COMMISSION DECISION

of 23 September 1977

approving aids from the United Kingdom to the coal-mining industry during the coal marketing year 1976/77

(Only the English text is authentic)

(77/622/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Article 2, 3, 4 and 5 thereof,

Having regard to Commission Decision No 528/76/ECSC of 25 February 1976 regarding the Community system of measures taken by the Member States to assist the coal-mining industry [1],

Having consulted the Council,

Whereas the British Government has informed the Commission, pursuant to Article 2 of the above Decision, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during the coal marketing year 1976/77 [2]; whereas the following of these measures may be approved pursuant to that Decision:

— for the retraining and retention of personnel £ 2·4 million,

— aid for stocks £ 11·1 million.

Whereas these aids meet the criteria laid down in the Decision for the admissibility of such state assistance;

Whereas the aid for the retraining and retention of personnel is a grant from the British Government towards the costs incurred by the National Coal Board ('NCB') in 1976/77 for the relocation of personnel under its production rationalization programme; whereas, in order to ensure that skilled workers are retained, the costs incurred by relocated miners must be reimbursed by the NCB; whereas such costs include removal costs, resettlement costs, travel expenses and compensation for temporary loss of income;

Whereas the British Government is to contribute £ 2·4 million towards such costs borne by the NCB in 1976/77;

Whereas the purpose and form of the aid show that it meets the criteria set out in Article 8 of the Decision;

Whereas the £ 11·1 million aid to cover the cost of stocks of coal and coke is based on total producers' stocks, and additional socks held by consumers financed directly or indirectly by the producers, amounting to some 17 million tonnes; whereas, with monthly production of around 10·5 million tonnes, stocks eligible for aid under Article 9 (2) amount to 6·5 million tonnes; whereas the amount of aid per tonne is accordingly £ 1·70; whereas the actual cost of stocks (including depreciation and interest) is substantially higher than the amount of aid;

Whereas the purpose and form of the aid show that it meets the criteria set out in Article 9 of the Decision;

Whereas, in accordance with Article 3 (2) of the Decision, the examination of the compatibility of the abovementioned aids with the proper functioning of the common market must also extend to all other financial measures to support current production in 1976;

Whereas aids for current production in the United Kingdom will amount to 26·0 million European units of account or 0·21 European unit of account per tonne for the coal marketing year 1976/77; whereas the British coal industry therefore receives the lowest subsidy of all coal-producing Member States;

Whereas the examination of the compatibility of the British aid with the proper functioning of the common market requires no detailed information or investigations:

— there were no supply difficulties on the British market in 1976;

[1] OJ No L 63, 11. 3. 1976, p. 1.
[2] The coal marketing year 1976/77 runs from the beginning of April 1976 to the end of March 1977.

— progress with rationalization, together with new investment projects, brought a reduction in production costs and stabilized production in 1976;

— there was no disruption of competition as a consequence of the British aids in 1976;

Whereas it can therefore be stated that the aids for the British coal industry for current production in the coal marketing year 1976/77 are compatible with the proper functioning of the common market;

Whereas this also applies when account is taken of aids to the coal industry pursuant to Decision 73/287/ECSC;

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must ascertain that the aids authorized are used exclusively for the purposes set out in Articles 7 to 12 of that Decision; whereas the Commission must be informed in particular of the amount of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

Article 1

The Government of the United Kingdom is hereby authorized in respect of the coal marketing year 1976/77 to grant aids totalling £ 13 500 000 to the British coal-mining industry. The said aids are made up as follows:

1. Grant to cover the costs incurred by the National Coal Board in respect of relocation of personnel under the production rationalization programme, up to a maximum of £ 2·4 million;

2. Aid towards stocking costs in respect of coal and coke up to a maximum of £ 11·1 million.

Article 2

The British Government shall notify the Commission by 30 November 1977 of the details of the aids granted pursuant to this Decision, and in particular of the amounts paid and the manner in which they are apportioned.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 23 September 1977.

For the Commission

Guido BRUNNER

Member of the Commission