II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 29 April 1991

on aid from France to the coal industry in 1991

(Only the French text is authentic)

(91/355/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 :

In its letter of 4 January 1991, 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 1991 ;

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

— aid of FF 1 153 000 000 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 ;

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

The measures to rationalize and restructure the French coal industry which were necessary because some pits were not economically viable in the long term, have led since 1986 to a 40 % reduction in coal production and a marked improvement in both productivity and production costs. The restructuring programme involves the concentration of production in Lorraine in the pits most likely to be economically viable and the subsequent closure of underground mines in the Centre-Midi coalfield. As part of the restructuring, modernization and rationalization process, production capacity in the Nord-Pas-de-Calais coalfield was closed at the end of 1990.

The aid granted to the French coal industry has been substantially reduced. The amount of aid notified for 1991 will represent no more than 32 % of the aid granted in 1986.

Aid to cover operating losses facilitates rationalization and restructuring of the coal industry and thus improves the industry's competitiveness in the long term.

The proposed aid will cover only 52 % of the difference for each tonne produced between foreseeable average costs and foreseeable average returns, and therefore meets the criteria laid down in Article 3 (1) of Decision No 2064/86/ECSC.

[1] OJ No L 177, 1. 7. 1986, p. 1.

Since the measure contributes to the restructuring and rationalization of the industry and in view of its purpose, it satisfies the objectives and conditions laid down in Article 2 of the Decision.

Consequently, the aid to current production which the French Government plans to grant to the coal industry in 1991, pursuant to Article 3 of Decision No 2064/86/ECSC, is compatible with the proper functioning of the common market.

This Decision does not affect the compatibility with the Treaties of arrangements governing sales of coal mined in France to electricity producers,

HAS ADOPTED THIS DECISION :

Article 1

France is hereby authorized to grant to the coal industry for 1991 : aid totalling FF 1 153 000 000 to cover operating losses.

Article 2

France shall inform the Commission no later than 30 June 1992 of the amount of aid actually paid in 1991.

Article 3

This Decision is addressed to the French Republic.

Done at Brussels, 29 April 1991.

For the Commission
António CARDOSO E CUNHA
Member of the Commission