



EUROPEAN COMMISSION

Brussels, 27.05.2004

C (2004) 1970

**Subject : State Aid N 159/2004 – UNITED KINGDOM**  
**Salmon net licences buy-out scheme**

Sir,

**1. Procedure**

In a letter dated 24 March 2004 the UK authorities notified the Commission of the above State aid scheme. Upon the request of the Commission, further information was communicated by e-mail on 21.4.2004.

**2. Description**

This scheme aims to compensate salmon netsmen operating in the Tamar, Tay and Lynher fishery in the South West of England and in the waters off the Cumbrian coast in the North West of England for permanently giving up their salmon net licences on a voluntary basis, these licences being definitely abolished.

The rules and the conditions of the scheme are identical to the ones of the previous scheme for netsmen operating on the North East coast, which was approved by the Commission on 19 June 2002 as State aid N 509/2001. The approval was communicated to the UK Government in a letter dated 21 June 2002 (SG 2002 D 230296). An amendment to the budget of the previous scheme was approved on 11 June 2003 as State aid N 136/2003. The approval was communicated to the UK Government in a letter dated 12 June 2003 (SG 2003 D 230113).

The decision to set up the scheme in question followed a scientific assessment of the salmon stocks which has shown them to be at unprecedentedly low levels. The success of the previous scheme which resulted, according to the UK authorities, in a significant reduction in the fishery's salmon catch and the numbers of days fished was another decisive factor for the setting up of this scheme.

This scheme is funded by both the United Kingdom Government and the private sector. The contribution of the UK will be GBP 50,000, subject to privately sourced match funding. The UK Government's contribution will be split with 42.5000 GBP for the Tavy, Tamar and Lynher fishery and the remaining 7.500 GBP for the Cumbrian

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Coastal fishery. In the case of the Tavy, Tamar and Lynher fishery, the private funds are being largely met by South West Water (a private water company) but with significant contributions from private riparian owners and angling interests. The UK Government will contribute 15% of the funds, with the remainder coming from these private sources. In the case of Cumbrian coastal fishery, the Government's contribution for this fishery will not exceed 50%, so buyout will proceed only if matching funds of at least an equivalent amount can be raised from private interests. For this purpose funds are being organised through the Eden Owners Association and the River Annan Fisheries Improvement Association.

This buy-out scheme is directed at the fishermen who hold a current net licence issued by the Environment Agency. According to the estimation of the UK authorities, there should be 17 recipients (16 in the Tavy, Tamar and Lynher fisheries and 1 in Cumbria).

Licence holders wishing to participate in the scheme will be required to submit bids based on the compensation they would have realistically wished to receive in return for the buy-out of their licence. Decisions on whether to accept bids submitted by individual netmen will be taken with a view to obtaining overall best value for money. In assessing compensation payment the following factors will be considered: latest and previous years reported catch, the latest and previous years effort and the potential time left in fishery.

All the netmen to benefit from compensation will be required to sign a declaration that they will forego their licences and not return to the salmon net fishery. In addition, a Net Limitation Orders under the Salmon and Freshwater Fisheries Act 1975 will be set in place to ensure no further net licences in this fishery may be issued and that any licence given up can not be reallocated. In the Cumbrian Coastal Salmon Net Fishery, the buy-out of the last remaining net licence will be followed up by a closure byelaw under the terms of the Salmon and Freshwater Fisheries Act 1975.

The compensation payment is a one-off payment to be made during 2004/2005.

According to the UK authorities, the transfer of fishing activity to other fisheries following the buy out scheme would be minimal. Many operators concerned work on a part-time basis and are likely to cease fishing completely should they be bought out. In addition, in the Tavy, Tamar and Lynher fishery the nets are shore-based and operated by small rowboats. There is potential to fish for other species such as sea bass and mullet. However, using this equipment such a fishery would not be commercially profitable. Thus, it is highly unlikely that the fishermen will fish regularly for those species. On the other hand the remaining Cumbrian netsman uses a small vessel and intends to concentrate after the buy out on fishing for shellfish.

### **3. Assessment**

The scheme described involves transfer of State resources into private undertakings which they would not have received in the normal course of their business. The resources are destined for a specific category of enterprises and are therefore State aids in the sense of Article 87 of the EC Treaty.

This scheme must be assessed in the light of the Guidelines for the examination of State aid to fisheries and aquaculture (OJ C 19 of 20.1.2001, p. 7).

Under paragraph 1.2, 1<sup>st</sup> sub-paragraph, of these Guidelines, State aid may be granted only if it is consistent with the objectives of the Common Fisheries Policy; the 3<sup>rd</sup> indent

of the Introduction to the Guidelines provides that the Common Fisheries Policy aims to establish the conditions necessary for ensuring rational and responsible exploitation of fisheries resources on a sustainable basis.

It can be seen that this scheme complies fully with these objectives since it aims to reduce fishing effort rapidly on stocks of salmon already known to be at a very low level.

In addition, as explained by the UK authorities, were this voluntary scheme to go ahead, the transfer of fishing activity to other fisheries would be minimal. As a result, it can be considered that this scheme does not risk undermining the sustainability of other fisheries resources.

For these reasons the scheme under examination is in line with article 87 of the EC Treaty as applied by the Commission according to its Guidelines for the examination of State aid to fisheries and aquaculture.

#### **4 Decision**

In view of the above, the Commission has accordingly decided not to raise any objection to this aid scheme.

The Commission reminds the UK authorities of Article 21 of Council Regulation N° 659/1999 which provides for the obligation of annual reports on State aid schemes.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site :

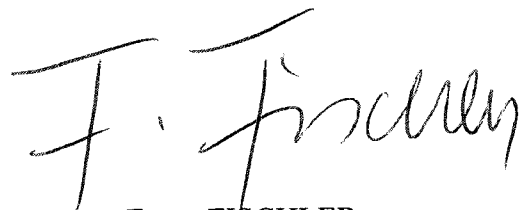
*[http://europa.eu.int/comm/secretariat\\_general/sgb/state\\_aids](http://europa.eu.int/comm/secretariat_general/sgb/state_aids) .*

Your request should be sent by registered letter or fax to:

European Commission  
Directorate General for Fisheries  
DG FISH-D-3  
B-1049 Brussels  
(Fax number : 0032 2 295.19.42)

Yours faithfully,

For the Commission

A handwritten signature in black ink, appearing to read 'F. Fischler', written over a horizontal line.

Franz FISCHLER  
Member of the Commission