

Electronic Notification of Block Exempted State Aid

Erich Schweighofer* Doris Liebwald Mathias Drachsler
University of Vienna, Department of International Law, Center for Legal Informatics
A-1090 Vienna, Universitätsstraße 2, Austria
{erich.schweighofer,doris.liebwald}@univie.ac.at

1 Introduction

EU law provides that state aids have to be notified and approved by the Commission according to Article 87 and 88 of the EC Treaty. The high number of cases - about 1000 per year - and the complexity of information make this area a good candidate for new methods of knowledge handling. Electronic communication and analysis of summary information that has to be submitted for block excepted state aids seems to be a first good start.

The aims of this project are to develop a sufficient XML structure for electronic communications of state aids in agriculture based on electronic forms, a Web interface for filling in the forms and the reuse of the data for electronic publication or further analysis by the Commission. A very important part of the project consists in the semi-automatic assessment of the electronic notifications by heuristic rules.

2 Legal Environment

Council Regulation (EC) No 994/98 empowers the Commission to exempt aid granted by Member States to small and medium-sized enterprises from the notification requirement of Article 88(3) of the EC Treaty. In the area of agriculture, the Commission has recently published a Draft Commission Regulation on the application of Article 87 and 88 of the EC Treaty to state aid to small and medium-sized enterprises active in the production, processing and marketing of agricultural products (OJ C 194 of 15.8.2003, hereinafter: Draft Block Exemption Regulation).

Member States have special information obligations. They shall forward to the Commission, with a view to publication in the Official Journal, summaries of the information regarding exempted state aids granted. The form of this report is defined in Annex I of the Draft Block Exemption Regulation. The Draft Block Exemption Regulation provides a block exemption system for certain types of state aid up to certain ceilings granted to farmers or companies processing and marketing agricultural products. The Commission intends to adopt the final text by the end of 2003. At the beginning of our project, some work has also been based on Commission Regulation (EC) No 69/2001 on *de minimis* aid.

*Presently on leave; working for the European Commission. The expressed views are those of the author.

3 Project Description

Presently, the information communicated by Member States is usually sent in paper and additionally as an electronic document (e.g. Winword file). In our project, this information is provided electronically using XML tagging. As users may not be sufficiently familiar with XML, an Internet portal has been developed for data input. Some checks guarantee a complete and coherent notification. Then, this structured information is reused in various forms by the Commission: data administration, publication in the Official Journal, statistical analysis and examination of the submitted data concerning compliance with the Block Exemption Regulation.

The project consists of five independent modules: login module, state aid module, module XML output, check text module and database access module.

As database we have used MySQL. Server side scripting was done in PHP. Additionally, JavaScript is utilised for field and text checking and XML style sheets for visualisation. This concept allows the use of any common Internet browser running on any operating system for the data input, e.g. notifications given by Member States.

The most interesting module is the *check text module*, developed for a more sophisticated examination of the notifications. Text is put under scrutiny using various heuristic rules for linguistic analysis. The basis of this analysis are legal ontologies defining the various concepts. Simple heuristic rules define words and word combinations which have to or must not occur in the text. Presently, the field *objective of aid* is the primary target of analysis of this module. Word sets are put into the database for defining concepts, e.g. investment aid (actually three tables: *condition_AND*, *condition_OR*, *neg_condition_AND*). This allows an easy add-on of further elements of definitions without changes in the programme. Existing notifications and the requirements of the Draft Block Exemption Regulation were the basis of the development of such rules. For the first tests we used Article 4 (investment in agricultural holdings) of the Draft Block Exemption Regulation and checked successfully for the fulfilment of the rule that investment aid for the purchase of animals is prohibited.

The *module XML output* will allow an easy change of layout for different purposes like comparison, localisation or statistical means, sorting functions, the presentation of requested subsets and an automatic linking between different presentations.

4 Conclusions and Future Work

The advantages of using electronic forms allowing reuse and recycling of information are obvious. The main difficulty is the definition of the XML structure as well as the following processing of this information. State aids are in particular well suited because a highly developed structure has been developed over the years. But future work may show that the structure has to be adapted for more sophisticated analysis.

Linguistic analysis by heuristic rules has been proven as quite powerful although the reliability is limited. For a more complete analysis, a deeper linguistic model has to be developed. As the output should only provide help for further analysis by an expert, the achieved results are satisfactory for this purpose.

An electronic communication of summary information for publication in the official journal for aid schemes and individual aid fulfilling the conditions of the Draft Block Exemption Regulation provides some advantages in comparison with the paper communication. The developed prototype of an application for the electronic communication procedure about the aid has shown that important gains of efficiency can be obtained by reusing the recycling the data for publication and further analysis.