

Brussels,  
C/2011/ 717

09 FEB. 2011

*Dear President,*

*The European Commission would like to thank the Senate of the Italian Republic for its opinion regarding the Commission's proposal for Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 (Single CMO Regulation) as regards the aid granted in the framework of the German Alcohol Monopoly {COM (2010) 336 final}.*

*The European Commission welcomes the support of the Italian Senate for the Commission's proposal regarding in particular the legal basis and the respect of the principles of subsidiarity and proportionality.*

*The European Commission takes note of the Italian Senate's observation concerning the need for an analysis of the impacts of the Commission's proposal on the competition and the production of other Member States. The European Commission would like to note that the proposal has been subject of a careful examination, which is summarised in the Commission report on the German Alcohol Monopoly {COM(2010)337 final}. The European Commission concluded that taking into account the quantities subsidised and the character of the German Alcohol Monopoly which is concentrated on small and very small agricultural distilleries, the derogation granted has limited effect on the markets of the neighbouring countries. In some parts of Germany, alcohol distilleries are traditionally linked to small and medium size farms and play an important role for the farms to continue their activities by providing an additional income to farmers and securing employment in rural areas. The proposed final prolongation of this regime consisting in a progressive and final phasing-out of the aid, offers a solution for the small distilleries which plays an important positive role for the preservation of the rural environment in certain German Länder.*

*The European Commission thanks the Italian Senate for its contribution and constructive approach to this issue and hopes that these explanations satisfy its expectations as expressed in the above mentioned opinion.*

*Yours faithfully,*

*Mr Renato Schifani  
President  
Senate of the Republic  
Piazza Madama  
00186 Roma*