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Rechtsanwaltsgesellschaft mbH

July/August 2008

EU Law News

A bi-monthly review of EU legal developments
affecting business in Europe

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EU-Russia Summit

New co-operation programmes to improve relations

The 21st EU-Russia Summit was held on 26-27 June 2008 in Khanty Mansiisk, Siberia. Much has changed in the ten years since the Partnership and Co-operation Agreement between the EU and Russia came into force. The EU is Russia's leading foreign investor and its most important trade partner. During 2000-2007, the volume of trade almost tripled – to €233 billion last year, with oil and gas especially important.

The 2008 Summit sought to strengthen the legal basis of EU-Russia co-operation, which comprises four "common spaces" in economic matters, security and justice, external security and research, education and culture. Agreement was also reached on seven cross-border projects aimed at bolstering economic and social development in border regions such as Karelia and Murmansk. From infrastructure to the training of border staff, local and regional actors have been working together, with the Russian Federation contributing €122 million and the European Community €307 million, in addition to contributions from EU Member States and other partner countries. Implementation is foreseen in early 2009.

Environmental Liability Directive (ELD)

Nine referrals to the European Court of Justice (ECJ)

The European Commission has decided to refer nine Member States (Austria, Belgium [concerning the Brussels region

only], Greece, Finland, France, Ireland, Luxembourg, Slovenia and the United Kingdom) to the ECJ for failing to transpose into their domestic law the ELD, based on "the-polluter-pays" principle. The deadline was 30 April 2007.

Environment Commissioner Stavros Dimas stressed the importance of the ELD and said it should be implemented as soon as possible to avoid distortions arising, for example, from cases where damage affects more than one Member State.

Healthcare Sector

Proposed directive on cross-border patient mobility

Rulings by the ECJ have made it clear that the EU Treaty gives individual patients the right to seek healthcare in other Member States and be reimbursed at home, yet there has been much uncertainty about how this right can be exercised. On 2 July 2008, the European Commission proposed a directive to clarify the legal position on issues such as reimbursement, liability for quality and safety standards. The Commission hopes that, in addition to providing legal certainty for Member States and healthcare providers, the directive will help to unlock the potential for cross-border co-operation to improve the efficiency and effectiveness of all EU healthcare systems. Examples of areas where co-operation could be especially beneficial include the assessment of health technology, the development of healthcare reference networks and common standards for interoperable e-health systems.

Public Procurement: Remedies Directives

Infringement procedures against Belgium, France, Ireland

On 26 June 2008, the European Commission decided to refer France and Ireland to the ECJ over their respective national rules implementing the Remedies Directive. A reasoned opinion was sent to Belgium on the same issue. In the Commission's view, the exception foreseen in these countries' national rules on the standstill period following notification of an award decision is too wide and not specific enough. Thus, unsuccessful tenderers lack effective legal protection at a stage where infringements can still be rectified, i.e., before the conclusion of the contract. This obligation flows from the Remedies Directives 89/665/EEC and 92/13/EEC, as interpreted by the ECJ in its *Alcatel* judgment (C-81/98).

Mergers and Acquisitions

Nokia purchase of NAVTEQ is approved

On 2 July 2008, the European Commission approved the acquisition by Finland's Nokia, the world's largest manufacturer of mobile phones, of the US company NAVTEQ, one of two providers of navigable digital map databases offering complete coverage of Europe and North America. After an in-depth examination, the Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area or any substantial part of it. The Commission's analysis focused on the merged firm's ability and incentives to raise competitors' costs by increasing the price of navigable digital map databases or limit access to them. The Commission's analysis is in line with its guidelines on non-horizontal mergers and its recent approval of the merger between the Dutch companies, TomTom, which sells navigation software and portable navigation devices, and Tele Atlas. Tele Atlas is the other leading supplier of navigable digital map databases and thus NAVTEQ's main competitor.

Cross-border Electricity Links

France and Spain agree on electric power link

On 27 June 2008, the European Commission announced that agreement has been reached for the establishment of an electricity link between France and Spain. Negotiations on the project had been taking place for several years but a solution only emerged after the presentation of a report by the former EU Commissioner Mario Monti, acting as European Co-ordinator, to Spain's prime minister José Luis Rodríguez Zapatero and François Fillon, prime minister of France at the EU's June 2008 intergovernmental conference. The main solution proposed was to place the cross-border part of the direct electricity line underground from Baixas, near Perpignan, to Santa Llogaia, near Figueras, using the existing infrastructure to the extent possible. The French and Spanish governments have instructed the competent authorities to start work on establishing the electricity link.

According to EU Energy Commissioner Andris Piebalgs, this positive experience might lead to the appointment of other EU co-ordinators to help push major projects forward.

Industrial Restructuring: Polish Shipyards

Rescue plans for Gdynia, Gdansk and Szczecin

Competition Commissioner Neelie Kroes has told the Polish government that, under EU competition rules, their restructuring plans must:

- ensure the long-term profitability of the three shipyards;
- include adequate compensatory measures to limit the distortion of competition caused by state aid; and
- must be financed to a large extent from the companies' own resources.

She stressed that non-compliance with these conditions would make the aid illegal and require reimbursement of any funds already disbursed.

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