

March 2006

A legal update from Dechert's EU & Competition Group

EU Briefing

The following briefing sheet contains an overview of the activities of the various European Union institutions for January and February 2006. It also takes a prospective look at the events in the month of March 2006.

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INSTITUTIONAL ACTIVITIES

COMPETITION

The EU Commission proposes amendments to 2002 Leniency Notice

The Commission has published for consultation amendments to the 2002 Commission Notice on Immunity from fines and reduction of fines in cartel cases (the "Leniency Notice"). The changes reflect the concerns about the risk of discovery in civil damage proceedings, in particular in third country jurisdictions, of corporate statements made to the Commission under its leniency programme. The use of such statements in civil damage proceedings could jeopardise the effectiveness of the Commission's leniency programme by dissuading companies to cooperate voluntarily. Therefore, the Commission proposes a special procedure for the protection of corporate statements made by cartel participants to the Commission in the context of its leniency programme.

Under the current regime laid down by the Leniency Notice, informants which voluntarily cooperate with the Commission in revealing cartels can be put in a significantly worse position in respect of civil claims than other non-cooperating cartel members, due to the fact that they disclosed in detail their own involvement in the cartel and the fact that other parties have access to their statements during the proceedings. Such corporate statements can be used against the cooperating companies in civil damage procedures.

The main purpose of the new procedure is to provide a more secure system by which companies willing to "confess" their participation in a cartel to the Commission can do so and limit the risk of their corporate statements being used against them in procedures that are not in application of the European competition rules.

The proposed amended 2002 Leniency Notice maintains the key provisions of the Notice, but adds an introductory statement and an annex, which will form an integral part of the Notice, detailing a special procedure to protect corporate statements which have been made to the Commission by the leniency applicants. The key features of the proposed amendments are the following:

- Introduction of a policy statement clearly indicating that the ordering in civil damage proceedings of corporate statements could undermine the effectiveness of the leniency policy and highlighting the Commission's willingness to intervene as *amicus curiae* in civil proceedings.
- Companies will be allowed to make their corporate statements orally. In such cases, the Commission will make its own

transcript of the statements, which might be corrected by the company within certain deadlines.

- Parties seeking access to corporate statements will be required to sign a document whereby they commit that documents obtained through access to the file may only be used for the purposes of judicial or administrative proceedings for the application of Article 81 of the Treaty.
- Access to the file, including corporate statements, is given only for the purposes of administrative and judicial proceedings for the application of Article 81 of the Treaty.
- Access to corporate statements will be granted by allowing parties concerned to read written corporate statements and transcripts of oral corporate statements at the premises of the Commission and to take notes. No mechanical copies of corporate statements will be allowed.
- If a party concerned by the proceeding abuses its right of access to the file, the Commission may seek to sanction such behaviour by lodging a complaint with the bar association of the lawyer who was allowed access to the file and/or by seeking a higher fine for the company in question either during the cartel decision or in subsequent proceedings before the Community Courts.

The procedure for corporate statements will apply to all new and on-going leniency applications from the date of publication of the amended Leniency Notice in the Official Journal. The draft amendment to the 2002 Commission Notice is open for public comment until Monday, 20 March 2006.

Microsoft to License Windows Operating System Source Code

In an attempt to resolve its ongoing dispute with European regulators, Microsoft has announced it will license the source code of its Windows operating system to allow access to rival software companies. In the run up to its appeal to the Court of First Instance (CFI) against the record fine imposed on it by the European Commission in 2004, Microsoft has also made a number of allegations against the Commission.

Microsoft was held to abuse its dominant position in the market for personal computer operating systems by withholding information from work group server operating systems providers and by bundling media players. By virtue of a decision on 24 March 2004, the

Commission imposed a fine of €497 million (\$608 million), and ordered Microsoft to:

1. disclose sufficient interface documentation to allow competitor work group servers to achieve full interoperability with Windows PCs and servers (the 'Inter-operability remedy'); and
2. offer a version of the Windows operating system which does not include Windows Media Player (the 'Unbundling remedy')

Microsoft lodged an appeal with the CFI, challenging the Commission's demands in relation to the disclosure of source code information, which is expected to be heard by the CFI between April 24 and 28 of this year.

On 21 December 2005, the Commission sent a Statement of Objections to Microsoft, in which it alleged non-compliance with the Inter-operability remedy and threatened to impose daily fines of €2 million (\$2.5 million). The Commission urged Microsoft to produce adequate documentation to ensure the inter-operability of systems. Microsoft issued a formal response to the Commission's Statement of Objections, on the deadline of 15 February 2006 set by the Commission (see below).

On 25 January 2006, Microsoft announced it would license the Windows server source code for the technologies covered by the Commission's decision and instructions for Windows, allowing Microsoft's competitors to view the Windows source code and develop inter-operable products.

Following Microsoft's announcement that it intended to licence the source code for its Windows operating system, on 30 January 2006 Microsoft sent a letter to the EU Competition authorities, accusing the Commission of denying Microsoft access to important information about the dispute, and, consequently, "seriously prejudicing" Microsoft's defence because it was prevented from preparing its upcoming appeal as best as it can. Microsoft wishes to obtain "correspondence sent between the Commission, Microsoft's rivals and the hearing officer" overseeing the case. Commission Competition Policy spokesman, Jonathan Todd, stated that the "rights of due legal process" must be "balanced with the rights of third parties involved in the case". He added Microsoft "does not have a right to the business secrets of other firms".

On 15 February 2006, Microsoft submitted its formal response to the Statement of Objections. The Commission stated it will carefully study Microsoft's announcement, and then decide whether Microsoft has fully and accurately complied with its 2004 decision. The Monitoring Trustee, a reputed British computer science

professor, and recommended to the Commission by Microsoft itself, is currently carrying out market tests on Microsoft's source code.

Microsoft also issued a press statement detailing certain aspects of its response on 15 February 2006. Microsoft announced it complied fully with the requirements concerning technical documents set down by the Commission's decision in March 2004, and claims neither the Commission nor the Monitoring Trustee have read the latest information made available by Microsoft. Microsoft argues "the Commission has ignored critical evidence in its haste to attack the company's compliance". Microsoft's response also outlines how Microsoft repeatedly requested from the Commission a clear outline of the information it required from Microsoft, but no guidance was forthcoming from the Commission.

Microsoft has since submitted a supplement to its response, in which it alleges that the Commission "actively encouraged" competitors of Microsoft "to educate the [Monitoring] Trustee in a manner detrimental to Microsoft" at "unsupervised and undocumented meetings" between the Monitoring Trustee and a number of Microsoft's competitors. Microsoft bases these allegations on a charge sheet served on it by the Commission with the Statement of Objections, which refers to "three day evaluations agreements". These agreements paved the way for a number of Microsoft's rivals to discuss Microsoft data with the Monitoring Trustee. Microsoft Associate General Counsel, Horacio Guiterrez, alleges these meetings breached "the Commission's own procedural safeguards as well as principles of due process", and cast doubt over the independence of reports submitted by the Monitoring Trustee.

On March 30 and 31 2006, the Commission will hold, at Microsoft's request, an oral hearing with Microsoft, its competitors and the Commission, on the issues raised by the Commission in its Statement of Objections. Any decision on whether a fine (daily or otherwise) should be imposed would be subject to Microsoft's appeal of the Commission's decision in March 2004 to the CFI, to be heard in April this year.

Advocate General's Opinion on Graphite Electrodes Cartel Appeals

The Advocate General ('AG'), L.A. Geelhoed, handed down opinions on appeals made to the European Court of Justice (ECJ) by members of the graphite electrodes cartel and the European Commission.

In 2001, the Commission fined eight American, German and Japanese companies a total of €220 million for a series of agreements and concerted practices regarding graphite electrodes which are important components used in the production of steel.

The Commission found that the cartel players had fixed prices for graphite electrodes on a global basis, agreed to protect their own geographical markets, and prevented the transfer of technology outside of the cartel businesses.

All but one member of the cartel appealed to the CFI on the size of fine imposed by the Commission. The CFI found the Commission had misapplied its Notice in the method of setting fines. Therefore, it reduced the fines imposed on the companies.

SGL Carbon ('SGL') further appealed this decision to the ECJ, seeking an additional reduction of the fines imposed. The Commission also appealed to the ECJ, challenging the CFI's decision that SGL merited a reduction of its fine under the Leniency Notice for providing certain information that had already been requested by the Commission.

The appeal lodged by SGL related to the calculation by the Commission of SGL's basic fine. SGL claimed that the Commission had failed to take account of fines which were already imposed by the North American authorities for the same offence, and that the Commission was wrong to increase the fine for warning other cartel participants by 25%. SGL also claimed the Commission had failed to take account SGL's poor financial standing.

The AG proposed to dismiss SGL's appeal, stating that:

1. there is no precise mathematical formula which the Commission is obliged to follow when calculating fines to be imposed;
2. the Commission is not prevented from imposing fines where fines for the same offence had already been imposed by another authority; and
3. the Commission had been correct to conclude that SGL's warning to other cartel participants about investigations by the Commission added to the gravity of the original offence.

Therefore, the Commission's action had been neither disproportionate nor discriminatory. The AG stated that the poor financial situation of an undertaking is not a factor the Commission must consider when setting a fine. If it were, there would be an unjustified competitive advantage to undertakings less well adapted to market conditions.

As mentioned above, the Commission, in its appeal claim argued that a substantial proportion of the information provided by SGL was, in fact, part of SGL's reply to a formal request for information made by the Commission, and, therefore, that a further reduction of their fine, as ordered by the CFI, should not be granted. The AG agreed with the Commission's reasoning, stating that the production of the relevant documents could not be seen as voluntary cooperation under the Leniency Notice.

The AG recommended, therefore, that the ECJ should revise the level of reduction granted to SGL from 40% to 34%, which would raise the fine to be €75.7 million. The ECJ, which follows the recommendation of the AG in the majority of cases, has never increased a fine decided by the CFI.

Commission Raids Offices in Air Freight Cartel Probe

On 14 February 2006, the European Commission carried out unannounced inspections at the premises of several major airline companies, such as British Airways, Lufthansa, Air France-KLM and other air cargo companies, because it had "reason to believe that the companies concerned may have violated" Article 81 of the EC Treaty.

Also, the Commission's American counterpart, the Department of Justice, confirmed that they carried out inspections of airline companies on the same day. Gina Talamona, spokeswoman for the US Department of Justice stated there were coordinated efforts "with the EU and other foreign competition authorities".

The European Commission suspects several airline companies, active in the air freight business, of price fixing in relation to a surcharge levied on air freight rates. This surcharge would relate to fuel price changes, security (following the attacks on 11 September 2001) and risk of war (following the invasion of Iraq in 2003). The Commission did not specify which companies were subject to unannounced inspections, but stated it had begun investigating and issued "requests for information" to certain companies.

The leading air freight handlers in terms of revenue are freight delivery specialists United Parcel Services (UPS) and Federal Express (FedEx). UPS stated they had received an informal inquiry by US antitrust officials, but was informed that it was not a target of the investigation. FedEx have said that they had not been contacted about this matter. DHL have confirmed that they also were not targeted by the investigation.

The investigation so far focuses on members of the three alliance airline groupings within the airline industry; the Star Alliance, Oneworld and Skyteam.

The investigation is only at a preliminary stage. However, if evidence is found during the inspections, the next stage might involve notifications of so-called "statement of objections", i.e. grievances, by which airlines are given the opportunity to formally defend themselves in relation to the findings of the Commission. Cartel members may be subject to financial penalties of up to 10% of an entity's worldwide turnover.

AG Recommends Dismissal of British Airways' appeal of Abuse of Dominant Position Decision

Advocate-General J. Kokott has submitted her opinion to the ECJ on an appeal made by British Airways against the decision of the CFI finding that British Airways (BA) infringed Article 82 of the EC Treaty.

This matter dates back as far as 1993, when Virgin Atlantic Airways, one of BA's main rivals, made a complaint to the Commission about BA's commission system for travel agents selling BA's tickets. The Commission investigated this complaint, and, in July 1999, ordered BA pay a fine of €6.8 million (\$8.1 million) for infringing Article 82. The Commission held that BA's commission system for travel agents selling BA's tickets constituted an abuse by a dominant undertaking. The system provided for an increased rate of commission once a travel agent achieved a specified sales target, which would apply to all BA tickets sold, not just those exceeding the threshold. The effect of the system was such that as a travel agent's sales approached the threshold, the financial incentive for that travel agent to sell the few tickets required to reach the threshold was very significant, and so there was a strong incentive not to sell tickets of competitor travel service providers' tickets.

BA, having altered the structure of this system in 1998, appealed this decision to the CFI, but the CFI confirmed the Commission's finding of dominance and abuse. BA then appealed to the ECJ claiming that the CFI erred in its finding that BA had abused its dominant position.

The AG believes that BA's appeal should be dismissed in its entirety, because none of BA's grounds of appeal have any real prospect of success. The AG stated that there were two important criteria to be considered when determining the legality of a commission or bonus system:

1. whether the scheme makes it more difficult or impossible for competitors to have access to the market, and, as such, is weakening existing competition (the 'foreclosure effect'), as opposed to

- just protecting commercial interests by using the methods of normal competition; and
2. whether an objective economic justification exists for the bonus system by which the foreclosure effects can be compensated for by efficiency advantages, the effects of which also benefit customers. If the foreclosure effect is offset by other advantages for competition and consumers, it might not be regarded as abusive.

In the AG's opinion, this is not the case regarding the bonus system put in place by BA. This case is interesting because it provides the ECJ with an opportunity to clarify the conditions under which bonuses or commission granted by a dominant undertaking will be considered to be an abuse of a dominant position.

Telefonica in Abuse of Dominant Position - Spanish Commercial Court Awards Damages

The Spanish Commercial court in Madrid has ordered Telefonica to compensate Conduit in granting discriminatory access to its client database.

Telefonica has held a dominant position in the Spanish market of fixed telephony services since 2003, until which time it had a monopoly position. Under a Ministerial order, Telefonica was obliged to periodically disclose its client database to the Telecommunications Supervisory Commission. This was to allow directory services providers to access it.

Conduit, a company established in another EU Member State providing directory services in Spain, sued Telefonica for damages, on the grounds that Telefonica violated the provisions of the Ministerial Order and Article 82 of the EU Treaty by providing Conduit with information of a lower quality than that available for its own telephone information services. Consequently, Conduit was obliged to seek and pay for information from alternative sources, thereby incurring additional costs.

The Spanish court confirmed Telefonica's behaviour constituted an abuse of a dominant position. It had unreasonably denied access to its database, which was necessary to provide telephone directory services, and so prevented competitors from other EU Member states from entering the market, thereby affecting intra-Community trade. With regards to the amount of loss suffered by Conduit, the court granted damages amounting to €639,003 (\$760,835) to be paid by Telefonica.

Commission Gives Approval for Irish Insurance Acquisition

The European Commission has cleared the proposed acquisition by UK insurance giant Aviva Plc of Ark Life Assurance Company Limited, a wholly-owned subsidiary of Allied Irish Banks Plc. Aviva and Ark hold the third and fourth largest proportion of market share in the life insurance market of the Republic of Ireland.

Ark Life, currently owned by AIB (Allied Irish Banks), underwrites and sells a portfolio of life insurance products. UK based Aviva provides a range of insurance and savings products and fund management services. It serves 30 million customers worldwide, of which half are in the UK. The Commission concluded that the merged entity would not impede effective competition in the EEA (European Economic Area), because a number of strong rivals exist in the market, and, in addition, it will continue to face competitive constraints imposed by new market entrants.

AG's Opinion Relating to Maximum and Minimum Rates for Legal Fees in Italy

In May 2004, the Italian Court of Appeal in Turin and the District Court in Rome each referred a question to the ECJ, concerning application of Italian legislation imposing a regime of minimum and maximum fees for services provided by lawyers.

The Italian legislation states that the criteria for minimum and maximum fees for lawyers' services must be determined every two years by the Consiglio Nazionale Forense (National Council of the Bar) (CNF), and must then be approved by the Minister of Justice. The fee criteria are set by reference to the value of the case, the level of the court, and, for criminal matters, the duration of proceedings.

Although implementation of a scale for lawyers' fees greatly affects competition for lawyers' services within the European Community, the ECJ has previously determined that this Italian law is not contrary to EC competition law, because the rules determining the scale were laid down by the legislator, there is no "substantial delegation" of control or responsibility by the State to private economic undertakings, and the court enjoys sufficient discretion over the implementation (Case C-35/99 *Manuele Arduino* 2002 ECR I-1529).

The cases in question referred to the ECJ require two questions to be addressed. The first is whether the legislation fixing minimum and maximum legal fees for lawyers (also for out-of-court services and prohibiting any derogation from the scale of lawyers' fees) constitutes an infringement of Article 81 of the EC Treaty, which

prohibits agreements between undertakings restricting competition within the European Community. The second question relates to whether that same legislation constitutes an infringement of Article 49 of the EC Treaty, in that it restricts the free movement of services.

On 1 February 2006, the Advocate General (AG), M.P. Maduro, handed his opinion to the ECJ on the questions these cases raised. With respect to the first question, the AG refers to the *Arduino* case and states that both a measure fixing a scale for lawyers' fees, including out-of-court services, and a measure preventing lawyers and clients making agreements to deviate from the scale is not prohibited by Article 81 of the Treaty, and is therefore compatible with Community competition law, provided that:

1. there is effective supervision of those measures by the State; and
2. the Italian national courts, who are under the duty to interpret the national law in conformity with Community law, do so, so as to not increase the anti-competitive effect of that measure.

With respect to the second question, it is the AG's opinion that Italy's legislation fixing minimum and maximum fees for lawyers constitutes an infringement of Article 49, because it restricts the free movement of services within the Community due to the fact that the fee levels have been fixed with regard to purely national situations. This infringement could be permitted if it is both justified by a public interest objective, and proportionate in seeking to reach that objective.

However, the minimum and maximum fees prevent lawyers from other Member States from providing services at a lower level fee than those fixed by the CNF (made up of Italian lawyers), dissuades foreign lawyers charging higher fees from providing services in Italy, and prevents foreign lawyers from fixing their fee using different calculation systems (such as a success fee) which obliges them to make additional adaptation costs.

Therefore, the AG considers that the ECJ should conclude that principle of free movement of services has been infringed by the Italian legal fee system. The ECJ usually follows the opinion of the AG, and, if it does so here, this judgment has the potential to have far-reaching effects on Italy and Germany (which also regulates its lawyers' fees) on how legal fees can be regulated.

Appeal Against Rejection of Complaint Alleging Infringement by Belgian telecoms operators

On 18 November 2005, Gerolf Annemans, a Member of the Belgian Parliament and the Parliamentary Assembly of the Council of Europe, lodged an appeal against the European Commission's decision not to pursue any further investigations in relation to the alleged infringement of Articles 81 and 82, by virtue of the activities of two Belgian telecoms operators (Belgacom and Telenet) on the market of broadband internet connections to end users.

Mr Annemans appealed to the CFI to annul the Commission's decision stating that the information provided to it at the time was not sufficient to carry out a further investigation into the operations of Belgacom and Telenet. Mr Annemans raised the following points in his appeal:

- The Commission was wrong to conclude he had failed to prove the infringements. The onus of proof lies with the Commission based on the presumptions submitted by the complainant.
- By stating that the market leader's price is often the benchmark from which other service providers set their prices, the Commission failed to explain why the nearly identical market prices of Belgacom and Telenet were not in breach of Article 81.
- The Commission was wrong to simply accept there was no infringement of Article 82 in relation to the high prices in Belgium for broadband internet connection, without carrying out any investigation in this respect.
- The Commission was wrong to doubt about the dominance of the two undertakings on the market for broadband internet connections only due to the fact that there are cheaper, slower internet connection providers on this market.
- The Commission failed to provide adequate reasoning for concluding there was insufficient Community interest in authorising further investigations to be carried out.

Commission Approval for Adidas to Acquire Reebok

The European Commission has given the go-ahead to a proposed €3.1 billion (\$3.7 billion) acquisition of US-based Reebok International Ltd ('Reebok') by the German company adidas-Saloman ('Adidas'). If this merger does proceed to completion it will create a leading group in the European and worldwide markets for sports and leisure shoes, clothing and equipment.

Adidas and Reebok are global heavyweights in the supply of sports and leisure footwear, clothing and equipment. Both are very strong players in the market for athletic footwear in Europe, which is where the Commission focused its investigation on. However, the Commission viewed Adidas and Reebok to have different brand and pricing positions. Adidas is perceived as a professional, technically-oriented brand with strong European roots, and is positioned in the medium to high price points. Reebok is seen as a 'leisure' brand, targeting young people and women. It has a stronger presence in America than Europe, and is positioned in the low to medium price points.

The investigation revealed horizontal overlaps between Adidas' and Reebok's businesses, but the acquisition would not significantly impede effective competition within the EEA. The Commission felt there is sufficiently strong competition from several other manufacturers with significant market shares and strong brands, and consequently approved the acquisition.

In an unrelated case in October 2005, the Commission gave the go-ahead, albeit subject to conditions, for the sale of Adidas' Salomon business division to the Amer Sports Corporation.

FINANCIAL SERVICES

Commission Encourages Market-led Proposals for Clearing and Settlement Solutions

The European Commission has encouraged members of the European securities trading industry to come forward with their own proposals for alterations to the current system of clearing and settlement, before the Commission makes its final decision on the changes it requires to be made.

Clearing and settlement processes complete securities trading transactions. Once a seller agrees to sell and a buyer agrees to buy a security, clearance ensures both the buyer and the seller agree to an identical transaction. Finally, settlement occurs, whereby the security is transferred from the seller to the buyer, and the consideration funds are transferred from the buyer to the seller.

A significant part of the problem with the current clearing and settlement system are the so-called 'vertical silos'. These are national monopolies on trading, clearance and settlement in localised areas which limit competition in share trading, and

contribute towards the high cost of cross-border trading.

Leading London-based banks had previously lobbied to the European Commission for a pan-European share clearing system, because they believe European financial markets are losing out on investors who prefer to invest in the US, because of the increased cost of trading across the borders of European Member States. The current clearing and settlement system discriminates against companies whose shares are listed and traded on the national stock exchanges in mainland Europe. The European Commission acknowledges the pricing of trading of securities within domestic markets in Europe is competitive, but states that cross-border securities trading can be eight times more costly. Chairman of the London Stock Exchange Chris Gibson-Smith is adamant that barriers, such as high costs for trans-European securities trade, must be removed in order to stimulate the growth of European capital markets.

European Commissioners Neelie Kroes and Charlie McCreevy announced it was obvious the "present system is untenable" and that changes were necessary.

COMPANY LAW

EU Commission Questions France's Takeover Law

The President of the EU Commission, José Manuel Barroso, has voiced concerns that national Governments acting to protect their own national companies are restricting the free movement of capital within the EU. The President has requested that politicians avoid "nationalistic rhetoric", because it will undermine Europe's ability to face forthcoming challenges.

Earlier this year, France approved a decree which increases protection of eleven key industries against foreign takeover bids. The decree requires foreign firms to obtain a special clearance from the French Government before they will be permitted to buy into a company within one of these industries. The EC Treaty permits restrictions on the free movement of capital only within industries relating to national defense, territorial security and the public sector. In January, the Commission sent a letter to France requesting it to explain the compatibility of this decree with the EU Treaty rules on the free movement of capital.

The French senate has now also adopted a 'poison pill' bill, to be voted for approval imminently. Under this proposed legislation, French companies will be able to better prevent takeover bids made by foreign companies from succeeding, by issuing stock warrants at a discount. This means a successful takeover would be more costly.

The poison pill acts to deter the foreign bidder from continuing.

TELECOMMUNICATIONS

Conditional Approval for Acquisition of O2 by Telefonica

Telefonica, the Spanish incumbent mobile telephone operator, providing fixed and mobile telephony services in Spain and the Czech Republic notified to the European Commission the proposed acquisition of O2, which provides mobile telephony services in the UK, Ireland and Germany. Both offer international roaming services to other telecommunications companies. Telefonica and O2 belong to different international roaming alliances, and the Commission had identified this as a competition concern during its investigation of the proposed acquisition.

Network operators buy international roaming services from each other, allowing consumers to make and receive calls via a host network whilst travelling abroad. Alliances of network operators were created with the goal of improving international roaming services. The Commission was concerned that O2 would move from its 'Starmap' alliance to Telefonica's 'Freemove' alliance (because it is larger than Starmap) following the acquisition. As a result, O2 could be less willing or able to exchange international roaming traffic with network operators that were not members of O2's new alliance and this could have an adverse affect on the market for international roaming services and distort roaming charges.

Telefonica's offer of \$17.7 billion (€31 billion) for O2, made in October 2005, has now been given the all clear by the European Commission subject to Telefonica's withdrawal of its membership from the 'Freemove' international roaming alliance. Telefonica agreed to withdraw from its alliance as soon as possible, and not rejoin it without the Commission's consent. On completion of the acquisition, the new entity will be the second largest international mobile telephony operator.

Commission Calls on Greece to Implement Electronic Communications Liberalisation Directive

The European Commission announced it has sent a formal request for information to Greece, regarding its compliance with an ECJ (European Court of Justice) ruling, concerning Greece's obligations under Directive 2002/77, which liberalises the telecommunications industry.

The Directive requires Member States to remove exclusive or special rights for the establishment or provision of electronic communication networks, or for the provision of publicly available electronic communications services. The Directive also increased the scope of previous liberalisation legislation to include all electronic communications services such as broadcasting. Member States were set a deadline of 24 July 2003 to ensure all market players had equal rights to provide services and to open these markets up to competition.

Greece has not taken the necessary legislative or administrative measures to implement this Directive, and is the only Member State not to have done so. "Greece must implement this long-overdue Directive immediately to ensure that Greek businesses and households are no longer denied the benefits enjoyed in other Member States," said Competition Commissioner Neelie Kroes.

The Commission believes Greece's failure to comply with the Directive has been a contributing factor in the low level of competition in the fixed voice telephony market, and the low penetration of broadband services. Greece's current broadband penetration rate is the lowest of Member States in the EU, at just 1%.

The Commission's formal request for information is the beginning of infringement proceedings being brought against Greece. Greece now has until 20 March 2006 to prove to the Commission that it has implemented the Directive, as ordered by the Court. If Greece cannot produce evidence that it complied with the ruling, the Commission may refer Greece to the ECJ for a second time and request that the ECJ impose fines on Greece, in the form of periodic penalty payments, lump sums or both.

Commission Approves Spanish Regulator's Proposed Regulatory Measures on Mobile Telephony Market

The Spanish Telecoms Regulator, Comisión del Mercado de las telecomunicaciones (CMT), has proposed regulation of the market for mobile and call origination in Spain. This regulation has been approved by the European Commission.

The EU electronic communications regime requests that national regulators carry out a market review prior to imposing ex ante regulation on operators. It is only possible for regulation to be imposed if an operator is found to have a significant market power and the market is not effectively competitive. Under Directive 2002/21 (the Framework Directive), the national operators must submit their market review findings to the Commission for consultation. The Commission has the power to veto the proposed regulation.

In January 2005, following a review of the wholesale market, CMT submitted a draft regulatory measure to the European Commission in relation to the wholesale market for access and call origination on public mobile telephone networks. These services are purchased by mobile virtual network operators from network operators to offer retail mobile telephony.

Currently there are three mobile network operators in Spain: Telefónica, Vodafone and Amena. These three operators collectively hold a dominant position in the wholesale market. No mobile virtual network operator (MVNO) has yet been granted access to the network of the operators. CMT concludes that the operators have tacitly agreed not to allow other operators access to their network, in order to maintain prices at a high level (mobile telephony charges in Spain are more costly when compared to other European Member States). CMT proposes to organise access to MVNOs, to enable them to compete on the market for retail mobile telephony.

The Commission agrees that the Spanish access and call origination market is not effectively competitive and confirms that the three network operators hold a collective dominant position. The Commission, therefore, approves CMT's proposed regulation to require these three operators to provide access and 'origination services to MVNOs'. The resulting increased competition should lower mobile telephony charges.

STATE AID

Commission Brings Court Action Over Inaction by Belgium and Italy regarding Illegal State Aid

The Commission announced it will bring actions before the ECJ against both Belgium and Italy after previous decisions declaring aid incompatible with the common market and was, therefore, illegal. Neither State has recovered the illegal aid.

In 2002, the Commission declared that aid granted by Belgium to the Beaulieu group was incompatible with the common market, because it did not facilitate development and was liable to alter the conditions of trade, and should be recovered. Belgium had begun legal proceedings to enforce this decision, but the aid has not been repaid. The Beaulieu group brought an action before the CFI, challenging the Commission's decision. Belgium suspended recovery proceedings pending the outcome of the case before the CFI, effectively rendering the Commission's decision unenforceable. The Commission stated national authorities and courts remain obliged to take steps

necessary to enforce the Commission's decision, regardless of actions brought to challenge this decision.

In October 2004, the Commission declared an Italian aid scheme benefiting undertakings carrying out investments in areas affected by natural disasters was incompatible with the common market, because it was possible that the aid received could exceed the damage suffered. The Commission ordered Italy to recover the money, but has neither suspended the scheme nor recovered the illegally paid aid.

Once a Commission has declared aid is illegal and ordered its recovery, the relevant Member State must take all action available to it under its own national law to secure application of the Commission's decision and restore effective competition. In its State Aid action plan, published June 2005, the Commission stated it intended to take a stricter approach in ensuring its decisions are adhered to.

MEPs Call for Better Targeting of State Aid

In a report published in February, the European Parliament's Economic and Monetary Affairs Committee supports a better measuring of state aid focusing more on competitiveness, as proposed earlier by the European Commission. The report points out the continued high volume of state subsidies. The total amount of state aid granted each year in the EU remains approximately 50% of the annual budget of the EU, "even according to the most conservative estimates". However, figures differ significantly between Member States.

MEPs recommend the overall amount of aid should be reduced and it should be directed towards areas such as research, innovation and environmental protection. MEPs would like state aid to be targeted at start-up companies, or new, innovative SMEs (small to medium sized enterprises). Often, the subsidies granted have focused on existing industries, which has damaged future growth and the emergence of new jobs. MEPs recommend that the granting of aid under regional policy should "focus on investments in infrastructure and horizontal aid in disadvantaged or least-developed regions of the European Union".

The report also strongly recommends requiring Member States to publish a list of recipients of state aid, and companies to publish details of all subsidies received, so as "to enable shareholders to better evaluate the real performance of the company".

CONCENTRATIONS UNDER MERGER REGULATION FOR JANUARY AND FEBRUARY 2006

Name of Parties	Business Sector	JV or Merger	Stage of Procedure	Reference
AACF/Astorg/OFIC	Production and distribution of roof materials and packaging for eggs	JV	Prior notification of concentration	OJ [2006] C 38/2
Adecco/Deutscher Industrie Service	Provision of employment services, including temporary employment, to companies in Germany and Austria.	Merger	Prior notification of concentration	OJ [2006] C 33/6
Aker Yards/Chantiers de l'Atlantique	French shipyard focusing on high value-added shipbuilding, including construction of cruise ships, LNG tankers and naval ships. Through its subsidiary AMR it is also involved in manufacturing mobile homes & casing sheets for industrial machines	Merger	Prior notification of concentration	OJ [2006] C 47/10
Apax/Tommy Hilfiger Corporation	Design and sales of men's, women's and children's apparel	Merger	Prior notification of concentration	OJ [2006] C 29/6
Aviva/ARK Life	Life insurance	Merger	Non-opposition to a notified concentration	OJ [2006] C 49/6
Bain Capital/Texas Instruments	Sensors and controls	Merger	Prior notification of concentration	OJ [2006] C 47/11
Banca Intesa/NH Hoteles/NH Italia	Development and operation of hotels	JV	Prior notification of concentration	OJ [2006] C 30/6
Basell/Société du Craqueur de l'Aubette	Manufacture and sale of ethylene, propylene and butadiene	Merger	Non-opposition to a notified concentration	OJ [2006] C 45/3
Blackstone/Lion Capital/CSEB	Production, marketing and distribution of soft drinks	JV	Non-opposition to a notified concentration	OJ [2006] C 29/7
BS Investimenti/MCC Sofipa/IP Cleaning	Production and distribution of cleaning machines	JV	Non-opposition to a notified concentration	OJ [2006] C 29/8
C3D/Rhone/Go-Ahead	Transport company active in road and rail transport.	JV	Non-opposition to a notified concentration	OJ [2006] C 49/4
Carlyle/Advent/HT Troplast JV	Manufacture, marketing and sales of vinyl profiles for windows and doors, vinyl sheets and vinyl shutters, cross-linked polyolefin foam products and vulcanised fibre for abrasive discs and other applications	JV	Non-opposition to a notified concentration	OJ [2006] C 25/8
Charterhouse/Nocibé	Retail of luxury perfumes, beauty products, cosmetics and parapharmacy products	Merger	Non-opposition to a notified concentration	OJ [2006] C 29/9
Cerberus/Goldman Sachs/Wittur	Manufacturing of elevator components	JV	Prior notification of concentration	OJ [2006] C 26/06
CIMC/BURG	Manufacture and sale of marine tank containers, storage tanks & trailers	Merger	Prior notification of concentration	OJ [2006] C 35/4
CMA CGM/Delmas	Containerised liner shipping services	Merger	Non-opposition to a notified concentration	OJ [2006] C 49/5
Cognis/Golden Hope Plantations BHD	Manufacture and sale of speciality chemicals	JV	Non-opposition to a notified concentration	OJ [2006] C 32/10
Conoco Phillips/Louis Dreyfus Refining and Marketing/Louis Dreyfus Energy Holding	Operation of the Wilhelmshaven oil refinery and marketing of refined products and fuels in Germany, purchasing crude oil and feedstock for the oil refinery	Merger	Non-opposition to a notified concentration	OJ [2006] C 32/9

CVC/KKR/AVR	Collection, processing and management of hazardous and non-hazardous waste	Merger	Prior notification of concentration	OJ [2006] C 25/7
CVC/SLEC	Promotion of the FIA Formula One World Championship	Merger	Prior notification of concentration	OJ [2006] C 32/6
Deutsche Bahn/Bax Global	Freight forwarding and logistics	Merger	Non-opposition to a notified concentration	OJ [2006] C 43/3
Deutsche Telekom/Corpus/Morgan Stanley/Sireo	Real estate funds and consultancy services for real estate funds	JV	Prior notification of concentration	OJ [2006] C 47/8
Deutsche Post/Williams Lea	Document and print related services in Europe, the US and Asia	Merger	Prior notification of concentration	OJ [2006] C 43/2
Doughty Hanson/Moeller	Electrical engineering	Merger	Non-opposition to a notified concentration	OJ [2006] C 44/6
DZ Equity/L-Bank/Hornschorch	Manufacturing and marketing of films, coverings and substrates for final customers and industry	JV	Prior notification of concentration	OJ [2006] C 40/6
EnBW/SWD	Power generation and distribution, gas, district heating and water supply, waste disposal and management, city cleaning	Merger	Prior notification of concentration	OJ [2006] C 46/8
Fives-Lille/Landis	Grinding systems	Merger	Non-opposition to a notified concentration	OJ [2006] C 49/3
Flaga/Progas	Wholesale of retail sales/distribution of liquefied petroleum & gas	JV	Non-opposition to a notified concentration	OJ [2006] C 33/8
Fresenius/Helios	Hospital operations	Merger	Prior notification of concentration	OJ [2006] C 26/08
Fujitsu/Siemens	Information and communication solutions and services	Merger	Prior notification of concentration	OJ [2006] C 39/5
G+J/Sanoma	Publication of magazines in the Eastern Adriatic region	JV	Non-opposition to a notified concentration	OJ [2006] C 42/4
Goldman Sachs/Cerberus/TET	Leasing of commercial road trailers	JV	Non-opposition to a notified concentration	OJ [2006] C 27/7
INEOS/BP Dormagen	Manufacturing of ethylene, ethylene oxide and ethylene glycols	Merger	Prior notification of concentration	OJ [2006] C 25/6
LBO France/Cegelec	Electrical & mechanical contracting services, project management, servicing & maintenance	Merger	Prior notification of concentration	OJ [2006] C 45/45
Lehman Brothers/Heinz European Seafood	Fishing, processing and distributing of seafood products	Merger	Prior notification of concentration	OJ [2006] C 33/3
Mitsui/Evraz/Deniskovskaya Coal Mine JV	Holding company for a new coking coal mining project which will exploit the Deniskovskaya coal field in Yakutia, East Siberia.	JV	Prior notification of concentration	OJ [2006] C 37/7
Montagu/BSN Medical	Production of professional medical products	Merger	Non-opposition to a notified concentration	OJ [2006] C 49/2
NEC/Philips Business Communications	Distribution and sale of telecommunication solutions	Merger	Prior notification of concentration	OJ [2006] C 38/6
OMV/ARAL CR	Wholesale and retail sale of fuel in the Czech Republic	Merger	Non-opposition to a notified concentration	OJ [2006] C 25/9
P&O/Royal Nedlloyd/P&O Nedlloyd	Containerised liner shipping services	JV	Non-opposition to a notified concentration	OJ [2006] C 49/7
Provident/Carlyle/Com Hem	Provision of cable TV, telephony and broadband services in Sweden	JV	Non-opposition to a notified concentration	OJ [2006] C 25/8
Saab/Tietoevator/Tietosab Systems	Command and control information systems (C2i) and underwater warfare	JV	Non-opposition to a notified concentration	OJ [2006] C 29/10

SFC/SAG GEST	Full fleet management services	JV	Prior notification of concentration	OJ [2006] C 26/07
Talanx/Gerling	Non-life insurance, re-insurance	Merger	Prior notification of concentration	OJ [2006] C 44/5
Telefónica/O2	Mobile telephony services	Merger	Non-opposition to a notified concentration	OJ [2006] C 29/11
Tessenderlo/Siemens/Advanced Power	International activities in the chemical industry, investment and product management in infrastructure projects world-wide, telecommunications and transport sectors	JV	Non-opposition to a notified concentration	OJ [2006] C 45/2
The Coca-Cola Company/Coca-Cola Hellenic Bottling Company/Fresh & Co	Producing and selling of fruit juices in Serbia and Montenegro	JV	Prior notification of concentration	OJ [2006] C 38/4
Toshiba/Samsung	Development, design and marketing of Optical Disk drives, primarily for computers	JV	Non-opposition to a notified concentration	OJ [2006] C 25/9
Toyota Tsusho/Tomen	Trading and logistics services, wholesale and retail sale of vehicles, general trading company of products chemicals, textiles, electronics produce and foodstuffs, with limited activities in the automotive sector	Merger	Prior notification of concentration	OJ [2006] C 38/3
Trinecke/VVT	Steel sector	Merger	Non-opposition to a notified concentration	OJ [2006] C 40/7
Wendel Investissement/Groupe Materis	Products for the construction industry	Merger	Prior notification of concentration	OJ [2006] C 47/9

STATE AID ACTIVITY FOR JANUARY AND FEBRUARY 2006

Country	Stage of Procedure	Company/Region	Business Sector	Amount of Aid	Reference
Austria	Authorisation for state aid	Not specified	Research and Development	€177,500,000	OJ [2006] C 19/07
Austria	Information communicated by Member States	Vienna	Viennese structural improvements	€4,300,000	OJ [2006] C 23/02
Austria	Authorisation for state aid	Vienna	Research and technological development	€17,600,000	OJ [2006] C 39/39
Belgium	Authorisation for state aid	Federal Agency for the Safety of the Food Chain	Finance	Not specified	OJ [2006] C 1/03
Belgium	Authorisation for state aid	Vlaams Gewest	Finance (SMEs (small and medium sized enterprises))	Not specified	OJ [2006] C 14/06
Belgium	Authorisation for state aid	Not specified	Environmental investment	€60,000,000	OJ [2006] C 21/04
Belgium	Invitation to submit comments	Not specified	Training of employees	€12,280,000	OJ [2006] C 47/06
Belgium	Authorisation for state aid	Not specified	Excise reduction for biofuels	€184 million per year	OJ [2006] C 34/2
Czech Republic	Authorisation for state aid	Not specified	Research and Development	€69,000,000	OJ [2006] C 14/06
Czech Republic	Authorisation for state aid	Not specified	Prevention of spread of diseases in hops	€500,000	OJ [2006] C 17/02
Czech Republic	Authorisation for state aid	Not specified	Processing of agricultural products	€10,000,000	OJ [2006] C 17/02
Czech Republic	Authorisation for state aid	Not specified	Subsidising sale of land	€2,190,000	OJ [2006] C 34/2

Czech Republic	Information communicated by Member States	Prague	Start-up aid for businesses	€4,820,000	OJ [2006] C 19/02
Czech Republic	Authorisation for state aid	Whole territory	Research and development	€39,500,000	OJ [2006] C 29/7
Denmark	Authorisation for state aid	Not specified	Agriculture (Taxing mineral phosphorous in feed phosphates)	€13,330 per year	OJ [2006] C 1/04
Denmark	Authorisation for state aid	Danish Committee for the Management of Farm Animal Genetic Resources	Agriculture (Preservation of endangered species)	€396,000 per year	OJ [2006] C 1/04
Denmark	Authorisation for state aid	Not specified	Research and Development	€4,000,000 (2005), €23,000,000 (2006), and €25,000,000 (2007)	OJ [2006] C 9/03
Denmark	Authorisation for state aid	Not specified	Fishing (Development of facilities at ports)	€27,000,000	OJ [2006] C 9/03
Denmark	Authorisation for state aid	Not specified	Shipbuilding grant	Not specified	OJ [2006] C 16/03
Denmark	Authorisation for state aid	Not specified	Promotion of environmentally friendly electricity production	€270,000,000 per year	OJ [2006] C 21/04
Denmark	Authorisation for state aid	Not specified	Compensation for delay in lifting zone restrictions	€32,300	OJ [2006] C 37/4
Estonia	Authorisation for state aid	Not specified	Research and Development	Not specified	OJ [2006] C 16/03
Estonia	Authorisation for state aid	Not specified	Regional aid	€3,090,000	OJ [2006] C 26/5
Finland	Authorisation for state aid	Not specified	Rural Development	Not specified	OJ [2006] C 1/03
Finland	Authorisation for state aid	Not specified	Agriculture (Aid to ewes and sheep-goats)	Not specified	OJ [2006] C 1/06
Finland	Authorisation for state aid	Not specified	Agriculture (Start-up aid for young farmers)	€10,752,000,000	OJ [2006] C 1/05
Finland	Summary information communicated	Not specified	Agriculture (Aid to SMEs (small and medium-sized companies))	€1,900,000	OJ [2006] C 16/04
France	Authorisation for state aid	Loire-Atlantique	Agriculture (Wine production)	Varies (€2,360 - €1,730 per hectare)	OJ [2006] C 1/03
France	Authorisation for state aid	Bouches-du-Rhone	Agriculture (Improvement to holdings)	Between €50,000 and €200,000 per year)	OJ [2006] C 1/03
France	Authorisation for state aid	Brittany	Agriculture (Absorption of organic nitrogen)	€2 million	OJ [2006] C 1/03
France	Authorisation for state aid	Ernault	Rescue aid (Plant machinery)	€2 million	OJ [2006] C 16/03
France	Authorisation for state aid	Martinique	Subscription to risk capital companies	€610,000	OJ [2006] C 29/6
France	Authorisation for state aid	Not specified	Creation and operation assistance of Banque Postale (post office bank)	Not specified	OJ [2006] C 21/02
France	Authorisation for state aid	Not specified	Agriculture (Cider orchards)	Not specified	OJ [2006] C 1/03
France	Authorisation for state aid	Not specified	Agriculture (Cider orchards)	€2,497,500	OJ [2006] C 1/04
France	Authorisation for state aid	Not specified	Agriculture (Animal waste)	€472,400,000	OJ [2006] C 1/06
France	Authorisation for state aid	Not specified	Research and development (Engineering and construction)	Not specified	OJ [2006] C 9/03

France	Authorisation for state aid	Not specified	Research and development (To local and regional authorities)	€100,000,000 per year	OJ [2006] C 9/03
France	Authorisation for state aid	Not specified	Restructuring	€3,292,400	OJ [2006] C 16/03
France	Information communicated by Member States	Not specified	Waste management	€10,000,000	OJ [2006] C 17/05
France	Authorisation for state aid	Not specified	Research and development	€30,000,000	OJ [2006] C 21/04
France	Authorisation for state aid	Not specified	Aid for purchase of second-hand vessels	Not specified	OJ [2006] C 21/04
France	Authorisation for state aid	Not specified	Writing and developing innovative audio-visual works	€4 million per year	OJ [2006] C 42/3
France	Authorisation for state aid	Not specified	Research and development in the manufacturing industry	€140 million	OJ [2006] C 26/5
France	Invitation to submit comments	Institut Francais de Petrole	Research and development	Not specified	OJ [2006] C 42/3
Germany	Authorisation for state aid	Not specified	Horticulture (Establishing computerised information system)	€246,951	OJ [2006] C 1/04
Germany	Authorisation for state aid	Bavaria	Agriculture (Promotion of milk and milk products)	€4,600,000 per year	OJ [2006] C 1/06
Germany	Authorisation for state aid	Bavaria	Energy (Regional use and production)	€84,000,000	OJ [2006] C 16/03
Germany	Information communicated by Member States	Bavaria	Finance (Lending for environmental protection)	Not specified	OJ [2006] C 19/02
Germany	Authorisation for state aid	Bavaria	Technology research and development	€40 million	OJ [2006] C 39/740
Germany	Information communicated by Member States	Bayern	Research and development	€125,000,000	OJ [2006] C 19/07
Germany	Authorisation for state aid	Berlin	Employment of innovation assistants	€1,800,000 per year	OJ [2006] C 21/02
Germany	Authorisation for state aid	Diehl Avionik Systeme GmbH	Research and development	€20,400,000	OJ [2006] C 12/02
Germany	Authorisation for state aid	Mecklenburg-Western Pomerania	Prolongation of programme for technology and innovation	€25 million per year	OJ [2006] C 42/4
Germany	Information communicated by Member States	North Rhine-Westphalia	Promotion of sale and use of wood and wood products from small and medium-sized enterprises	€1,400,000	OJ [2006] C 23/02
Germany	Information communicated by Member States	North Rhine-Westphalia	Analysis and development of implementation structure for biomass to liquid plants	€175,275	OJ [2006] C 23/02
Germany	Authorisation for state aid	Saarland	Research and development	€13,500,000	OJ [2006] C 21/04
Germany	Information communicated by Member States	Saxony-Anhalt	Building the information society	€1,000,000	OJ [2006] C 23/02
Germany	Authorisation for state aid	Schleswig-Holstein	Agriculture (Aid for destruction of carcasses)	€30,000,000	OJ [2006] C 1/07
Germany	Authorisation for state aid	SVZ Schwarze Pumpe	Rescue Aid	€21,028,000	OJ [2006] C 9/03
Germany	Authorisation for state aid	Thuringen	Research and development	€15,000,000	OJ [2006] C 12/02
Germany	Authorisation for state aid	Not specified	Research and development	€250,000,000	OJ [2006] C 21/04
Germany	Authorisation for state aid	Not specified	Prolongation of programme for navigation and maritime technology	€103,200,000 million per year,	OJ [2006] C 26/6
Germany	Authorisation for state aid	Not specified	Research and development	€805,200,000	OJ [2006]

				C 34/4	
Greece	Information communicated by Member States	Karditsa	Subsidies for firms to create new jobs for unemployed people	€10,000,000	OJ [2006] C 19/06
Greece	Information communicated by Member States	Nationally	Business plans for micro-enterprises and small enterprises	€44,000,000	OJ [2006] C 19/04
Greece	Invitation to submit comments	Not specified	Redevelopment of infrastructure	Not specified	OJ [2006] C 20/05
Greece	Authorisation for state aid	Not specified	Promoting innovation in the Greek economy	€150 million	OJ [2006] C 26/7
Greece	Invitation to submit comments	ELVO (Hellenic Vehicle Industry S.A.)	Production for defence purposes	€3,500,000	OJ [2006] C 34/24
Iceland	Authorisation for state aid	Not specified	Aluminium production	€5,500,000	OJ [2006] C 1/07
Ireland	Authorisation for state aid	Not specified	Support for radio and tv production	Not specified	OJ [2006] C 12/02
Ireland	Authorisation for state aid	Not specified	Fishing	Not specified	OJ [2006] C 47/07
Italy	Authorisation for state aid	Basilicata	Assistance in agricultural areas suffering damage	Not specified	OJ [2006] C 37/6
Italy	Authorisation for state aid	Calabria	Agriculture (Processing and marketing products)	€2,000,000	OJ [2006] C 1/04
Italy	Authorisation for state aid	Calabria	Agricultural areas affected by natural disasters	Not specified	OJ [2006] C 37/7
Italy	Information communicated by Member States	Campania	Aid scheme for craft firms	€15,000,000	OJ [2006] C 19/02
Italy	Information communicated by Member States	Campania	Energy (Aid to micro, small and medium-sized enterprises for projects involving renewable sources and energy conservation)	€35,000,000	OJ [2006] C 19/02
Italy	Authorisation for state aid	Campania	Employment and commercial encouraging initiatives	€40,400,000	OJ [2006] C 39/39
Italy	Authorisation for state aid	Friuli-Venezia Giulia	Agriculture	€883,500	OJ [2006] C 1/04
Italy	Authorisation for state aid	Friuli-Venezia Giulia	Agriculture (Dissemination of knowledge)	Not specified	OJ [2006] C 1/04
Italy	Authorisation for state aid	Friuli-Venezia Giulia	Agriculture (Assistance to areas affected by natural disasters)	Not specified	OJ [2006] C 1/06
Italy	Authorisation for state aid	Liguria	Agriculture (Assistance to areas affected by natural disasters)	Not specified	OJ [2006] C 1/06
Italy	Authorisation for state aid	Liguria	Agriculture (Research and technical assistance)	€1,500,000 per year	OJ [2006] C 17/02
Italy	Summary information communicated	Lombardy	Agriculture (Aid to SMEs (small and medium-sized companies))	€5 million	OJ [2006] C 44/5
Italy	Authorisation for state aid	Lombardy	Venture capital guarantee fund	€20,658,276	OJ [2006] C 42/2
Italy	Authorisation for state aid	Marche	Agriculture (Aid for collection and disposal of fallen stock)	Not determined	OJ [2006] C 1/06
Italy	Summary information communicated	Marche	Agriculture (Aid to SMEs (small and medium-sized companies))	Not specified	OJ [2006] C 44/8
Italy	Summary information communicated	Marche	Agriculture (Aid to SMEs (small and medium-sized companies))	€3 million per year	OJ [2006] C 44/09
Italy	Information communicated by Member States	Piedmont	Support for business investment	€21,000,000	OJ [2006] C 23/02
Italy	Authorisation for state aid	Piemonte	Development of combined heat and power plant production technologies	€1,500,000	OJ [2006] C 23/02

			from solid oxide fuel cells		
Italy	Authorisation for state aid	Sicily	Agriculture (Repairing damage caused by bad weather)	€26,121,277	OJ [2006] C 1/04
Italy	Authorisation for state aid	Sicily	Agriculture (Assistance to areas affected by natural disasters)	Not specified	OJ [2006] C 1/06
Italy	Authorisation for state aid	Sicily	Agricultural areas affected by natural disasters	Not specified	OJ [2006] C 37/6
Italy	Summary information communicated	Valle d'Aosta	Agriculture (Aid to SMEs (small and medium-sized companies))	€4 million per year	OJ [2006] C 44/6
Italy	Summary information communicated	Valle d'Aosta	Agriculture (Aid to SMEs (small and medium-sized companies))	€900,000 per year	OJ [2006] C 44/7
Italy	Authorisation for state aid	Veneto	Agriculture (Investment in holdings)	€2,000,000	OJ [2006] C 1/05
Italy	Authorisation for state aid	Veneto	Professional training and updating expertise in food safety	Not specified	OJ [2006] C 1/05
Italy	Authorisation for state aid	Not specified	Ensuring food quality and indication of origin	€3 million per year	OJ [2006] C 1/03
Italy	Authorisation for state aid	Not specified	Agriculture (Co-operatives)	€100,000	OJ [2006] C 1/04
Italy	Authorisation for state aid	Not specified	Agriculture (Aid for insurance premium payments)	€100,000,000	OJ [2006] C 1/05
Italy	Authorisation for state aid	Not specified	Agriculture (Compensation for effects of blue-tongue and avian influenza)	€12,911,422	OJ [2006] C 1/06
Italy	Authorisation for state aid	Not specified	Incentives for small and medium sized enterprises collaborating on innovative IT projects	€208 million	OJ [2006] C 21/04
Italy	Authorisation for state aid	Not specified	Fishing	€5,286,000	OJ [2006] C 47/07
Italy	Authorisation for state aid	Not specified	Regional employment development	€471 million	OJ [2006] C 42/3
Italy	Authorisation for state aid	Not specified	Encourage use of and maintain the quality of cultural diversity	€190 million	OJ [2006] C 29/6
Republic of Latvia	Authorisation for state aid	Not specified	Investments in agricultural holdings	€4,890,000	OJ [2006] C 37/4
Netherlands	Authorisation for state aid	Not specified	Fishing (Promotion for Plaice)	€200,000 per year	OJ [2006] C 1/07
Netherlands	Authorisation for state aid	Not specified	Research and Developments	€53,000,000	OJ [2006] C 9/03
Netherlands	Authorisation for state aid	Not specified	Agriculture (Production of salmonella-free poultry meat)	€3,269,732	OJ [2006] C 17/02
Netherlands	Authorisation for state aid	Not specified	Agriculture (Diversification of land use)	€17,900,000	OJ [2006] C 17/02
Netherlands	Information communicated by Member States	Zeeland	Research and development for SMEs (Small and medium-sized enterprises)	€297,500	OJ [2006] C 19/02
Netherlands	Authorisation for state aid	Not specified	Research and development	€3,000,000	OJ [2006] C 19/07
Netherlands	Authorisation for state aid	Not specified	Fishing	Between €50 and €100,000 per year	OJ [2006] C 47/07
Netherlands	Authorisation for state aid	Not specified	Mussels sector	€564,000	OJ [2006] C 42/2
Norway	Authorisation for state aid	Not specified	Encouraging efficient use of energy	€30,000,000	OJ [2006] C 1/07
Norway	Authorisation for state aid	Not specified	Encouraging film and tv production	€28,000,000	OJ [2006] C 1/07

Poland	Authorisation for state aid	Mittal Steel	Business restructuring	Not specified	OJ [2006] C 12/02
Poland	Authorisation for state aid	Not specified	Rescue of firms in difficulty	Not specified	OJ [2006] C 21/02
Poland	Invitation to submit comments	Huta Stalowa Wola S.A.	Restructuring	Not specified	OJ [2006] C 34/5
Portugal	Authorisation for State Aid	Coopafreixo-Cooperativa agricola, CRL	Supporting implementation of experts of an architectural project prior to carrying out material investments	€5,000	OJ [2006] C 1/06
Portugal	Authorisation for state aid	Not specified	Fishing	€1,200,000	OJ [2006] C 47/07
Portugal	Authorisation for state aid	Not specified	Regional development	€63,132,000	OJ [2006] C 34/4
Slovak Republic	Authorisation for state aid	Not specified	Aid for film production	€187,665	OJ [2006] C 9/03
Slovak Republic	Authorisation for state aid	ALEF Film & Media Group s.r.o.	Aid for film production	€294,938	OJ [2006] C 9/03
Slovak Republic	Authorisation for state aid	LOAR, s.r.o.	Aid for minority language periodical	€32,160	OJ [2006] C 21/04
Spain	Authorisation for state aid	Basque Country	Development of new projects	€9 million per year	OJ [2006] C 21/04
Spain	Authorisation for state aid	Basque Country	Launching new scientific and technology based enterprises	€9 million per year	OJ [2006] C 21/04
Spain	Authorisation for state aid	Cantabria	Agriculture (Drought Relief)	€7 million	OJ [2006] C 1/03
Spain	Authorisation for state aid	Cantabria	Agriculture (Establishing cleaning and disinfection stations for animal transport)	€184,000	OJ [2006] C 1/05
Spain	Authorisation for state aid	Canarias	Regional development	€270,460,000 per year	OJ [2006] C 42/2
Spain	Authorisation for state aid	Castile and Leon	Aid for processing and marketing SME (Small-Medium sized Enterprises)	€12,500,000	OJ [2006] C 1/05
Spain	Authorisation for state aid	Castile and Leon	Development of companies processing and marketing agricultural products	€1,000,000	OJ [2006] C 1/05
Spain	Authorisation for state aid	Comunidad Autonoma de Andalucia	Television production	€2,500,000 (2005), €2,700,000 (2006), €3,000,000 (2007), and €3,500,000 (2008)	OJ [2006] C 12/02
Spain	Authorisation for state aid	Comunidad Autonoma de Andalucia	Promotion of audiovisual works	€240,000 (2005), €280,000 (2006), €320,000 (2007), and €360,000 (2008)	OJ [2006] C 39/39
Spain	Authorisation for state aid	Madrid	Television production (Short films)	€330,000	OJ [2006] C 12/02
Spain	Authorisation for state aid	Madrid	Research and development (Air transport)	€12,000,000 per year	OJ [2006] C 19/07
Spain	Authorisation for state aid	Madrid	Regional development	€8 million per year	OJ [2006] C 29/6
Spain	Authorisation for state aid	Navarre	Reconstruction and repair	€1,110,000	OJ [2006] C 1/03
Spain	Authorisation for state aid	Pincipado de Asturias	Research and development	€300,000 (2005), €3,000,000 (2006), and €3,000,000	OJ [2006] C 9/03

				(2007)	
Spain	Authorisation for state aid	Not specified	Mining (Promotion of exploration, environmental protection and safety)	Not specified	OJ [2006] C 9/03
Spain	Authorisation for state aid	Not specified	Research and development (SMEs (small and medium-sized enterprises))	€60,000,000	OJ [2006] C 14/06
Spain	Authorisation for state aid	Not specified	Agriculture (Vineyards)	€12,150,000	OJ [2006] C 1/04
Spain	Authorisation for state aid	Not specified	Agriculture (Aid for training in technology transfer)	€895,269	OJ [2006] C 17/02
Spain	Authorisation for state aid	Not specified	Agriculture (Monitoring of control)	€1,150,000,000	OJ [2006] C 17/02
Spain	Authorisation for state aid	Not specified	Agriculture (Livestock excretion management)	€7,200,000	OJ [2006] C 17/02
Spain	Information communicated by Member States	Not specified	Textiles / clothing (Technical research)	€22,000,000	OJ [2006] C 19/02
Spain	Information communicated by Member States	Not specified	Research and development	€500,000,000	OJ [2006] C 19/07
Spain	Authorisation for state aid	Nationally	Agriculture (Development of agricultural associations)	€1,452,130	OJ [2006] C 1/05
Spain	Authorisation for state aid	Not specified	Fishing	€1,500,000	OJ [2006] C 47/07
Spain	Authorisation for state aid	Not specified	Technologically innovative small enterprises	€98 million	OJ [2006] C 42/2
Spain	Authorisation for state aid	Not specified	Creation of certification bodies for agricultural and food products	€720,000	OJ [2006] C 37/5
Spain	Authorisation for state aid	Not specified	Agricultural associations of national importance	€2,452,130	OJ [2006] C 37/5
Sweden	Authorisation for state aid	Not specified	Aid for storm recovery	€210,500,000	OJ [2006] C 37/5
UK	Authorisation for state aid	Not specified	Agriculture (Farm business advice)	Not specified	OJ [2006] C 1/05
UK	Authorisation for state aid	Cheshire	Rural development	Not specified	OJ [2006] C 1/05
UK	Authorisation for state aid	Cumbria	Fishing	£50,000	OJ [2006] C 42/3
UK	Invitation to submit comments	Not specified	Recycling (Grants to Paper mills)	Not specified	OJ [2006] C 9/04
UK	Information communicated by Member States	Tees Valley Sub-Regional Partnership	Training support programme	Not specified	OJ [2006] C 17/06
UK	Information communicated by Member States	Northern Ireland	Management information systems support for SMEs (small and medium-sized enterprises)	Not specified	OJ [2006] C 17/06
UK	Information communicated by Member States	West Wales and The Valleys	Business support package	€182,482 per year	OJ [2006] C 19/04
UK	Authorisation for state aid	Not specified	Research and development	€9,500,000	OJ [2006] C 19/07
UK	Authorisation for state aid	Manchester	Environmental aid	€1,329,582	OJ [2006] C 21/04
UK	Authorisation for state aid	Not specified	Fishing	Not specified	OJ [2006] C 47/07
UK	Authorisation for state aid	Scotland	Fishing	€10 million	OJ [2006] C 47/07
UK	Authorisation for state aid	Scotland	Fishing	€15 million	OJ [2006] C 42/4

UK	Authorisation for state aid	Northern Ireland	Provision of venture capital funding for SMEs	£10 million	OJ [2006] C 26/7
UK	Authorisation for state aid	Not specified	Environmental protection	€149 million per year	OJ [2006] C 29/7

BRUSSELS AGENDA FOR MARCH 2006

2 - 3 Mar 06	Transport Ministers (informal) (Bregenz)
6 - 7 Mar 06	Defence Ministers (informal) (Innsbruck)
9 Mar 06	Environment Council (Brussels)
10 Mar 06	Employment, Social Policy, Health and Consumers Council (Brussels)
13 Mar 06	Competitiveness: Single Market, Industry and Research (Brussels)
14 - 15 Mar 06	EP Plenary (Strasbourg)
14 Mar 06	Ecofin Council (Brussels)
16 - 17 Mar 06	Education Ministers (informal) (Vienna)
20 Mar 06	Agriculture and Fisheries Council (Brussels)
20 - 21 Mar 06	General Affairs and External Relations Council (Brussels)
21 Mar 06	Spring Day in Europe 2006
23 - 24 Mar 06	European Council (Brussels)
27 Mar 06	Transport, Telecoms and Energy Council (Brussels)
29 - 31 Mar 06	Youth Ministers (informal) (Bad Ischl)

Dechert contacts

If you have any questions regarding the information in the briefing, please approach the Dechert lawyer with whom you regularly work, or one of the contacts listed here.

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