Court of Justice of the European Union PRESS RELEASE No 86/15

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Press and Information

Judgment in Case C-653/13 Commission v Italy

As a result of its incorrect application of the Waste Directive in the region of Campania, Italy is ordered to pay a lump sum of €20 million and a daily late-payment penalty of €120 000

The Court had already held on one occasion, in a judgment of 2010, that Italy had failed to fulfil its obligations

The directive on waste¹ seeks to protect human health and the environment. The Member States are called upon to ensure that waste is disposed of and recycled and that their production thereof is limited, in particular by promoting clean technologies and recyclable and reusable products. They must thus establish an integrated and suitable network of disposal installations to enable the EU as a whole and the Member States individually to ensure the disposal of waste.

Italy transposed the Waste Directive in 2006 and, as regards the region of Campania, a regional law has defined 18 homogenous territorial areas in which urban waste produced in the respective basins must be disposed of and managed.

Following a crisis in the disposal of waste in the region of Campania in 2007, the Commission brought an action for failure to fulfil obligations against Italy, complaining that it had failed to establish, for that region, an integrated and suitable network of installations able to ensure self-sufficiency as regards disposal of waste on the basis of the criterion of geographical proximity. The Commission took the view that that situation was dangerous to both human health and the environment.²

By a judgment of 4 March 2010,³ the Court held that, by having failed to adopt, for the region of Campania, all the measures necessary to ensure that waste is recycled and disposed of without endangering human health and without harming the environment and, in particular, by having failed to establish a suitable and integrated network of disposal installations, Italy had failed to fulfil its obligations under the directive.

When checking that the Court's judgment had been executed, the Commission reached the conclusion that Italy had not ensured the correct execution of that judgment. The Commission reported that between 2010 and 2011, numerous problems in waste collection were notified in Campania and resulted in an accumulation, over several days of tonnes of waste in the streets of Naples (Italy) and other towns in Campania. In addition, a large quantity of historical waste (six million tonnes of 'Ecobales') had accumulated in that region and remains to be disposed of, which will probably take around 15 years.

Furthermore, the Commission estimated that, on expiry of the period prescribed for execution of the judgment (15 January 2012), the lacking waste treatment capacities by category of installation

¹ Directive 2006/12/EC of the European Parliament and of the Council of 5 April 2006 on waste (OJ 2006 L 114, p. 9), which codified Directive 75/442/EEC (OJ 1975 L 194, p. 39).

² In parallel with that action for failure to fulfil obligations, the Commission also refused to pay Italy financial aid which it had previously approved for the management and disposal of waste in Campania. The Commission was of the view that Italy had failed to adopt all the measures necessary in that regard. In the end, the Court upheld the Commission's claim in a judgment of 6 November 2014 (<u>Case C-385/13 P</u>, Press Release No <u>144/14</u>).

³ <u>C-297/08</u> Commission v Italy, see Press Release No <u>20/10</u>).

were 1 829 000 tonnes for landfills, 1 190 000 tonnes for thermal treatment recovery installations and 382 500 tonnes for organic waste treatment installations. Similarly, the structural deficiencies in terms of waste disposal installations, vital in the Campania region, persisted.

Dissatisfied with the situation, the Commission therefore brought a fresh action for failure to fulfil obligations against Italy for a finding of its failure to execute the first judgment of the Court of 2010. In the new action for failure to fulfil obligations, the Commission asks the Court to order Italy to pay a daily lump sum of €28 089.60 for the period between the 2010 judgment and today's judgment, and a penalty, possibly degressive, of €256 819.20 per day of delay in implementing the 2010 judgment, with effect from today's judgment.

In today's judgment, the Court finds that **Italy has failed correctly to execute the 2010 judgment** and orders it, firstly, to pay a **penalty of €120 000 per day of delay** in executing the 2010 judgment (the penalty being payable from today) and, secondly, to pay a **lump sum of €20 million**.

The Court upholds the Commission's arguments, in particular as regards the problem of disposal of the 'Ecobales' and the insufficient number of installations with the necessary capacity for treatment of urban waste in the region of Campania. The Court also points out that, having regard to the large deficiency in the capacity of the region of Campania to dispose of its waste, it may be deduced therefrom that such a serious failure at regional level is likely to affect the national network of waste disposal installations, which will no longer be integrated and suitable as required by the directive. That is likely seriously to compromise Italy's ability to move towards the objective of national self-sufficiency in waste disposal.

The Court finds that Italy's failure to fulfil obligations, as alleged, has persisted for more than five years, which is a significant period. Since Italy has thus failed correctly to execute the 2010 judgment, **the Court decides to order it to pay a daily penalty and a lump sum**, since such financial penalties constitute an appropriate method to ensure the full execution of the first judgment.

The daily penalty of \in 120 000 is divided into three parts, each of a daily amount of \in 40 000 calculated by category of installation (landfills, thermal treatment recovery installations and organic waste treatment installations). With regard to the lump sum of \in 20 million, the Court takes into account, in calculating that sum that, a failure on the part of Italy to fulfil its obligations as regards waste has been found in more than 20 cases brought before the Court. Such repeated infringements by a Member State in a specific area of EU action require the adoption of a dissuasive measure, such as an order to pay a lump sum.

NOTE: An action for failure to fulfil obligations directed against a Member State which has failed to comply with its obligations under European Union law may be brought by the Commission or by another Member State. If the Court of Justice finds that there has been a failure to fulfil obligations, the Member State concerned must comply with the Court's judgment without delay.

Where the Commission considers that the Member State has not complied with the judgment, it may bring a further action seeking financial penalties. However, if measures transposing a directive have not been notified to the Commission, the Court of Justice can, on a proposal from the Commission, impose penalties at the stage of the initial judgment.

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The <u>full text</u> of the judgment is published on the CURIA website on the day of delivery.

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