COMMISSION DECISION

of 7 December 1978

approving aids from the United Kingdom for the coal-mining industry during the coal marketing year 1978/79

(Only the English text is authentic)

(79/23/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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,

I

Whereas the United Kingdom Government has informed the Commission, pursuant to Article 2 of the abovementioned 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 1978/79 (2); whereas the following of these measures may be approved pursuant to that Decision :

	£ million
— aid for the recruitment and retention of skilled workers	3·3
— aid for stocks	9·0
— aid for power station coal	8·5

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

The aid for attracting and keeping skilled workers is intended to offset in part the NCB's costs arising from rationalization and the transfer of production to their best pits. This results in outgoings on removals, transport, etc.

Whereas the United Kingdom Government is to contribute £ 3·3 million towards such costs borne by the NCB in 1978/79 ;

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

Whereas the £ 9·0 million aid to cover the costs of stocks of coal and coke is based on total producers' stocks, and additional stock held by consumers financed directly or indirectly by the producers, amounting to some 16 million tonnes ; whereas, with monthly production of around 10 million tonnes, stocks eligible for aid under Article 9 (2) amount to 6 million tonnes ; whereas the amount of aid per tonne is accordingly £ 1·5 ; 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 the £ 8·5 million aid for power station coal is intended to cover the cost of deliveries of power station coal to Scotland. From the information provided by the British Government the amount and purposes of the aid granted can be regarded as compatible with Article 11 of the Decision ;

II

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 the coal marketing year 1978/79 ;

Whereas aids for current production in the United Kingdom will amount to 39·7 million European units of account or 0·32 European unit of account per tonne for the coal marketing year 1978/79 ; whereas the British coal industry therefore receives the lowest subsidy of all coal-producing Member States ;

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

— there will be no supply difficulties on the British market in 1978/79,

— British coal exports to other Community countries will rise in 1978/79 compared with 1977/78,

— progress with rationalization, together with new investment projects will stabilize the production in the coal marketing year 1978/79,

— industrial consumers of coal will not receive indirect aid in 1978 as a result of the prices of British coking coal and steam coal ;

Whereas it may therefore be concluded that the aids proposed in the coal marketing year 1978/79 for the

(1) OJ No L 63, 11. 3. 1976, p. 1.
(2) The coal marketing year 1978/79 runs from the beginning of April 1978 to the end of March 1979.

current production of the British coal industry are compatible with the proper functioning of the common market ;

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

III

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

HAS ADOPTED THIS DECISION :

Article 1

The United Kingdom is hereby authorized in respect of the coal marketing year 1978/79 to grant aids totalling £ 20 800 000 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, not exceeding £ 3 300 000 ;
2. aid towards stocking costs in respect of coal and coke not exceeding £ 9 000 000 ;
3. aid for deliveries of power station coal to Scotland not exceeding £ 8 500 000.

Article 2

The United Kingdom Government shall notify the Commission by 31 March 1979 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, 7 December 1978.

For the Commission

Guido BRUNNER

Member of the Commission