COMMISSION DECISION

of 22 February 1989

approving aid from the Portuguese Republic to the coal-mining industry during 1986

(Only the Portuguese text is authentic)

(89/177/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,

Whereas :

I

The Government of the Portuguese Republic has informed the Commission pursuant to Article 2 of the Decision, of the financial measures which it intends to take for the direct or indirect benefit of the coal industry in 1986 ; whereas of these measures the following may be approved pursuant to that Decision :

Aid to cover pit operating losses : Esc 667,2 million.

This aid meets the criteria laid down in the Decision for the admissibility of such State assistance.

The aid totalling Esc 667 200 000 to cover pit operating losses completely covers the difference between the average costs and returns for every tonne of coal produced by Carbonifera do Douro in 1986 ; whereas the aid is granted to preclude serious economic and social upheaval in the employment area of the Dúrico-Beira coalfield in which adequate alternative employment for redundant mineworkes is not yet available ; whereas the aid therefore complies with the first subparagraph of Article 12 (1) and the second subparagraph of Article 12 (2) of the Decision.

II

Pursuant to Article 3 (2) of the Decision, an examination of the compatibility of the proposed aid with the proper functioning of the common market must also extend to all other financial measures to support current production in 1986.

On this basis of assessment, the total amount of aid proposed is ECU 4,5 million, i. e. ECU 18 per tonne.

The following observations can be made on the compatibility of the proposed aid for current production with the proper functioning of the common market :

— no deliveries of Portuguese coal to other Community countries were made in 1986,

— industrial consumers of coal did not receive indirect aid in 1986 as a result of the prices of Portuguese coal.

It may therefore be concluded that the Portuguese aid for current production in the coal industry in 1986 is compatible with the proper functioning of the comon market.

III

Pursuant to Article 14 (1) of the Decision, the Commission must ensure that the aid authorized is exclusively used for the purposes set out in Article 12 of this Decision ; whereas the Commission must therefore be informed of the amounts of the payments and of the manner in which they are apportioned,

HAS ADOPTED THIS DECISION :

Article 1

The Portuguese Republic is hereby authorized in respect of 1986 to grant the following aid to the coal-mining industry :

Aid not exceeding Esc 667 200 000 to cover pit operating losses.

Article 2

The Government of the Portuguese Republic shall notify the Commission by 30 June 1989 of details of the aid 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 Portuguese Republic.

Done at Brussels, 22 February 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission

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