gasification of solid fuels.

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council (Doc. 1-639/82 and Doc. 1-449/82),
- having regard to the opinion of the European Parliament<sup>1</sup>,
- having regard to the common position of the Council of the European Communities (Doc. 1-267/83),
- having regard to the report of the Committee on Energy, Research and Technology (Doc. 1-1151/83),

1. Declares its reluctant acceptance of the outcome of the conciliation procedure, in the interest of the running of the Community, subject to the Council honouring its undertakings both explicitly and implicitly.

2. Notes that at the conciliation meeting the Council undertook to do everything in its power to decide on new regulations before the end of 1983;

3. Accepts that circumstances may have arisen necessitating a brief extension of this deadline;

4. Emphasises the harmful effects of undue delay on the programme, on its participants and on the Community at large;

5. States, accordingly, that if the Council fails to adopt new, multiannual regulations by 31 January 1984 then the conciliation procedure shall be automatically re-invoked.

(1) Resolution of 29.10.82, OJ No. C304, 22.11.82, p. 263

6. Deeply deplores the necessity for invoking the conciliation procedure caused by a number of actions taken by the Council which violated the budgetary role of the European Parliament. Insists that the Council and the Commission adhere strictly to their respective roles, as defined by the Treaty of Rome, and in particular that the Council of Ministers end their encroachment on the area of responsibility of the Commission.
7. Views with deep concern the role taken by Advisory Committees and recommends that a study of their working, composition and accountability be made an early priority by the new European Parliament.
8. Insists that where Commission proposals are clearly identified and structured as multiannual and agreed as such by the budgetary authorities, the Council shall throughout the duration of such programmes in no way violate this feature either by holding up the promulgation of appropriate regulations or attempting to assume powers which they do not possess.
9. Believes that the procedures for both adopting and executing regulations involving Community expenditure require urgent reconsideration to avoid delays by the Council and confusion harmful to undertakings tendering for contracts.
10. Takes the strongest possible objection to the way in which the Council conducted the conciliation on 22 June in that the representation of Member States was at such a low level of status that the Council was unable to act in a manner and with authority appropriate to the conciliation procedure. Should this occur again the European Parliament make it quite clear that they will without hesitation refuse to participate in such conciliation proceedings and take such steps as would lead to the rejection of the budget.
11. Places great importance on the need for the Commission to have right of access to institutions and firms in Member States which are engaged on programmes similar to the Community demonstration projects as being the only logical means of optimizing the benefits to the Community as a whole and the minimizing of avoidable duplication.
12. Deplores the way in which before and during the conciliation proceedings the Council prevaricated, constantly sought to avoid meeting its obligations and finally conceded regulations requiring amplification of their definition by referring to letters and minutes of proceedings.
13. Confirms its total opposition to any attempt to go back on, or to circumvent the provision of the Joint Declaration of 30 June 1982 stipulating that the setting of financial ceilings in regulations must be avoided.

14. Gives notice to the Council, having regard to the many unsatisfactory aspects of the events leading up to and arising during the conciliation procedure, that the Parliament may be compelled to review its position on the Joint Declaration, the trilogue and interinstitutional relations in general.

15. Roundly condemns the Council for attempting to utilise its legislative powers to circumvent Parliament's budgetary prerogatives by setting financial ceilings in legislative acts.

16. Reaffirms its approval of the proposals on Community demonstration projects as a commendable means of furthering the interest of the Community as a whole.

17. Draws attention to the need for Parliament to be vigilant in the defense of its budgetary prerogatives against infringements of whatever character, including the use of budget lines to sanction expenditure retrospectively on which Parliament had not been consulted in advance.

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18. Instructs its President to forward this motion for a resolution together with explanatory statement to the Council and the Commission of the European Communities and the parliaments and governments of the Member States.

## EXPLANATORY STATEMENT

I. BACKGROUND

1. The conciliation meeting which took place in Luxembourg on 22 June 1983, may be seen as the culmination of a history of political difficulties over the Community's Demonstration Projects programme.

2. It is not the purpose of the present report to rehearse the details of this history. The salient background facts are set out in the following documents:

- (i) The NORMANTON report on the Commission proposals which eventually became the subject of the conciliation procedure (Doc. 1-670/82). This was drawn up on behalf of the Committee on Energy, Research and Technology.
- (ii) The PFENNIG opinion for the Committee on Budgets incorporated in the above document.
- (iii) The PFENNIG report for the Committee on Budgets on problems of budgetary law and policy connected with the Demonstration Projects programme (Doc. 1-99/82).
- (iv) The working document by Mr ADAM for the Committee on Energy, Research and Technology on the initiation of the conciliation procedure in respect of the Commission's proposals on Demonstration Projects in the energy sector (PE 83.917).

3. The difficulties arising over Demonstration Projects have varied in detail over the years, but it is possible to distinguish two main preoccupations which have guided Parliament:

- (i) The integrity of the budgetary procedure

Parliament has considered that the Council was using its legislative powers to undermine Parliament's budgetary prerogatives, by setting financial ceilings in legislative acts.



(ii) The integrity of the executive role of the Commission

The Commission has the responsibility of executing Community legislation. Parliament has been concerned that the Council was pre-empting part of this executive role by embodying into legislative acts executive procedures which reserved important powers, directly or indirectly, to itself.

4. The Demonstration Projects programme came into being on 12 June 1978 with the adoption by the Council of Regulations (EEC) Nos. 1302 and 1303/78. The subsequent political difficulties harmed the smooth execution of the programme.

5. In 1982, therefore, when the Commission presented proposals for two new regulations to replace 1302 and 1303, there was an opportunity to make a fresh start. This only applies to the political and administrative side of the programme. As the Assessment Report on the programme published by the Commission in 1982<sup>2</sup> showed, from a technical and practical point of view the process of accumulating experience and findings from the projects themselves was already successfully under way. As far as that side of things were concerned, there was no need for a fresh start: it was more a question of building on past achievements.

6. The Commission saw the opportunity to put the programme on a positive political footing, and used it. In its proposals for new regulations, in addition to other innovations, it stated quite simply that the money for the programme would be entered in the Community Budget.

7. The Commission also abolished the executive role of the Council in participating in the choice of projects.

8. Parliament was urged to hasten its consideration of the Commission's proposals so as to enable the Council to enact them before the end of 1982, and the NORMANTON report was duly adopted on 29 October 1982.

9. What happened next, however, was that the Council had great difficulty in reaching an internal consensus. It became common knowledge that there were differences of opinion among the Member States regarding the overall level of funding to be envisaged for the 5-year life of the new regulations (1983-1987).

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<sup>2</sup>Communication from the Commission to the Council, "Evaluation of the Community Demonstration Projects in the energy sector" (COM (82) 324 final/1,2 & 3

10. On 14 March 1983, the Foreign Affairs Council reached an unsatisfactory compromise. Since there was no agreement on the overall level of funding for the five-year period, it was decided to enact the regulations for a period of one year only, i.e. the current year, 1983.

11. The implications of this decision were serious. To begin with, it is important to realise that, not only had the Commission left out any reference to a financial ceiling in the proposed regulations, but it had in any case been one of the provisions of the Joint Declaration of 30 June 1982 on improving the budgetary procedure<sup>3</sup> that the setting of financial ceilings in regulations "must be avoided".

12. In deliberating on the Commission's proposals, therefore, the most that the Council was called on to do was to form its own opinion, for the purposes of its own guidance, as to the approximate level of funding that might be appropriate.

13. It follows that, since the Council had no right to fix the level of expenditure for the programme in the regulations, failure to agree on a guide figure could not be serious enough to justify holding up the programme. Although the Member States would naturally be interested in giving themselves some kind of target figure which would serve as a guide when the time came for the council to consider the Demonstration Projects programme in the context of the budgetary procedure, as far as the immediate purpose was concerned - the enactment of a piece of legislation - the issue of the level of funding was in formal terms, irrelevant. The fact that, in spite of this, the Council decided to make agreement on the level of funding a formal prerequisite for approval of the multiannual programme, could only mean that the Council was treating the funding-level as something more than a mere guide: indeed, that it was trying to fix a ceiling.

14. As has been indicated, this was not the only issue outstanding between Parliament and the Council. However, it was one to which both the Committee on Energy, Research and Technology and the Committee on Budgets attached great importance. It seemed to have an importance which went beyond the ostensible scope of the two regulations under consideration. It called into question basic principles underlying the Community's budgetary procedure.

15. At the same time it is important to remember that the Demonstration Projects programme is one of the major elements in the Community's energy strategy.

<sup>3</sup>-----  
<sup>3</sup>OJ No. C194, 28.7.1982, p1

16. When, on 14 March 1983, the Council decided to enact the regulations for one year, this was on the basis of the commitment appropriation already available from (a) the relevant lines in Chapter 7 of the Community Budget for 1983 (48m ECU), (b) Supplementary Budget No. 1 for 1983 (30m ECU), and (c) a carry-over from 1982 (35m ECU). The total amount was 113m ECU.

17. Accordingly, although Parliament was concerned about the issues of principle involved in the conciliation procedure, it had a duty to take into account the Commission's natural wish to proceed to commit this money without undue further delay.

18. The Demonstration Projects programme was due to start at the beginning of 1983. The Council did not agree its Joint Position until 14 March. The conciliation meeting did not take place, for various reasons of practical convenience, until 22 June. Meanwhile the Commission had already invited proposals for new projects under the new regulations, but it could not actually sign contracts until these regulations were enacted.

19. There was a risk that further delay would jeopardise the Commission's ability to commit the funds available for 1983. Since the object of the exercise was to make sure that the Commission had adequate funds to execute the programme properly, this would have been an undesirable outcome.

20. In its Resolution of 29 October 1982, Parliament requested that "should the Council form the intention of departing from the proposals of the Commission as approved in the present Resolution, the conciliation procedure be opened".

21. The position taken by the Council in its meeting on 14 March 1983 (hereinafter referred to as the "Joint Position") clearly departed from the Commission's proposals in several important respects. Accordingly, the President of Parliament wrote to the President of the Council on 22 March asking for the conciliation procedure to be opened.

## II THE MEETING OF THE CONCILIATION COMMITTEE ON 22 JUNE 1983

### (a) Procedural

22. The Conciliation Committee comprised members of the Council and a delegation of 9 members of the European Parliament.

23. The Chairman of the Parliament delegation was Mr KLEPSCH, Vice-President of the European Parliament. The other members were: Mr NORMANTON, rapporteur for the Committee on Energy, Research and Technology, Mrs BARBARELLA, Vice-Chairman of the Committee on Budgets, Mr PFENNIG, draftsman of an opinion for the Committee on Budgets, Messrs. GALLAND, ROGALLA and SALZER, members of the Committee on Energy, Research and Technology, and Messrs. ADAM and ADONNINO, members of the Committee on Budgets.

24. For the Council, the Chair was taken by Mr LAUTENSCHLAGER, State Secretary in the German Federal Ministry of Foreign Affairs. No official list of the Council delegates was provided. The list of representatives of the Governments of the Member States set out at the beginning of the Press Release issued by the Council in respect of the whole of the 858th Council meeting of 21 and 22 June is inaccurate as far as the meeting of the Conciliation Committee is concerned. The level of representation varied among the different delegations of the Member States. One country was represented by its Foreign Minister, another by a junior Minister, another by an Ambassador, and so on. At least one country was represented by an official below the rank of ambassador.

25. The Commission was also represented at the meeting, by the Vice-Presidents DAVIGNON and TUGENDHAT.

26. The meeting took place in Luxembourg. It began at 10.15 am and finished at 2.05 pm, therefore lasting nearly 4 hours. Of this more than an hour and a half was accounted for by an adjournment to enable the Council delegates to agree among themselves.

(b) The meeting

27. After the opening exchange of greetings between the chairmen of the delegations, Mr KLEPSCH indicated the 4 points which the Parliament saw as the main issues to be discussed. These were:

(i) The duration of the regulations

As explained, the Council, in its Joint Position, had enacted the regulations for one year only. Parliament wished to secure a commitment from the Council on the multiannual character of the programme;

(ii) Decisions on funding

In its Joint Position, the Council had abandoned the wording of Article 8<sup>4</sup> proposed by the Commission, whereby the funding was simply to be entered in the General Budget. It had stipulated a figure "considered necessary";

(iii) The procedure for choosing projects

In its Joint Position, the Council had replaced the provisions of Article 5 concerning the procedure for the choice of projects with a new procedure which gave the Council certain powers in this area and appeared to strengthen the role of the proposed Advisory Committee, composed of the representatives of the Member States;

(iv) Exchange of information with the Member States

In its Joint Position had suppressed a provision in Article 5 of the Commission's proposal whereby the Commission was to set up a procedure for regular communication with the Member States to obtain information on national demonstration projects, to compliment information gained from the Community programme.

28. A summary will now be given of the progress of discussions in the Conciliation Committee on these points.

(i) The duration of the regulations

Mr LAUTENSCHLAGER, on behalf of the Council, said that it was accepted that this was a multiannual programme. The only reason, according to him, why the regulations had been enacted for one year only was because in March the Council had lacked the information necessary for taking a full decision. Mr KLEPSCH welcomed this statement about the multiannual nature of the programme on behalf of the Parliament, but pointed out that the text of the Joint Position made no explicit reference to this. After discussion, the Council agreed to the insertion of a specific reference to the multiannual character of the programme, either in the preamble or in Article 1 of the proposed regulations.

<sup>4</sup>References are to the proposed regulation on the liquefaction and gasification of solid fuels (COM (82) 555 final/Doc. 1-449/82). The two regulations are analogous to one another thus reference to the one will be found to apply, mutatis mutandis, to the other.

(ii) Decisions on funding

This point occupied more time than any other in the meeting. However, as indicated above, most of this time was spent, not in discussions between the Council and Parliament, but in internal deliberations among the representatives of the Member States.

After the long adjournment which these necessitated Mr LAUTENSCHLAGER announced that the representatives of the Member States had agreed on a form of words which was, however, subject to final approval by Member States Governments. He said the Council would send the Parliament the final text, which he hoped would be on the same lines as the one he was about to read out, after the Governments had given their approval.

The text which Mr LAUTENSCHLAGER read out was as follows:

- "1. The Council and the Parliament agree that the total amount considered necessary in the multiannual programme be mentioned in the regulation.
2. The amounts available annually result from the Budget of the European Communities which shall be adopted according to the budgetary procedures in force.
3. Payment and commitment appropriations shall on that occasion be fixed according to the estimated use of the commitment appropriations which were estimated necessary for the programme."

Mr KLEPSCH made the following points:

- (i) The Parliament accepted these three points;
- (ii) He could not see why the Council had taken so long to formulate the three points, or why it was unable to make a firm decision. Conciliation was supposed to be between the Council and the European Parliament. It caused problems if the Parliament saw that it was only dealing with the staffs of governments and not with the Governments themselves.
- (iii) The Parliament wished the Council to commit itself to adopting the regulations necessary to enact the multiannual programme before 31 December 1983.

Replying to the last point, Mr LAUTENSCHLAGER said the Council would do everything in its power to achieve what Mr KLEPSCH had asked, but he could not give a binding undertaking.

Mr KLEPSCH replied that he was happy with Mr LAUTENSCHLAGER's statement that the Council would do everything in its power to decide by 31 December 1983.

Mr KLEPSCH added that if the Member State Governments blocked or changed the three point text which Mr LAUTENSCHLAGER had read out, the conciliation procedure would have to be reopened. Mr LAUTENSCHLAGER accepted this.

(iii) The procedure for choosing projects

The Commission originally proposed that it should decide whether to grant or refuse support for projects after consulting the Advisory Committee, composed of representatives of the Member States. This was set out in paragraph 2 of Article 5 of the proposed regulation.

In the Joint Position, the Council proposed to stipulate that the Commission should make its decision after consulting the Advisory Committee, "and on the basis of the opinion delivered by that committee".

In addition, the Joint Position introduced a role for the Council. The two last sub-paragraphs of Article 5 (2) in the Joint Position read as follows:

"The Commission's decision shall be communicated forthwith to the Council and Member States and to the European Parliament. It shall apply upon expiry of a period of 20 working days if, during that period, no Member State has referred the matter to the Council.

Where the matter is referred to the Council, the latter shall act on the Commission's decision by a qualified majority in accordance with the terms of Article 148 of the EEC Treaty within 40 working days following such a referral."

Mr KLEPSCH invited Vice-President DAVIGNON to take a position on the Council's formulation. He said this would help the Parliament delegation.

Mr DAVIGNON said the Commission could not have accepted the formulation if it had thought its powers were infringed. However, he pointed out that the Joint Position stated clearly that "the Commission shall decide". When it said that the Commission's decision should be "on the basis" of the opinion of the Advisory Committee, the Commission did not see this as meaning that it must follow these opinions. The Commission assumed the full responsibility for its decision, he stated.

Mr KLEPSCH asked if there should be any deadline for the delivery of opinions by the Advisory Committee. Mr DAVIGNON explained that it would be for the Commission to convoke the committee as and when there were tenders to consider. At each meeting, there would be a certain number of points on the agenda. If the committee failed to pronounce on any of these points, this would be taken to mean that the committee had no observations to make.

Discussion turned to the role of the Council in the decision procedure. Asked what would happen if the Council took no decision in the 40 days following a referral to it, Mr LAUTENSCHLAGER said this was not made explicit in the regulation. He expressed the opinion that the Council and the Commission were implicitly committed to observing the time limit. He thought Council intervention would be an exception. He could not say any more on behalf of the Council.

Mr KLEPSCH stated Parliament's interpretation, which was that if the Council took no action in the 40 days, the Commission's decision was accepted. Mr KLEPSCH asked if the Commission agreed with this interpretation. Mr DAVIGNON said that the Commission could not have accepted a formulation which, in its view, might have permitted the whole procedure to be blocked.

(iv) Exchange of information with the Member States

Mr KLEPSCH asked why Article 5, paragraph 3, sub-paragraph 2, of the Commission's proposal had been dropped in the Joint Position. Mr LAUTENSCHLAGER invited Mr DAVIGNON to speak on behalf of the Commission.

Mr DAVIGNON asked for the following statement to be placed on the record. The Commission wanted regular contacts with the Member States over their national demonstration programmes. The Commission decided to propose to set up a harmonized structure for this exchange of information. The Council was worried about setting up additional bureaucracy, but the principle of the exchange of information was agreed. Ambiguity had arisen over the word "procedure". This was not intended to imply the creation of new bureaucratic machinery. The specific reference to a "procedure" had been deleted from the text so as to remove any possible ambiguity. The essence of the plan remained a reality, however. Mr KLEPSCH said the Parliament accepted this statement.



29. On behalf of the Parliament, Mr KLEPSCH said that, provided the Council confirms the agreements that have been reached during the meeting, there would be no need to pursue the conciliation procedure further. He entered the reservation that the Parliament delegation was not wholly satisfied with what the meeting had accomplished, but said its attitude was influenced by the need for the work of the Community to proceed.

30. Mr TUGENDHAT, Vice-President of the Commission, made a statement. He drew attention to the lack of ministerial representation at the meeting. He said that, but for the goodwill of the European Parliament and the Commission, the meeting might well have been abandoned. He expressed the hope that in future the Council would treat the level of representation manifested that day as a mark below which it would never again fall.

31. The Chairmen of the two delegations closed the meeting.

32. By letter of 1 July 1983, the Council confirmed the text of the joint declaration on the setting of levels of expenditure reproduced above. It also forwarded the text of an amendment to the draft regulations inserting a reference to the multiannual character of the programme into the preamble. Lastly, it provided a minute of the meeting of the Conciliation Committee.

33. On 8 July, Mr KLEPSCH responded to this in a letter addressed to the President-in-Office of the Council. He expressed Parliament's agreement with the joint declaration. He added:

"its understanding of this declaration is that a free decision on size of amounts in the budgetary procedure is not prejudiced."

34. Mr KLEPSCH's letter dealt with certain other points of detail arising from the documents supplied by the Council with its letter of 1 July.

35. Mr KLEPSCH ended his letter by saying that if the Council was able to accept the points he had made, or was able to take note of them without contradiction, the European Parliament would regard the conciliation procedure as concluded. There would then be no further obstacle to the adoption of the two regulations by the Council.

36. The regulations were adopted by the Council of Fisheries Ministers on 11 July 1983.

37. On 12 July 1983, the Council of Energy Ministers, while stressing the importance which it attached to the Demonstration Projects programmes and confirming its intention to adopt a multiannual programme, postponed a decision on the latter until its next meeting.

### III. CONCLUSION

38. Although the proceedings of the Conciliation Committee on 22 July 1983 eventually led to a rapprochement of the position of the two delegations, there was nevertheless deep concern on the Parliament side at the way in which the conciliation procedure had been conducted and over the constitutional implications for the powers of Parliament.

LETTER of 8 July 1983 from Mr KLEPSCH, Vice-President of the European Parliament, to Mr CHARALAMBOPOULOS, President-in-Office of the Council of the European Communities

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After the opening formulae, Mr KLEPSCH continues:

... I wish to advise you of the following points:

Re. Annex I:

The European Parliament will be able to accept the text on the antepenultimate recital as proposed by the Council, if the words 'in the future' are added.

The text would then read as follows:

'... and urgent to avoid an interruption to the programmes which contribute, in the future, in a multiannual context, to the implementation of the energy strategy of the Community;'

Re. Annex II:

The European Parliament endorses this joint declaration by Council and Parliament. Its understanding of this declaration is that a free decision on the size of the amounts in the budgetary procedure is not prejudiced.

Re. Annex III:

The draft minutes should be clarified and expanded as indicated below:

Points 1. A. and B. should contain the following stipulations:

- A. Limitation of the period of application of the two draft Council Regulations to 31 December 1983 (Article 10).
- B. Inclusion in the drafts of the amount of appropriations estimated necessary (Article 8) because of failure to respect the Joint Declaration of 30 June 1982.

The text on page 3 of Annex III should be expanded as follows:

Re. 1. C. The Commission provided the European Parliament delegation with clarification about the periods provided for in the draft Regulations.

No agreement could be reached between the European Parliament delegation and the Council on the need for an additional procedure after the Commission decision. The European Parliament delegation said that it considered that the Commission decision on the granting or refusal of support for projects came into force if the Council had not rejected this decision by a qualified majority within 40 days (by analogy with Article 203 (5) (b), first indent, of the EEC Treaty). The Commission supported this position of the European Parliament delegation. The President of the Council took note of this statement.

Re. 1. D. In the light of the information provided by the Commission of the European Communities on the procedure for mutual information between the Member States and the Community, which had enabled the Commission to withdraw the text originally proposed, the European Parliament delegation said it could regard discussion of these matters as closed.

If the Council adopts the proposed modifications or takes note of them as they stand, then the European Parliament will consider the conciliation procedure to have been concluded, and there would be no further obstacle to the adoption by the Council of the regulations in question.

Yours faithfully,

(sgd) Egon Klepsch  
acting President

Letter of 2 August 1983 - with annexed draft minutes - from the Council in reply to Mr KLEPSCH's letter of 8 July.

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After the opening formulae, the Council continues its reply as follows:

...

As you will have learned from the Official Journal of the European Communities, issue No. L 195 dated 19 July 1983, the Council has decided to incorporate your proposed amendments to the fifth or fourth recital of these regulations, as the case may be.

Furthermore, the Secretariat-General of the Council has amended the draft minutes of the conciliation meeting to include all of the modifications which you suggested in your above-mentioned letter of 8 July. (The revised version of the minutes is annexed).

I trust that, under these circumstances, the Secretariat of the European Parliament will be able to approve the draft minutes as modified, and remain, Mr President,

Yours faithfully,  
For the Secretary-General

W. NICOLL  
Director-General

NOTE: The text of the Minute annexed by Mr Nicoll to his letter having been found to contain one error, it was replaced, following a letter from the Parliament to the Council, by a new text supplied by the Council to Parliament on 13 September and printed in the present document as Annex 3.

Annex

Draft minutes of the Conciliation meeting of 22 June 1983 as submitted by the Council of the European Parliament on 13 September following the exchange of letters between Mr KLEPSCH, on behalf of the Parliament, and the Council

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- Conciliation with the European Parliament on the draft Regulations on demonstration projects in the energy field

1. After the President of the Council had outlined the Council's common position, the Head of the European Parliament delegation listed the points which the European Parliament thought should be the subject of conciliation, namely:
  - A. Limitation of the period of application of the two draft Council Regulations to 31 December 1983 (Article 10);
  - B. Inclusion in the drafts of the amount of the appropriations estimated necessary (Article 8); because of failure to respect the Joint Declaration of 30 June 1983;
  - C. Decision-making procedure for granting or refusing support for demonstration projects (Article 5(2));
  - D. Omission by the Council of the "procedure for regular communication with the Member States" originally provided for in the Commission proposal (Article 5(4), second subparagraph).
2. Following the Conciliation Committee's discussions, in which the Commission of the European Communities actively participated and which dealt with all the points referred to in 1, the following conclusions were reached:

Re 1.A.

Agreement on the inclusion in the preambles of the two Regulations of a reference to the multiannual nature of the pilot and demonstration programmes.

Re 1.B.

- (a) The Council communicated to the European Parliament the following position which, although still being considered by the Member States, indicated the way in which the Council intended to allay the Parliament's concern regarding the reference to amounts estimated necessary in relation to the annual budget procedures:

"The Council and the European Parliament have agreed that the overall amount estimated necessary in the multiannual programme should be indicated in the Regulation.

The amounts available annually will result from the budget of the European Communities, which will be adopted in accordance with the budget procedures in force.

The payment appropriations and commitment appropriations will then be fixed according to the foreseeable use of the appropriations estimated necessary overall for the programme."

- (b) The European Parliament delegation felt that this position was satisfactory.
- (c) It was agreed that the Council would inform the European Parliament of its final position as soon as possible.

Re 1.C.

The Commission provided the European Parliament delegation with clarification about the periods provided for in the draft Regulations.

No agreement could be reached between the European Parliament delegation and the Council on the need for an additional procedure after the Commission decision. The European Parliament delegation said that it considered that the Commission decision on the grant or refusal of support for projects came into force if the Council had not rejected this decision by a qualified majority within 40 days (by analogy with Article 203(5)(b), first indent, of the EEC Treaty). The Commission supported this position of the European Parliament delegation. The President of the Council took note of this statement.

In the light of the information provided by the Commission of the European Communities on the procedure for mutual information between the Member States and the Community, which had enabled the Commission to withdraw the text originally proposed, the European Parliament delegation said it could regard discussion of these matters as closed.

3. Following a request from the European Parliament delegation concerning the timetable for adoption of the multiannual programme which was to last until 1987, the President of the Council said that every effort would be made on the basis of the proposals expected from the Commission to ensure that the Council was able to act before the end of 1983.

4. In conclusion, the European Parliament delegation said the European Parliament could regard conciliation as completed, with the explicit proviso that the Council be in a position to confirm its final agreement as soon as possible, without any substantive amendment to its common position as set out in 2 above (re 1.B.).