II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 18 July 2005

on the fulfilment of the conditions laid down in Article 3 of the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part, with regard to an extension of the period laid down in Article 9(4) of Protocol 2 to the Europe Agreement

(2005/576/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 87(3)(e) thereof,

Having regard to the Council Decision of 29 July 2002 on the signature and provisional application of an Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part, with regard to an extension of the period laid down in Article 9(4) of Protocol 2 to the Europe Agreement,

Having regard to the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part, with regard to an extension of the period laid down in Article 9(4) of Protocol 2 to the Europe Agreement, and in particular Article 3 thereof;

Having regard to the proposal from the Commission,

Whereas:

(1) The Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part [1], entered into force on 1 February 1995.

(2) Article 9(4) of Protocol 2 to the Europe Agreement lays down that during the first five years after entry into force of the Agreement, and by derogation from paragraph 1(3), Romania may exceptionally, as regards steel products, grant public aid for restructuring purposes, provided that: this leads to the viability of the benefiting firms under normal market conditions at the end of the restructuring period, the amount and intensity of such aid are strictly limited to what is absolutely necessary in order to restore such viability and are progressively reduced, and the restructuring programme is linked to a global rationalising and reduction of capacity in Romania.

(3) The initial period of five years expired on 31 December 1997.

(4) Romania requested an extension of the abovementioned period in December 1997.

(5) It seemed appropriate to grant an extension of this period for an additional period of eight years starting on 1 January 1998 or until the date of Romania's accession to the European Union, whichever comes first.

(6) To this effect, an Additional Protocol to the Europe Agreement was signed by the Community and Romania on 23 October 2002 and is provisionally applied from that date.

(7) Under Article 2 of the Additional Protocol, the extension of the abovementioned period is made conditional on the submission by Romania to the Commission of a restructuring programme and business plans that meet the requirements of Article 9(4) of Protocol 2 to the Europe Agreement and have been assessed and agreed by its National State Aid Authority (the Competition Council).

[1] OJ L 357, 31.12.1994, p. 2.

(8) In December 2004, Romania submitted to the Commission a restructuring programme and business plans for those companies having benefited or benefiting from state support for restructuring.

(9) Under Article 3 of the Additional Protocol, the extension of the abovementioned period is made conditional on a final assessment of the restructuring programme and business plans by the Commission.

(10) The Commission has made a final assessment of the restructuring programme and the business plans submitted by Romania. This assessment indicates that the implementation of the restructuring programme and the business plans will allow the companies concerned to reach viability under normal market conditions. It also shows that the amount of State aid for restructuring purposes as specified in the plans is strictly limited to what is necessary to allow the companies concerned to reach viability and has been progressively reduced and stopped since the end of 2004. The assessment provides also that a global rationalisation and reduction of excess capacity of the beneficiary companies will be reached. The assessment therefore concludes that the restructuring programme and the business plans meet the requirements of Article 9(4) of Protocol 2 to the Europe Agreement,

HAS DECIDED AS FOLLOWS:

Article 1

The restructuring programme and business plans submitted to the Commission by Romania pursuant to Article 2 of the Additional Protocol to the Europe Agreement establishing an association between the European Communities and their Member States, of the one part, and Romania, of the other part, with regard to an extension of the period laid down in Article 9(4) of Protocol 2 to the Europe Agreement, are in compliance with the requirements of Article 9(4) of Protocol 2.

Article 2

The period, during which Romania may exceptionally, as regards steel products, grant public aid for restructuring purposes in accordance with the provisions of Article 9(4) of Protocol 2 is hereby extended by an additional period of eight years starting on 1 January 1998, as provided for by Article 1 of the Additional Protocol.

Done at Brussels, 18 July 2005.

For the Council
The President
J. STRAW