

## COMMISSION DECISION

of 16 June 1976

concerning the Italian scheme of assistance for the press and the paper manufacturing industry granted through the Ente Nazionale per la Cellulosa e per la Carta (ENCC)

(Only the Italian text is authentic)

(76/574/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular the first subparagraph of Article 93 (2) and Article 93 (3) thereof,

After giving interested parties notice to submit their comments,

Whereas by Law No 172 of 6 June 1975 (Gazzetta Ufficiale della Repubblica Italiana No 149, 9 June 1975) the Italian Republic introduced a new scheme of assistance for the press in the form of grants for the purchase of newsprint;

Whereas this assistance is granted from state funds which have been allocated to the ENCC from the budget; whereas it is likely to distort competition and affect trade in printed matter, since it reduces the cost of paper purchased by publishers; whereas it is therefore an aid within the meaning of Article 92 (1) of the EEC Treaty;

Whereas, to qualify for the purchase grants provided for in Law No 172 of 6 June 1975, the buyer must be allocated the quantities of paper he requires by the Ente Nazionale per la Cellulosa e per la Carta (ENCC);

Whereas the Italian Government has informed the Commission that the allocation procedure does not result in discrimination between national and imported products, since the sole purpose is to control the use to which paper is put, which determines the size of the allocation and the amount of assistance;

Whereas, however, the text of Law No 172 of 6 June 1975 makes the grant of assistance dependent on allocation of paper by the ENCC under the procedure set up by Law No 1453 of 13 June 1975 to regulate the market in cellulose and paper; whereas this could create confusion in the minds of importers and discourage them from approaching suppliers in the other Member States and thus prevent the economic interpretation sought by the EEC Treaty;

Whereas the Italian Government should therefore publicise the fact that the assistance will be granted

without distinction for the purchase of direct paper imports and paper distributed by the ENCC and that the allocation made by the ENCC under Article 1 of Law No 172 is a mere formality intended solely to control the use to which paper is put;

Whereas, if this information is published, the aid scheme introduced by Law No 172 will not affect the terms of trade to an extent contrary to the common interest and may therefore qualify for exemption under Article 92 (3) (c);

Whereas, if this information is not published, the aid scheme introduced by Law No 172 cannot be considered compatible with the common market,

HAS ADOPTED THIS DECISION:

*Article 1*

The Italian Republic may not operate the aid scheme introduced by Law No 172 of 6 June 1975 until it has published an appropriate notice informing interested parties that the assistance will be granted without distinction for the purchase of direct paper imports and paper distributed by the ENCC and that allocation of paper by the ENCC under Article 1 of this Law is a mere formality intended solely to control the use to which paper is put.

*Article 2*

The Italian Government shall inform the Commission within one month of this Decision of the steps it has taken to comply with Article 1.

*Article 3*

This Decision is addressed to the Italian Government.

Done at Brussels, 16 June 1976.

*For the Commission*

G. M. THOMSON

*Member of the Commission*