COMMISSION DECISION

of 29 October 1986

approving aids from the United Kingdom for the coal-mining industry during the 1985/1986 financial year

(Only the English text is authentic)

(86/531/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,

Having regard to Commission Decision 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 above Decision, of the financial measures which it intends to implement directly or indirectly for the benefit of the coal industry during the 1985/1986 financial year, which runs from the beginning of April 1985 to the end of March 1986; whereas the following measures may be approved pursuant to the Decision:

— aid for the recruitment and retention of skilled workers: £ 21,0 million,

— aid to cover losses on mining: £ 145,0 million;

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

Whereas the aid for attracting and keeping skilled workers is intended to offset in part the National Coal Board's costs arising from rationalization and the transfer of production to their best pits; whereas this results in outgoings on removals, transport, etc.

Whereas the United Kingdom Government is to contribute £ 21,0 million towards such costs borne by the NCB in 1985/1986;

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

Whereas the aid given to cover losses on mining (£ 145,0 million) will largely cover the losses sustained by NCB pits in 1985/1986; whereas the aid is given to avoid serious economic and social problems in those coalfields where there are not yet adequate re-employment opportunities and to maintain existing production capacities so as to safeguard energy supplies; whereas the aid is therefore compatible with Article 12 of the Decision;

II

Whereas, under Article 3 (2) of the Decision, an 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 1985/1986 financial year;

Whereas aids for current production in the United Kingdom will amount to 281,4 million ECU, or 2,75 ECU per tonne, for the 1985/1986 financial year; whereas the current production in the United Kingdom is less subsidized (per tonne) than in the Federal Republic of Germany and substantially less than in France and Belgium;

Whereas an examination of the compatibility of these aids with the proper functioning of the common market requires no detailed information or investigation; whereas there were no supply difficulties on the British market in 1985/1986; whereas UK coal deliveries to the Community in 1985/1986 held steady at the same levels as in 1984/1985; whereas the closure of several unprofitable pits resulted in rationalization and concentration of production on pits where productivity is highest; whereas industrial consumers of coal did not receive indirect aids in 1985/1986 as a result of the prices of British coking coal and steam coal;

Whereas it can therefore be stated that the aids to the British coal industry for current production in the 1985/1986 financial year 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;

[1] OJ No L 63, 11. 3. 1976, p. 1.

III

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must ascertain that aids authorized are used exclusively for the purposes set out in Articles 7 to 12 thereof; 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 United Kingdom is hereby authorized in respect of the 1985/1986 financial year to grant aids totalling £ 166 000 000 to the British coal-mining industry.

The said aids are made up as follows:

1. A grant to cover the costs incurred by the National Coal Board in respect of relocating of personnel under the production rationalization programme, not exceeding £ 21 000 000;

2. Aid to cover losses on mining, not exceeding £ 145 000 000.

Article 2

The United Kingdom shall notify the Commission by 31 December 1986 of 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, 29 October 1986.

For the Commission

Nicolas MOSAR

Member of the Commission