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Report

drawn up on behalf of the Committee on Agriculture

on a proposal from the Commission of the European Communities to the Council
(Doc. 460/77) for a decision on financial participation by the Community in
respect of the inspection and surveillance operations in the maritime waters of
Denmark and Ireland

Rapporteur : Mr. J. CORRIE
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By Letter of 15 December 1977 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a decision on financial participation by the Community in respect of the inspection and surveillance operations in the maritime waters of Denmark and Ireland.

The President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

On 20 December 1977, the Committee on Agriculture appointed Mr Corrie rapporteur.

It considered this proposal at its meeting of 30/31 March 1978.

At the same meeting, the committee unanimously adopted the motion for a resolution and the explanatory statement.

Present: Mr Kofoed, Chairman; Mr Ligios, Vice-Chairman; Mr Corrie, rapporteur; Mr Andersen, Mr Brégégère, Lord Brimelow, Mr Brugger, Mr Cifarelli, Mrs Dunwoody, Mr Durand, Mr Hoffmann, Mr Howell, Mr Klinker, Mr Lemoine, Mr L'Estrange, Mr W. Müller, Mr Nyborg (deputizing for Mr Hunault), Mr Pisoni, Mr Veronesi (deputizing for Mr Pistillo) and Mr Vitale.

The opinion of the Committee on Budgets is attached.

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A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement :

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision on financial participation by the Community in respect of the inspection and surveillance operations in the maritime waters of Denmark and Ireland

The European Parliament

- having regard to the proposal from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 460/77),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 39/78),
 - having regard to the previous reports drawn up by Mr Kofoed (Doc. 474/76), Mr Hughes (Doc. 150/77) and Mr Corrie (Doc. 442/77),
 - having regard to the Council Resolution of the Hague of 3 November 1976,
 - whereas very serious economic and social problems have been created by the depletion of fish stocks,
 - whereas the Community fisheries policy must seek to conserve the biological resources of the sea by means of scientifically derived management and conservation policies, including quotas,
1. Considers the rapid creation of an effective fisheries inspection and control system to be of the utmost importance;
 2. Approves, in consequence, the Commission's proposal, subject to the following reservations and observations;
 3. Rejects any proposal to restrict the financial participation of the Community, beyond the immediate period, to two Member States;
 4. Considers, furthermore, that, without increasing the total appropriations to be made available from the Community budget, the possibility should be created for the Community's financial participation to be increased :
 - (a) to 75% where necessary to allow for a more rapid creation of inspection facilities;
 - (b) to 100% for facilities to be devoted entirely to Community operations;

¹ OJ No. C 307, 21.12.1977, p. 3

and considers that, where the Community's financial participation were to be so increased, the Community's role in determining the functions of these inspection facilities should be correspondingly developed;

5. Recalls the European Parliament's insistence that inspection vessels and aircraft and inspectors should be considered as agents of the Community;
6. Points out the ever-increasing need for a greater coordination between the Member States in efforts to supervise agreements on maritime pollution, to draw up and enforce navigation rules on Community waters, to carry out maritime scientific research, to chart all new oil structures and closed fishing zones, and to develop a sea rescue capability, as well as fisheries surveillance;
7. Points out that, given the high cost of the equipment required for fisheries surveillance operations, no significant additional expenditure would be required to extend the functions of aircraft and vessels to include :
 - inspection and surveillance of fisheries;
 - inspection and surveillance of agreements to control fisheries;
 - scientific fisheries research;
 - air and sea rescue operations;
 - and identification of maritime installations endangering fisheries.
8. Considers, therefore, that to these ends a **European Maritime Agency** should be established, capable of coordinating the wide ranging functions of a European coastguard authority;
9. Believes, in consequence, that proposals to provide for the financial participation of the Community in respect of inspection and surveillance facilities should be drawn up so as to take into account and provide a Community basis for inspection facilities and the requirements of a **European Maritime Agency**;
10. Considers that the Commission and Budgetary Authority must ensure that Community expenditure will be employed in the most economic way possible and, to this end, requires that the Commission :
 - a) establish the functions to be fulfilled by vessels, aircraft and installations;
 - b) draw up criteria, in conjunction with qualified authorities in Member States, in order to ensure that ships and aircraft selected shall be the best adapted to fulfil those functions;
 - c) encourage the standardization of purchases so as to minimize total expenditure required; and
 - d) inform the Budgetary Authority of studies undertaken and decisions relating to expenditure.
11. Requests the Commission to incorporate the following amendments in its proposal, pursuant to Article 149, second paragraph, of the EEC Treaty.

Proposal from the Commission of the European Communities
to the Council for a decision on financial participation by
the Community in respect of the inspection and surveillance
operations in the maritime waters of Denmark and Ireland

Preamble and recitals unchanged

Article 1

sub-paragraphs 1 and 2 unchanged

Article 1

3. This figure may be increased :
- to 75% where it is essential that inspection and surveillance facilities should be established with the minimum of delay;
 - to 100% where the inspection and surveillance facilities are to be devoted entirely to Community operations.

Article 2

The Council, in accordance with the procedure laid down in Article 43, paragraph 2, shall not later than 31 December 1982 take a decision on the sharing by the Community after that date of the expenditure of the Member States, referred to in Article 1, incurred in the inspection and surveillance of maritime waters within their jurisdiction.

This present decision concerns the Kingdom of Denmark and the Republic of Ireland.

Article 2

Delete the phrase :
"referred to in Article 1,".

Delete

ANNEX

Paragraphs 1 to 5 unchanged

Paragraphs 6 and 7 become 8 and 9 respectively

ANNEX

¹ For full text see OJ No. C 307, 21.12.1977, p. 3

New paragraphs 6 and 7 as follows :

6. The Commission shall ensure that the expenditure will be employed in the most economic manner possible, and, to this end :

- shall establish the functions which are to be fulfilled by vessels, aircraft and installations;
- draw up criteria, in conjunction with qualified authorities in Member States, to ensure that ships, aircraft and installations selected shall be the best adapted to fulfil those functions;
- assure the standardization of purchases so as to minimize the total expenditure required; and
- inform the Budgetary Authority of studies undertaken and decisions relating to expenditure.

7. The functions to be carried out may include :

- inspection and surveillance of fisheries;
- inspection and surveillance of agreements to control pollution;
- scientific fisheries research;
- air and sea rescue operations;
- and identification of maritime installations endangering fisheries.

Paragraph 8 (old para. 6) unchanged

9. Each year the Commission shall present to the Council and to the European Parliament a report based on information supplied by Denmark and Ireland on the measures taken in respect of the maritime inspection and surveillance of the fishing zones off the coasts of Greenland and Ireland.

9. Each year the Commission shall present to the Council and to the European Parliament a report based on information supplied by Member States on the measures taken in respect of the maritime inspection and surveillance of the fishing zones off the coasts of Greenland and Ireland.

EXPLANATORY STATEMENTIntroduction : the importance of conservation and adequate control systems

1. The basic aim of a Community fishery policy, now under discussion, is to conserve the biological resources of the sea by means of scientifically derived management policies, quotas and conservation policies.

To this end the Commission has proposed a wide-ranging series of measures which include the laying down of total allowable catches for particular species and their allocation by means of quotas between Member States, together with a series of technical measures concerning, for example, the mesh size of nets, minimum size of fish to be caught and zones in which fishing is subject to specific restrictions.

Such a conservation policy is absolutely essential in order to ensure that fish stocks are maintained at a sufficient level so that there will be fish available in future years. A number of species and, in particular, herring, cod, sole and plaice, have been seriously over-fished in previous years so that important stocks are in danger of total collapse. The conservation policies consequently are of primordial importance.

2. At the same time, the European Parliament has emphasized, on numerous occasions, that conservation measures which are not backed up by sufficient control and inspection systems will not achieve their aims and, moreover, will be politically unacceptable to a number of Member States.

3. The problem of inspection and control has been rendered all the more difficult by the extension of fishing zones to 200 miles. Vast areas must be patrolled and vessels both of Member States and of Third Countries must be examined.

4. In certain Member States the fishing industry has not been highly developed, and their inspection capability reflects this fact. At the same time, these Member States are to be obliged by Community policies under examination by the Council to inspect the activities of vessels of other Member States and Third Countries. Often the inspection effort required is out of proportion to the amount of fishing undertaken by a particular Member State. This is particularly true in the waters off Ireland.

5. The necessity for a Community financial contribution to the financing of control and inspection systems has been recognized by the European Parliament and the Council.

In the reports drawn up by Mr Kofoed, Mr Hughes and Mr Corrie¹, the European Parliament has requested that the cost of inspection facilities be considered as part of the costs of a common fisheries policy².

6. The Council Declaration of 3 November 1976 recognized that the putting into operation of means of surveillance should be accompanied by appropriate measures in order to ensure that their cost is fairly shared. The Commission therefore proposes that there should be a financial contribution by the Community towards the cost of bringing into service the appropriate specialist inspection and surveillance facilities in the waters off Ireland and Greenland.

The Commission's proposals

7. The Commission proposes financing of two types of measures : the short-term and the medium-term.

The short-term measures would provide for the immediate establishment of a surveillance capacity in the period up to 31 December 1979 and includes, therefore, the leasing of coastguard vessels and reconnaissance aircraft, their equipment and operating costs.

The medium-term measures to be implemented at 31 December 1982 include the purchase or construction of coastguard vessels and reconnaissance aircraft and any alterations to land-based installations required.

The Community is to participate in the financing of expenditure incurred by Ireland and Denmark by reimbursing fifty per cent of the eligible expenditure of the Member States.

The Commission further proposes that the Council shall take a decision not later than 31 December 1982 on the Community participation in the financing of the inspection systems of Ireland and Denmark after that date.

¹ Docs. 474/76, 150/77 and 442/77 respectively

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Objectives of proposal can be approved

8. The Committee on Agriculture, in the reports drawn up by Mr Kofoed, Mr Hughes and Mr Corrie, have stated that the costs of inspection measures carried out on behalf of the Commission should be considered as part of the total cost of the implementation of the common fisheries policy.

The Committee on Agriculture can, therefore, approve the Commission's proposal for the Community to participate in the financing of the inspection systems of Ireland and Denmark. There are, however, a number of observations and reservations to be made.

Community financing should not be limited to two Member States

9. The Commission's proposals envisage the financing of control measures for two Member States only and this is true even for the period after 1982. Clearly, the immediate requirements of Ireland and Greenland are the most urgent, but there is no reason why such financing measures in the long-term should be limited to two Member States.

Moreover, it should be pointed out that a number of regional and local authorities are also engaged in surveillance operations and the purchase of vessels. It should be possible, therefore, to extend financing of control systems to such regional and local authorities. The European Parliament has called for the cost of surveillance to be considered as part of the cost of a common fisheries policy. All authorities, no matter their status, or geographical location, should benefit from Community financing where required.

Additional information required

10. Concerning control facilities in Ireland and Greenland waters, the proposal is not sufficiently clear as to the specific details of requirements. The financial estimate indicates the general nature of the zones to be kept under surveillance and gives figures concerning the nature of the vessels and aircraft required. But there is no justification at all as to why such vessels and aircraft should be required, what their functions would be, the type of operations they would have to undertake and the numbers and origin of fishing vessels to be kept under surveillance.

11. There is, however, no statement concerning the programmes undertaken at present by the Member States.

The information concerning Ireland appears to be out of date, since there are two coastguard vessels in operation, and not one as stated, while a third will shortly be coming into operation.

12. The needs of an Irish surveillance force is fairly evident but, on the other hand, the number of vessels fishing in Greenland waters is limited, and the number of Third Country vessels is severely restricted and will soon be coming to an end. Therefore, it is not clear why a sophisticated surveillance system is required and whether the functions could be better carried out by a limited number of small vessels, particularly since the climatic conditions and, in particular, fog, limit the role that can be played by aircraft.

Increased Community financial participation may be required

13. The cost of inspection systems are high. The average cost of an inspection vessel is 7 million u.a., and a reconnaissance aircraft 3.5 million u.a. It is important that inspection systems be made operational as soon as possible. Consequently, the Committee on Agriculture considers that the possibility should be provided for the financial participation of the Community to be increased from 50% to 75%. In order to allow the surveillance systems to be made operational as soon as possible, it may even be considered that in exceptional cases, where installations, vessels or aircraft will be devoted entirely to Community operations, that the Community undertake 100% financing.

14. It clearly follows that, if the Community's financial participation is increased to 75% or 100%, the uses to which such inspection systems are put should be more clearly defined and the role of the Community enlarged, with basic rules laid down.

Vessels and aircraft, put in service the the aid of an increased Community financial contribution, may be required to carry out surveillance in all Community waters and not only the national zone of the Member State benefiting from aid.

A European Maritime Agency required

15. Moreover, it should be emphasized that vessels and aircraft have multiple uses and will not be restricted to mere fisheries surveillance. There are a wide range of functions to be carried out, for example : control of agreements on maritime pollution; enforcement of navigation rules; rescue operations; and scientific research.

Increasingly, problems are arising from the maritime oil industry. There are the well-known questions concerning the policing and protection of maritime installations. There is, additionally, the problem created by the damage of fishing gear due to discarded scrap of the oil fields. Clearly, an organization is required to carry out on-the-spot inspection of damage caused to fishing gear from oil field scrap.

16. In these areas agreements are being drawn up which are increasing in their range of action and in a number of areas, particularly rules governing navigation in the English Channel, for example. A more comprehensive legal framework is urgently required.

17. There is no doubt that eventually a European Maritime Agency coordinating all these functions and providing for a Community participation, will be required. Financing of national control systems should be placed within this eventual objective and should be seen as a step towards a Community maritime authority.

Optimum use of Community expenditure essential

18. The Commission anticipate that the measures proposed will lead to a total expenditure of 70 million u.a. of which 35 million u.a. would be borne by the Community. This sum is not very substantial in terms of the surveillance requirements of the Community and the heavy cost of ships and vessels.

19. It is essential, therefore, to assume that the Community contribution should be put to the most economic use. In this, it should be remembered that the most difficult function to be carried out by surveillance vessels is the radar control of wooden trawlers. This is the most difficult function, and therefore requires the most expensive equipment.

Once acquired, such equipment can be employed for a wide range of functions, such as the detection of banks of fish, identification of polluting ships, siting of dangerous under-water objects, marine research, sea rescue, etc.

It would be an economic nonsense to develop a sophisticated surveillance capability and to limit it to one particular function.

20. The Community, therefore, should identify the functions to be fulfilled by Community-financed inspection and surveillance vessels and ships, and to undertake studies, in cooperation with the competent authorities in Member States, in order to define the criteria for the selection of vessels and ships best adapted to the functions required.

Such studies were undertaken by the United States coastguards in selecting aircraft to control the 200-mile zone, and required five years. It is to be hoped that the Community would be able to benefit from experience acquired in Member States and other countries.

21. The Community is envisaging the financing of one aircraft by one Member State and a maximum of five for charter. Other countries may require additional aircraft, adding perhaps several aircraft at a time to their fleets.

The purchase of aircraft in individual lots of very restricted numbers is an extremely expensive operation. Each State wishes to establish particular criteria and each aircraft constructed is virtually a prototype, vastly increasing the cost. Any effort to coordinate choice of aircraft and specifications, would result in enormous savings. To ensure the most rational use of resources, the standardisation of purchases should be encouraged.

22. There are clear political difficulties. Each Member State wishes to buy within its own national boundaries. But a European solution which satisfies national interests could be found.

The cost of a typical surveillance aircraft can be broken down as follows:

- aircraft : 40%
- radar and surveillance equipment: 40%
- radio, navigation and cameras: 20%

In order to allow for the standardisation of vessels and aircraft, and to allow at the same time for certain purchases to be made within each nation, it should be possible to reach an agreement so that the aircraft would be supplied by one country, the surveillance equipment by another, and the radio, cameras etc. by a further.

23. The Commission should undertake studies as to the feasibility of this approach. It would result in the most effective use of resources. And the development of a European solution would give an important boost to the European aeronautical industry and facilitate their work in gaining a share of the rapidly developing world market in fisheries inspection aircraft and vessels.¹

¹

The market in fisheries surveillance aircraft has been estimated at a minimum of 300.

Conclusions

24. An adequate fisheries control and inspection system is clearly essential, and to this end the Community should participate in the purchase of vessels and aircraft.

25. In the immediate future, such aid may be limited to Ireland and Greenland who most urgently require an additional capability. But there is no reason for such measures to be so limited in the longer term.

26. Give the need for a surveillance capability to be developed in the very near future, the Community contribution could be increased to 75%, without, however, increasing the total amount reimbursed by the Community. In exceptional cases, where aircraft, vessels or installations are to be devoted purely to Community objectives and projects, the Community contribution could be increased to 100%.

27. However, much greater information on the needs of individual Member States must be granted before the European Parliament can agree with the entry in the Budget of appropriations for the measures envisaged in the Commission's proposal.

28. The Commission, together with the Budgetary Authority, must ensure that measures taken are as cost effective as possible. To this end, the functions to be carried out by the sophisticated and expensive surveillance capability envisaged must be determined, and not simply limited to fisheries inspection by the lack of a thorough review of the possibilities and wider requirements.

The additional cost of extending the functions of fisheries surveillance forces to include control of pollution, scientific research and rescue operations would not be significant.

The advantage of a greater coordination and reinforcement of the efforts of Member States is evident. The recent oil tanker disaster in Brittany is but one more proof. For these functions to be carried out effectively, a Community Maritime Agency is required. The present proposal to finance surveillance aircraft and vessels should be the first step towards the creation of such an agency; the proposals need to be modified to take this important and urgent objective into account.

29. Finally, the Committee on Agriculture must insist that the Commission carry out studies to determine the criteria to aid in the selection of aircraft best adapted to the functions decided upon; and that the standardization of purchases be encouraged so as to limit the overall cost. This European approach would have the additional advantage of giving a boost to European manufacturers seeking to exploit the ever-growing market in fisheries surveillance aircraft and vessels.

OPINION OF THE COMMITTEE ON BUDGETS

Draftsman: Mrs K. DAHLERUP

At its meeting of 23 January 1978 the Committee on Budgets appointed Mrs DAHLERUP draftsman.

It considered the draft opinion at its meetings of 23/24 January, 1/2 February and 1/2 March.

At the meeting of 1/2 March the committee unanimously adopted the draft opinion.

Present: Mr Lange, Chairman; Mrs Dahlerup, draftsman; Mr Meintz, Mr Radoux, Mr Ryan, Mr Schreiber, Mr Shaw, Mr Spinelli and Mr Yeats.

The Commission's proposal

1. In its proposed decision the Commission seeks to enable the Community to share expenditure incurred in surveillance operations in the extended fishing zones. Such expenditure is necessitated by the arrangements adopted under the Common Fisheries Policy. Efficient conservation and management of fishery resources, which is a key element in this policy, presupposes the establishment of an effective control system.

The Common Fisheries Policy consequently also involves the adoption of uniform rules for inspection and surveillance operations. The purpose of these operations would be twofold:

- (a) to ensure rational exploitation of resources;
- (b) to control fishing carried out by non-member countries.

2. It is evident that with the coastline of the Community being so great, and with certain Member countries having a proportionately very lengthy coastline, that comprehensive surveillance would require considerable expenditure. It is proposed, following the Council declaration of November 1976, that the Community will participate in the cost of bringing into service certain inspection and surveillance facilities in the waters off Greenland and Ireland.

This would permit, in the medium-term, the purchase and, in the short-term, the leasing, of control vessels and aircraft.

3. Because the establishment of a Common Fisheries Policy is of benefit to all citizens in the Community, it is appropriate that the Community should alleviate the financial burden of those Member States with long coastlines to guard, in the context of the surveillance that is necessary to ensure the Policy's success.

Financial consequences of the Commission's proposals

4. It is estimated that the cost of the Policy over a period of five years would amount to 70 million EUA (15 million EUA for Denmark and 55 million EUA for Ireland).

During the course of the budgetary procedure for 1978 the Council approved a modification proposed by the European Parliament creating a new line, Item 8303 - 'Policing of the Community fishing zone' - which was assigned a token entry.

5. In its financial statement, the Commission estimates an expenditure of 2 million EUA for 1978, with the following breakdown of the 50% of the 70 million EUA over the next five years:

1978	2m EUA
1979	13m EUA
1980	9m EUA
1981	6m EUA
1982	5m EUA

The Commission enlarges on the financial statement with a financial estimate providing details of proposed leasing and purchase of equipment for both Greenland and Ireland. Furthermore, the Commission proposes to annex to the Council decision a note providing details as to the financing arrangements.

6. The Commission proposes, as regards operations off Greenland, the purchase of † three helicopters and spare parts (5 million EUA), one long-range aircraft (8 million EUA), modernisation of existing vessels (1 million EUA) and installation of radar and other equipment (1 million EUA). For the Irish zone, leasing of two vessels and one twin-engined aircraft (5 million EUA) and subsequently, the purchase of five vessels of about 1,000 gross tonnage (30 million EUA) and five twin-engined, medium-range aircraft (20 million EUA).

Further developments as regards the Commission's proposals

6(a). The Committee on Budgets has already questioned whether the level of 50% Community support was appropriate and sufficient to enable the Member States involved to take the necessary control and surveillance measures. This preoccupation of the Committee on Budgets has been shared by the Council where it seems that a revised figure of Community support, a total of 56 mEUA, instead of the proposed 35 mEUA, is going to be suggested.

Your draftsman understands that this figure would be divided up as follows: for Ireland 46 mEUA, for the Greenland zone 10 mEUA. It is possible that if this figure is finally approved, the budgetary consequences for the five financial years under examination would be as follows:

1978	3 million EUA
1979	23 million EUA
1980	16 million EUA
1981	8 million EUA
1982	6 million EUA

This would indicate that the major financial burden would fall in the 1979 financial year.

Commentaries of the Committee on Budgets

7. The Committee on Budgets

- (i) considers that the decision proposed is appropriate for Community support, and financing from the general budget;
- (ii) welcomes the fact that the financial statement and financial estimate are considerably more informative and detailed than usual and conform to the requests by the Committee on Budgets for exhaustive information;
- (iii) approves the fact that, in the proposal for a decision, the exact amount of expenditure envisaged in the different financial years has been left sufficiently open to enable the budgetary authority to make its decision during the budgetary procedure;
- (iv) notes with satisfaction that the EAGGF Committee is to be given a purely consultative role as regards the financial aspects, the Commission taking the decisions on the applications received;
- (v) approves equally the fact that the Commission will present an annual report to Parliament and to the Council on information supplied by the two beneficiary states on the measures undertaken;
- (vi) having requested and received further information as regards the means of financing the extra expenditure envisaged for 1978, extra administrative burdens, the reasons as to the decision to lease equipment in the short-term with subsequent purchase and the reason for the level of Community participation proposed, ⁽¹⁾ asks the Committee on Agriculture to communicate to it any further information on the financial aspects which may arise in the course of the adoption of its report;
- (vii) considers that the Commission should amplify its control procedures to ensure that the facilities for which the Community aid was granted are being used for the purposes intended; to that end it would be appropriate if the Court of Auditors received the annual report intended for the Council and Parliament, so that it could make observations on any particular problems that might arise in the control context;
- (viii) insists that if the Council should intend departing from the Commission's proposal or the views of Parliament as regards the financial consequences of the proposal in any significant way, the European Parliament should be consulted and informed and, if necessary, the conciliation procedure invoked.

Conclusions

8. Subject to the reserves formulated in sub-paragraphs (vi), (vii) and (viii) above, the Committee on Budgets gives a favourable opinion on the Commission's proposal.

⁽¹⁾ PE 52.464, Questions put by members of the Committee on Budgets at its meeting of 1 February 1978 together with the answers given by the Commission.

