II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 20 September 1989

approving aid from France to the coal industry in 1989

(Only the French text is authentic)

(89/597/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 2064/86/ECSC of 30 June 1986 establishing Community rules for State aid to the coal industry (1),

Whereas :

I

In its letter of 21 December 1988 the French Government informed the Commission, pursuant to Article 9 (2) of Decision No 2064/86/ECSC, of a financial measure it intends to take to give direct support to the coal industry in 1989.

In its letter of 26 June 1989 the French Government sent the further information requested by the Commission on 10 March 1989.

The following aid is submitted for the approval of the Commission pursuant to the abovementioned Decision :

— FF 1 229 000 000 to cover operating losses pursuant to Article 3 of the Decision.

According to the notification from the French Government, the purpose of the aid is to facilitate the restructuring of the coal industry in France.

The measure which the French Government intends to take to support the coal industry complies with Article 1 (1) of the abovementioned Decision. Consequently, pursuant to Article 10 of the Decision, the Commission must determine whether the measures are compatible with the objectives and criteria laid down in the Decision and with the proper functioning of the common market.

II

Restructuring coal production in France has brought about a marked improvement in productivity and production costs.

Over the last few years the amount of aid granted to the coal industry in France has been reduced appreciably. The aid covered by this Decision is almost 58 % down on 1986.

Aid to cover operating losses allows the coal industry restructuring programme to continue and helps to improve the industry's competitiveness in the long term.

The proposed aid will cover only 41 % of the cost of each tonne produced in each mine, and the difference between foreseeable average costs and foreseeable average returns corresponds with the criteria in Article 3 (1) of the Decision.

Since the measure is on a declining scale and contributes to the restructuring of the industry, it satisfies the objectives and conditions laid down in Article 2 of the Decision.

(1) OJ No L 177, 1. 7. 1986, p. 1.

In the light of the foregoing, the aid which the French Government plans to grant to the French coal industry for current production in 1989 is compatible with the proper functioning of the common market.

This Decision applies without prejudice to the compatibility with the Treaties of arrangements or agreements governing sales of coal mined in France to electricity producers.

Pursuant to Article 11 (2) of the Decision, 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 French Government is hereby authorized to grant for 1989 aid totalling FF 1 229 000 000 to cover operating losses.

Article 2

The French Government shall inform the Commission by 30 June 1990 of the amounts actually paid in 1989.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 20 September 1989.

For the Commission

António CARDOSO E CUNHA

Member of the Commission