

PROCEDURY ZWIĄZANE Z REALIZACJĄ POLITYKI KONKURENCJI

KOMISJA

POMOC PAŃSTWA — ZJEDNOCZONE KRÓLESTWO

Pomoc państwa C 23/07 (ex N 118/07) — Vauxhall Motors Ltd — pomoc szkoleniowa dla Ellesmere Port

Zaproszenie do zgłaszania uwag zgodnie z art. 88 ust. 2 Traktatu WE

(Tekst mający znaczenie dla EOG)

(2007/C 243/04)

Pismem z dnia 10 lipca 2007 r., zamieszczonym w języku oryginału na stronach następujących po niniejszym streszczeniu, Komisja powiadomiła Zjednoczone Królestwo o swojej decyzji w sprawie wszczęcia postępowania określonego w art. 88 ust. 2 Traktatu WE dotyczącego wyżej wspomnianego środka pomocy.

Zainteresowane strony mogą zgłaszać uwagi na temat środka pomocy, w odniesieniu do którego Komisja wszczyna postępowanie, w terminie jednego miesiąca od daty publikacji niniejszego streszczenia i następującego po nim pisma. Uwagi należy kierować do Kancelarii ds. pomocy państwa w Dyrekcji Generalnej ds. Konkurencji Komisji Europejskiej na następujący adres lub numer faksu:

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Uwagi te zostaną przekazane Zjednoczonemu Królestwu. Zainteresowane strony zgłaszające uwagi mogą wystąpić z odpowiednio umotywowanym pisemnym wnioskiem o objęcie ich tożsamości klauzulą poufności.

STRESZCZENIE

W dniu 5 marca 2007 r. Zjednoczone Królestwo powiadomiło Komisję o zamiarze przyznania pomocy spółce Vauxhall Motors Ltd, Ellesmere Port („Vauxhall”), zakładowi produkcji samochodów, który jest jednostką Vauxhall Motors Ltd oraz częścią General Motors Ltd. Zgłoszenie zostało dokonane w oparciu o art. 5 rozporządzenia Komisji (WE) nr 68/2001 w sprawie pomocy szkoleniowej, które przewiduje obowiązek indywidualnego zgłaszania pomocy szkoleniowej przekraczającej 1 mln EUR.

Pomoc ma na celu wsparcie programu szkoleniowego, którego celem jest poprawa produkcji Vauxhall. Program zostanie wprowadzony w ciągu sześciu lat (2007 r. do 2012 r. włącznie). Koszty kwalifikowalne programu szkoleniowego wynoszą ogółem 16 583 461 GBP. Pomoc byłaby przyznana przez North-West Development Agency w formie dotacji bezpośredniej w wysokości 8 584 767 GBP wypłaconych w sześciu ratach rocznych.

Komisja uważa, że omawiany środek stanowi pomoc państwa w rozumieniu art. 87 ust. 1 Traktatu WE. Komisja oceni zgodność pomocy ze wspólnym rynkiem na podstawie art. 87 ust. 3 lit. c) Traktatu WE. Przy dokonaniu oceny Komisja uwzględni główne zasady wynikające z rozporządzenia w sprawie pomocy szkoleniowej. Komisja oceni również, czy pomoc zachęca do przeprowadzenia szkolenia, to znaczy, czy szkolenie bez przyznania pomocy nie odbyłoby się. Niniejsze kryterium „efektu zachęty” jest ogólnym warunkiem zgodności pomocy państwa ze wspólnym rynkiem.

Na obecnym etapie Komisja ma wątpliwości odnośnie zgodności pomocy ze wspólnym rynkiem z następujących powodów. Po pierwsze Komisja kwestionuje efekt zachęty w stosunku do trzech części programu szkoleniowego (szkolenie dotyczące systemu produkcyjnego, szkolenie GM szkolenie dotyczące globalnego systemu produkcji, program pracy/studiów dla studentów), które w opinii Komisji zostałyby przeprowadzone nawet bez przyznania pomocy.

Po drugie Komisja kwestionuje pogląd Zjednoczonego Królestwa, że szkolenia, które mają zostać przeprowadzone w czterech obszarach programu (szkolenie dotyczące systemu produkcyjnego, szkolenie dotyczące globalnego systemu produkcji, zmiany kulturowe oraz lean manufacturing) stanowią szkolenia ogólne w rozumieniu rozporządzenia w sprawie pomocy szkoleniowej, tzn. szkolenia zapewniające kwalifikacje, które będą mogły zostać wykorzystane w innych firmach lub innych polach działalności zawodowej i na które może zostać przyznana pomoc w wysokości do 50 % kosztów kwalifikowanych. Komisja wyraża pogląd, że te części programu szkoleniowego stanowią szkolenia specjalistyczne w rozumieniu rozporządzenia (maksymalna intensywność pomocy 25 %).

TEKST PISMA

„The Commission wishes to inform the United Kingdom that, having examined the information supplied by the UK authorities on the measure referred to above, it has decided to initiate the procedure laid down in Article 88(2) of the EC Treaty.

1. THE PROCEDURE

- (1) By letter dated 28 February 2007, registered with the Commission on 6 March 2007, the UK authorities notified the Commission of the above-mentioned measure for General Motor's Vauxhall assembly plant at Ellesmere Port. The Commission requested complementary information by letter of 4 April 2007 (ref. D/51586), to which the UK authorities replied on 22 May 2007.

2. DESCRIPTION OF THE AID

2.1. The beneficiary

- (2) The aid recipient is Vauxhall Motors Ltd, Ellesmere Port, UK ("Vauxhall"), a car manufacturing plant which is an operating unit of Vauxhall Motors Ltd and part of General Motors Inc. ("GM"). It manufactures cars from the Opel model range (which are sold in the UK under the Vauxhall badge), currently the Astra which will terminate in 2009. Vauxhall is located in Ellesmere Port in Cheshire in the North-West region of England ⁽¹⁾ and employs close to 2 200 workers.
- (3) Vauxhall has suffered from a long record of underperformance. Initiatives taken since 2002 have considerably improved the plant's performance. However, according to the UK, the improvements represent only the changes needed to meet the basic standards for a GM plant. In order to survive in the long term, Vauxhall needs to implement a more comprehensive change and staff development programme in order to improve productivity and build quality and make Vauxhall a class leading plant.
- (4) On 17 April 2007, GM announced that Vauxhall was amongst the European GM sites that had been selected to produce the Global Compact Vehicle, the model that will replace the Astra.

2.2. The training programme

- (5) Vauxhall intends to implement a wide-ranging training plan which breaks down into 8 individual training areas, 6 of which are considered by the UK to be eligible for training aid:
 - (a) Production System Training: This concerns training in all elements of Vauxhall's production and quality control systems. The objective is to give staff a better understanding of the build process and thus generate better standard, reduce defects and improve problem solving.
 - (b) Integrated Training Plan: This part of the training concerns the implementation of the "Global Manufacturing System" (GMS) which incorporates best practices and technologies into a common manufacturing system for GM operations. Through a series of objectives ("People Involvement", "Standardisation", "Built-in Quality", "Short Lead Time", "Continuous Improvement") the training will allow the staff of Vauxhall to build future generations of cars in a better way.
 - (c) Cultural Change: The objective of this training is to instil a sense of common purpose and collective responsibility in the workforce and to create a team culture based on excellence in production.

⁽¹⁾ Vauxhall is located in an area which until 31 December 2006 qualified for regional aid under Article 87(3)(c) of the EC Treaty. Since 1 January 2007, the region is an unassisted area.

- (d) Dual Skilling: The purpose of this training is to develop a flexible workforce by allowing staff with a primary skill in mechanical engineering to develop electrical skills and, conversely, those with primary skills in electrical engineering to acquire mechanical skills.
- (e) Lean Manufacturing: This is a project to ensure that the principles and techniques of lean manufacturing are embedded in the workforce and that employees are fully aware of the benefits of applying these to the manufacturing process at Vauxhall. A central part of training under this heading will be the secondment of staff to another GM plant outside the UK.
- (f) Undergraduates: This is a programme whereby Vauxhall organises 12-month courses for young University students. The various programmes (e.g. "Body Planning Engineer", "Finance Analyst", "General Assembly Planning Engineer") combine learning and work experience under the supervision of a mentor. There is no contractual obligation on either party to maintain the working relationship at the end of the training.
- (6) Outside the training intended to benefit from the notified State aid are the training areas "Apprentices" (an apprenticeship scheme for young people), "Model Change" (the training needed to adapt to the production of the Global Model Vehicle) and activities related to "Training & Performance Appraisal". In addition, the UK authorities have informed the Commission that Vauxhall undertakes "routine training" in the skills necessary to the plant's normal operations.
- (7) According to the information provided by the UK, the training would consist mainly in general training, with some elements of specific training ⁽²⁾. The training plan will be implemented over six years (2007 to 2012 included) and will concern all employees at Vauxhall.

2.3. The aid

- (8) The aid would be given in the form of a direct grant of GBP 8 584 767 payable in six yearly instalments over the running time of the training programme. The aid would be implemented as an individual aid from the North West Development Agency.
- (9) According to the information provided by the UK, the eligible costs for the training and the aid break down as follows (the costs for the projects "Apprenticeships", "Model Change" and "Routine Training Budget" are not considered eligible by the UK) ⁽³⁾ (*):

Projects	General training Eligible costs in GBP	Specific training Eligible costs in GBP	Wage compensation in GBP	Total eligible costs in GBP	Aid in GBP	Intensity in %
Product System Training	[...]	[...]	[...]	[...]	[...]	[...]
Integrated Training Progr.	[...]	[...]	[...]	[...]	[...]	[...]
Cultural Change	[...]	[...]	[...]	[...]	[...]	[...]
Dual Skilling	[...]	[...]	[...]	[...]	[...]	[...]
Lean Manufacturing	[...]	[...]	[...]	[...]	[...]	[...]
Undergraduates	[...]	[...]	[...]	[...]	[...]	[...]
TOTAL	9 870 316	464 808	6 248 338	16 583 461	8 584 767	51,78

⁽²⁾ The notions of general and specific training are used as defined in Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid (OJ L 10, 13.1.2001, p. 20), referred to in this decision as "the Training Aid Regulation".

⁽³⁾ These amounts in the table are those indicated in the UK's letter of 22 May 2007. However, the Commission notes a discrepancy as regards the figures provided in the notification, at least as concerns the eligible costs for the Integrated Training Programme. The Commission expects the UK authorities to clarify this issue and provide definitive amounts for the eligible costs and the aid.

(*) [...]: Confidential information.

Projects	General training Eligible costs in GBP	Specific training Eligible costs in GBP	Wage compensation in GBP	Total eligible costs in GBP	Aid in GBP	Intensity in %
Apprenticeships	[...]	[...]	[...]	[...]	[...]	[...]
Model Changes	[...]	[...]	[...]	[...]	[...]	[...]
Routine Training Budge	[...]	[...]	[...]	[...]	[...]	[...]

- (10) According to the UK, the planned aid amounts respect the aid intensities of the Training Aid Regulation, i.e. 50 % for general training and 25 % for specific training, with an increase of 3,7 percentage points for training to disadvantaged workers within the meaning of Article 2(g) of the Training Aid Regulation ⁽⁴⁾.

3. ASSESSMENT

3.1. Qualification as State aid

- (11) According to Article 87 of the EC Treaty, any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods, in so far as it affects trade between Member States, constitutes incompatible State aid unless it can be justified under Article 87(2) or (3) of the EC Treaty.
- (12) The Commission considers that the measure constitutes State aid within the meaning of Article 87(1) of the EC Treaty. The funding takes the form of a grant from the general budget of the North West region, and is thus funded from State resources. The measures are selective as they are limited to Vauxhall. They are likely to distort competition within the Community since, by relieving it of a significant part of the costs of the training, the measure will provide Vauxhall with an advantage over other competitors not receiving the aid. Finally, the market for motor vehicles is characterised by extensive trade between Member States.

3.2. Legal basis for the assessment

- (13) The UK authorities have notified the aid as individual aid under Article 5 of the Training Aid Regulation which provides that when the amount of aid granted to one enterprise for a single training project exceeds EUR 1 million, the aid is not exempted from the notification requirement of Article 88(3) EC Treaty. The Commission notes that the proposed aid in this case amounts to GBP 8 584 767, i.e. about EUR 13 million, to be paid to one enterprise, and that the training project is a single project. The Commission therefore considers that the notification requirement applies to the proposed aid, and that it has been respected by the UK.
- (14) When assessing an individual training aid which does not qualify for the exemption laid down in the Training Aid Regulation, the Commission will, in line with previous decisions ⁽⁵⁾ make an individual assessment of the aid on the basis of Article 87(3)(c) of the EC Treaty. However, for the purposes of this individual assessment the Commission will by analogy rely on the guiding principles of the Training Aid Regulation and in particular the exemption criteria laid down in its Article 4.
- (15) Moreover, the Commission will, in line with its established practice, assess whether the training aid measure is necessary to undertake the training in question. The necessity of the aid is a general condition for finding the aid compatible with the common market ⁽⁶⁾. If the aid does not lead to additional training, it cannot be considered to “*promote*” the economic development within the meaning of Article 87(3)(c) EC of the EC Treaty nor to correct the market imperfections that lead companies to underinvest in the training, as mentioned in recital 10 of the Training Aid Regulation.

⁽⁴⁾ At present, 37 % of workers of the company are considered to be disadvantaged. They fall mainly into the category of persons older than 45 who have not attained an upper secondary education. However, as the training will run over 6 years and as the exact number of disadvantaged workers benefiting from the training will be known only at the time the training is delivered, the UK authorities intend to apply a general increase of aid intensity of 3,7 % across the board. The UK authorities have committed to verifying the actual number of disadvantaged workers in each training project ex post and to correct the applied aid intensities accordingly.

⁽⁵⁾ See Commission Decision 2006/938/EC of 4 July 2006 on State aid C 40/2005 ... Ford Genk (OJ C 366, 21.12.2006, p. 32) and Commission Decision of 4 April 2007 on State aid C 14/06 ... General Motors Belgium, not yet published. This follows also from paragraph 16 of the preamble of the Training Aid Regulation.

⁽⁶⁾ This is reiterated in point 11 of the Regulation which clarifies that it must be “*ensure[d] that State aid is limited to the minimum necessary to obtain the Community objective which market forces alone would not make possible [...]*”.

3.3. Compatibility with the common market

- (16) In view of the information submitted by the UK, the Commission has doubts on the compatibility of the aid with the common market for the reasons indicated below.

3.3.1. Incentive effect of the aid

- (17) As indicated above, the Commission takes the view that training aid can be compatible with the common market only if it creates a necessary incentive for the funded training, in the absence of which the training would not take place. Training which is part of the normal operations of an undertaking and for which market forces alone should provide sufficient incentive will not qualify for training aid.
- (18) The UK has indicated that all training which is necessary for Vauxhall's normal operations is provided as part of "routine training", the cost of which is not included in the eligible costs of the notified aid (the same is claimed for the training necessary to adapt to the production of the Global Concept Vehicle, covered by the heading "Model Change").
- (19) According to the UK, the training covered by the notification is significantly in excess of the work required to maintain its current business and would, because of its prohibitive cost, not be undertaken by Vauxhall without the aid. The aid would thus be a necessary condition for the training.
- (20) The Commission nevertheless doubts the incentive effect of the aid on parts of the training programme:

Production System Training

- (21) In the Commission's view, this training appears to be necessary to ensure Vauxhall's normal operations. This should provide Vauxhall with sufficient incentive to undertake the training without aid.
- (22) The UK has indicated that the training in production systems which is indispensable to Vauxhall's operations is provided through "routine training" which is distinct from the Production System Training. However, the UK has not provided sufficient information to allow the Commission to verify the contents of the "routine training" and to compare it to the Production System Training to satisfy itself that the latter provides additional qualifications.
- (23) The Commission consequently doubts that the aid is necessary for Vauxhall to undertake the Production System Training.
- (24) Concerning a particular item of the Production System Training, namely lines A25.1.1 to A25.1.6 "Statutory Inspection Training", the Commission observes that any training which is required by statute will necessarily be undertaken even in the absence of State aid. The Commission would require specific explanations regarding this point.

Integrated Training Plan

- (25) The Commission understands that GMS is an integrated manufacturing system which has been developed by GM and which is common to all GM car manufacturing facilities. Training the workforce in GMS would therefore appear indispensable to Vauxhall's normal operations and should be undertaken even in the absence of the notified State aid.
- (26) The UK has indicated that GMS training has been undertaken at Vauxhall before, but that the Integrated Training Plan aims at the refreshment and extension of the skills initially learnt and that this expenditure is discretionary and would not be brought about by the simple operation of market forces.
- (27) However, the Commission considers that training in the manufacturing systems applied at Vauxhall, including appropriate refreshment courses, are essential to operations. The Commission considers that the UK authorities have failed to provide concrete information to substantiate the claim that the Integrated Training Plan goes beyond what is necessary for Vauxhall's normal operations and would not be undertaken in the absence of the aid. The Commission consequently doubts that the notified aid, in this respect, is compatible with the common market.

Undergraduates

- (28) The UK has indicated that the programme is nonessential to Vauxhall's operations and could be curtailed without business unduly suffering. The costs of the training cannot be considered part of operating costs. Expenditure on the Undergraduate programme is discretionary and up for review every year. It is liable to budget cuts. The State aid would guarantee its continuation.
- (29) At this stage, the Commission observes that the Undergraduate programme has been in place for a number of years without State aid, which would indicate that the aid is not necessary for this training. The UK, which has stated that the Undergraduate training brings new talent into the company and is a key element of the training to be undertaken by Vauxhall, has not provided any concrete evidence that the programme will be discontinued in the absence of aid. The Commission is consequently not satisfied that the aid is compatible with the common market in this respect.

3.3.2. *The distinction between general and specific training*

- (30) The notions of general and specific training are defined in Article 2(e) of the Training Aid Regulation. Specific training is directly and principally applicable to the employee's present or future position in the assisted undertaking and provides qualifications which are not or only to a limited extent transferable to other firms or fields of work. General training, on the other hand, provides qualifications which are transferable to other firms or fields of work and therefore substantially improve the employability of the employee. The essential distinction between the two forms of training is thus the transferability of the acquired skills.
- (31) For the different parts of the Vauxhall training programme the UK authorities have indicated whether they consider the training to be general or specific (and, consequently, which maximum aid intensity should apply in accordance with Article 4 of the Training Aid Regulation). The Commission nevertheless questions the UK's qualifications as regards the following training projects:

Production System Training

- (32) As indicated above, this training concerns all manufacturing and quality control systems at Vauxhall. The UK has indicated that all training will be given by external trainers and concerns third party equipment which is used in other undertakings and sectors, thus providing trainees with transferable qualifications.
- (33) The Commission nevertheless considers that the UK has not provided it with sufficient information to allow it to ensure that all training provided under this heading is indeed transferable. The UK would need to provide the Commission with details on the basic "routine" training at Vauxhall so that the Commission can compare the nature of this training and assess to which extent it concerns skills which are specific to Vauxhall or GM.

Integrated Production System

- (34) As indicated above, this is, to the Commission's understanding, training in the Global Manufacturing System which was developed by GM and is applied at GM facilities.
- (35) The UK argues that GMS is based on a set of principles applicable to any business situation which involves a regular process. The underlying principles are applied both within and outside the automotive sector. The employees would thus acquire a set of skills which will make them capable of performing more efficiently with any employer. In addition, some specific elements of training have been identified and notified as specific training.
- (36) The Commission nevertheless questions whether training into a proprietary manufacturing system can be considered to provide transferable qualifications. Although certain underlying notions may be widely shared, the Commission considers that the training, insofar as it concerns the application of these notions to a concrete production process, is likely to be specific. The Commission would therefore require more detailed information on this training and how closely linked it is to practical applications in the GM manufacturing process.

Cultural Change

- (37) The Commission notes that the UK authorities have not submitted any details on the content and expected output of the training under this heading as, on their own account, this information is not yet available. In spite of this, the UK authorities claim that all training provided under this heading is general training within the meaning of the Training Aid Regulation.
- (38) However, the Commission has doubts about the transferability of skills acquired as part of a “cultural change” which — in the words of the UK authorities — is specifically focused on “jointly improving the key production metrics of the plant relating to cost and quality”. In view of this objective and the notification’s statements that “individual cultures widely vary between different organisations” and that “there is no optimal culture which can be easily and quickly adopted” the Commission doubts that this part of the training programme provides skills which are transferable by individual employees to other firms or fields of work. The Commission consequently doubts that training fitting the description given by the UK authorities constitutes general training.

Lean Manufacturing

- (39) The UK has argued that the principles of lean manufacturing are generally applied across the manufacturing industry and that, once acquired by the trainee, provide qualifications which are widely transferable.
- (40) Although the notion of lean manufacturing may rest on a body of generally applicable principles and techniques, the Commission nevertheless doubts whether this training can be dissociated from its practical application at Vauxhall or within the GM group at large, and thus whether the qualifications it provides are largely transferable by individual employees to other firms or fields of work. The Commission consequently doubts that this constitutes general training (?).

4. CONCLUSION

In the light of the foregoing considerations, the Commission, acting under the procedure laid down in Article 88(2) of the EC Treaty, requests the United Kingdom to submit its comments and to provide all such information as may help to assess the aid, within one month of the date of receipt of this letter.

It requests your authorities to forward a copy of this letter to the potential recipient of the aid immediately.

The Commission wishes to remind the United Kingdom that Article 88(3) of the EC Treaty has suspensory effect, and would draw your attention to Article 14 of Council Regulation (EC) No 659/1999, which provides that all unlawful aid may be recovered from the recipient.

The Commission warns the United Kingdom that it will inform interested parties by publishing this letter and a meaningful summary of it in the *Official Journal of the European Union*. It will also inform the EFTA Surveillance Authority by sending a copy of this letter. All such interested parties will be invited to submit their comments within one month of the date of such publication.”

(?) The Commission points out that in the above-mentioned decision in *Ford Genk*, training on “Lean organisation” was considered to be specific training.