



COMMISSION  
OF THE EUROPEAN  
COMMUNITIES

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### THE WEEK IN EUROPE

UK's electricity privatisation. The European Commission has approved a state aids package for the UK's electricity industry thus removing possible last-minute obstacles to the Government's privatisation time-table - tomorrow is vesting day for the industry. After long study and negotiation between UK Government experts and Commission officials, Vice-President Sir Leon Brittan presented a detailed plan for approval by his colleagues at their regular weekly meeting yesterday (Wednesday). The aids are primarily designed to cover nuclear power costs. The Commission has authorised a guarantee of up to £2,500m to cover present and future liabilities including decommissioning; use of proceeds of a levy on consumers to bring the higher cost of electricity produced by nuclear power down to market prices and to promote renewable energy sources; debt write-off of up to £1,400m for Scottish nuclear production. In examining the measures from the point of view of its competition and energy policies, the Commission has declared that they are in line with the policy of creating an internal market for energy. The Commission sought to ensure equal and non-discriminatory market access for actual and potential suppliers of electricity in other Member States so that there are no adverse effects on intra-Community trade or distortions of competition. It also notes that the new UK system introduces competition in a previously closed market and greatly increases cost transparency. During their discussion with the Commission, the UK authorities agreed to modify their original proposals so as to relax and limit certain contractual obligations between the companies, limiting the application of the levy to eight years and to the output of existing nuclear power stations and one which is nearing completion, and to providing equal treatment and access for Electricite de France currently the only non-UK supplier to the UK market. The UK has also agreed to provide the Commission by 30 June 1991 detailed figures on the new system's first year of operation and a plan outlining the future evolution of the aided nuclear sector.

New regional development funds for UK. On Monday Commissioner Bruce Millan gave his approval to two new and important regional development programmes for North Wales and the English West Midlands. The Welsh programme, in Clwyd, is to run for three years ending in 1991 and involves a contribution from the Community structural funds of 32m ecus (£24m) of which 28.5m ecus from the European Regional Development Fund and 3.5m ecus from the European Social Fund. The programme covers the travel-to-work areas of Shotton/Flint/Rhyl and Wrexham. The Community Funds' contribution will be matched by an amount of 48.89m ecus (about £36.3m) from both Central Government and local authorities. The second regional development programme - for the English West Midlands - cover the eligible areas in the Black Country, Coventry and Warwickshire, and Shropshire and Staffordshire and will receive support from the European Regional Development Fund. The programmes will run for three years and will end in 1991. The Regional Fund is providing approximately 67m ecus (£50m) towards the costs of the programmes. The UK is committed to providing 95m ecus (£69m) over the three year period.

Kohl offers backing to European integration. FRG Chancellor Helmut Kohl last week gave his powerful backing to the "unstoppable current" that he believed was now sweeping the EC towards full economic and political union. He also told the 17 European Commissioners in Brussels that he did not want to advance negotiations to establish economic and monetary union among the twelve EC States, due to start in December after the general election in the FRG. But, once begun, these European Treaty negotiations should be "accelerated because of what is happening in Germany". Chancellor Kohl added that he expected the EC Summit meeting in Dublin on 28 April, especially convened to discuss Germany unification, to deliver a clear message on the future of the Community. At the same time Kohl promised to "cooperate and communicate" regularly with the Commission as a newly united Germany becomes a de facto part of the EC. He meets Prime Minister Margaret Thatcher in Cambridge tonight where they are both addressing the Koenigswinter Conference.

Brittan urges US Banks to open up. Addressing the American Enterprise Institute during a US tour, Commission Vice-President Sir Leon Brittan urged US banks to open themselves up to free international competition. Sir Leon said the US should lift outdated laws that restrict competition between States and that may jeopardize the free access of European banks to the US. He reminded his audience of the EC's newly completed laws that open up banking to free international competition. He added: "It would be ridiculous to open up at home and not to seek the same advantages of greater competition abroad".

New controls for biotechnology companies. EC Commission Ministers, meeting in Brussels last week, adopted two Directives which will place important new controls on biotechnology companies in the EC. The measures introduce regulations for activities where organisms obtained by altering the genetic material of bacteria, plants or animals are involved. One regulation covers situations in which they are intended to be kept under physical containment, the other in which they are intended to be used in the open environment. At the same meeting there were further problems for the new European Environment Agency whose powers the European Parliament wishes to increase. A compromise agreement was reached by Member States which agreed to a review of its somewhat limited functions in two years' time. No decision has yet been taken on the location of the new agency which will be decided instead by the General Affairs Council.

New drug patent plans. New Commission plans to protect patents on drugs produced by EC pharmaceutical companies were launched yesterday. Under the plan the patent cover of European drugs on the market would rise from an average of eight years to a maximum of 16 years. The new system would oblige EC Governments to issue a certificate to replace a product's patent when it expires.

Farm Ministers discuss price compromise. EC Agriculture Ministers, meeting in Brussels this week, took a long, hard look at a compromise on farm prices put forward by Irish Agriculture Minister Michael O'Kennedy but have not yet broken the current deadlock.

Directive on radiation proposed. On the initiative of Carlo Ripa di Meana, Commissioner responsible for the environment, the Commission adopted this week a proposal for a Council Directive on the operational protection of outside workers exposed to ionizing radiation during their activities.

European reporting. The Norman Hart Memorial Fund is offering a travel grant to a British journalist under the age of 26 to report from one or more countries of the EC later this year. Further details and application forms are available on receipt of a SAE from the Hon Secretary, Norman Hart Memorial Fund, 43 Northumberland Place, London W2 5AS.

RAPID, the database containing each day's publications by the Commission's Spokesman's Service, is opening to the public on 1 April 1990. The database opening is being launched through EUROBASES, the Commission's database marketing organisation. Access will be available initially in English, French and German. Inquiries regarding database subscriptions should be addressed to Eurobases, Commission of the European Communities, 200 rue de la Loi, B-1049, Belgium. Fax 32 (2) 2360624.

Conference and Diary Dates

European Movement Spring Lecture programme, the first of a series, 5 April. The Hungarian Ambassador, Jozsef Gyorke, speaks on the results of the Hungarian elections. Lectures begin at 6.30pm in the office of the European Parliament, 2 Queen Anne's Gate, London SW1. Admission free.

General Affairs Council	2-3 April	Luxembourg
Informal Environment Ministers	20-21 April	Ashford Castle
ECO/FIN Council	23 April	Luxembourg
Agriculture Council	25-26 April	Brussels
ECO/SOC Plenary Session	25-26 April	Brussels
Informal Social Security	26-27 April	Dublin Castle
Informal Foreign Ministers	28-29 April	Ashford Castle
European Council	28 April	Dublin Castle

Our next briefing will be on Thursday, 5 April at 11.30am.