COMMISSION DECISION

of 21 February 1989

approving supplementary aid from the United Kingdom to the coal industry in the 1987 financial year (1987/88)

(Only the English text is authentic)

(89/175/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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

Having regard to Commission Decision No 204/86/ECSC of 30 June 1986 establishing Community rules for State aid to the coal industry [1],

Whereas :

I

In its letters of 26 October and 9 December 1988 the United Kingdom Government informed the Commission, pursuant to Article 9 (3) of Decision No 2064/86/ECSC, of the supplementary aid it intends to give to cover operating losses in the coal industry in 1987/88.

The Commission adopted on 31 July 1987 Decision 87/452/ECSC [2] approving aid from the United Kingdom to the coal industry in the 1987 financial year. This Decision authorized the United Kingdom Government to give direct or indirect support to the coal industry in 1987/88, subject to the approval of the Commission.

As stated in that Decision, the United Kingdom Government planned, pursuant to Decision No 2064/86/ECSC, to give aid in 1987/88 amounting to £ 90,5 million, to cover operating losses.

The United Kingdom Government informed the Commission in its letters of 26 October and 9 December 1988 that the amount of aid to cover operating losses specified in the Decision would not be sufficient.

The proposed increase for 1987/88 over the volume of aid authorized by the Commission would be £ 109,5 million, bringing the total amount of aid to cover operating losses in 1987/88 to £ 200 million.

This increase is necessary because operating losses in 1987/88 were considerably higher than originally estimated. Aid to cover operating losses would amount to £ 2 per tonne produced.

Total aid to cover operating losses amounting to £ 200 million would cover only 33 % of the difference between the projected average costs and the projected average receipts and is, therefore, compatible with Article 3 (1) of Decision No 2064/86/ECSC.

Aid to cover operating losses prevents the premature closure of production sites. It therefore contributes to solving the social and regional problems related to developments in the coal industry, in conformity with the third indent of Article 2 (1) of that Decision.

II

Pursuant to Article 11 (2) of Decision No 2064/86/ECSC, the Commission must ensure that the direct aid to current production which it approves is used exclusively for the purposes set out in Articles 3 to 6 thereof. The Commission must therefore be informed of the amounts of the payments and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The United Kingdom is hereby authorized to grant supplementary aid for the financial year 1987/88 totalling £ 109,5 million to the coal industry to cover operating losses, bringing the total amount of aid authorized for 1987/88 to £ 200 million.

Article 2

The United Kingdom Government shall inform the Commission by 30 June 1989 of the actual amounts paid in 1987/88.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 21 February 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission

[1] OJ No L 177, 1. 7. 1986, p. 1.
[2] OJ No L 241, 25. 8. 1987, p. 13.