

## COMMISSION DECISION

of 1 March 1978

approving aids from the Federal Republic of Germany to the coal-mining industry during the year 1977

(Only the German text is authentic)

(78/296/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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<sup>(1)</sup>,

Having consulted the Council,

## I

Whereas the Government of the Federal Republic of Germany 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 in 1977; whereas of these measures the following may be approved pursuant to that Decision:

*million DM*

|   |        |
|---|--------|
| — Investment aids to individual projects under an investment programme                                | 217.5  |
| — Premiums to shift-paid workers and piece workers for each shift worked underground                  | 115.0  |
| — Aid for development and innovation (testing and trial of new equipment) in the coal-mining industry | 36.0   |
| — Aid for the building of long-term security stocks   | 120.0; |

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

1. Whereas the investment of DM 217 500 000 is proposed for investment projects for mines, coking plants, briquette works and pit-head power stations; whereas the percentage of all investment covered by investment aid is approximately 25 %;

Whereas the investment aid can be assessed favourably in the framework of the Community's new coal

policy, for it promotes the long-term stabilization of production in German coalfields; whereas the aid is compatible with Article 7 (1) of the Decision;

Whereas, having regard to the purpose and amount of the aid in question, the Federal Government must, pursuant to Article 7 (5) of the Decision, notify the Commission at least once a year, in respect of each project in the programme which it has decided to carry out, of the aims pursued, the sums invested and the amounts of the aid;

2. Whereas the aid towards the payment of the coal-winning premium helps the coal industry to secure a stable skilled workforce, which is imperative if its productivity is to increase; whereas the undertakings moreover incur expenditure on the necessary recruitment, training, retraining and retention of workers which is several times the amount of aid in the form of this premium;

Whereas the purpose and amount of the coal-winning premium show that this measure is compatible with Article 8 of the Decision;

3. Whereas the aid of DM 36 000 000 to encourage innovation should ensure that research results are used in the production process as soon as possible; whereas the aid covers just half of the costs incurred by the undertakings and is granted for individual projects which promise to be of tangible economic benefit to the coal-mining industry in the medium term; whereas the purpose and amount of the aid shows that this measure is compatible with Article 7 (2) and (3) of the Decision;

4. Whereas the aid of DM 120 000 000 for the build-up of long-term security stocks is a measure by the Federal Government to increase the long-term security of energy supply; whereas, to this end, the emergency association of German mining industries has purchased 10 million tonnes of coal and coke; whereas the aid proposed by the Federal Government for this purpose covers only part of the storage and depreciation costs;

<sup>(1)</sup> OJ No L 63, 11. 3. 1976, p. 1.

Whereas the purpose and amount of the aid show that this measure is compatible with Article 10 of the Decision ;

## II

Whereas, in accordance with Article 3 (2) of the Decision, the 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 1977 ;

Whereas on this basis the total cost of the proposed measures amounts to 373 600 000 European units of account, that is, 3.95 European units of account per tonne produced ; whereas, compared with other Member States, current production in the Federal Republic of Germany is more heavily subsidized (per tonne) than in the United Kingdom and substantially less than in France and Belgium ;

Whereas the following remarks can be made on the compatibility of these aids for current production with the proper functioning of the common market :

- owing to the large stocks of coal and coke on hand there have been no supply difficulties,
- the level of exports of German coal to the other Member States remained the same compared with 1976,
- no price alignment agreements were entered into in 1977,
- industrial consumers of coal received no indirect aid in 1977 as a result of the prices of German coking coal and steam coal,
- rationalization of production in 1977 was achieved by heavy investment ;

Whereas it may therefore be concluded that the German aids for current production in the coal industry are compatible with the proper functioning of the common market ;

Whereas this applies even when account is taken of aids to the coal mines under Decision 73/287/ECSC ;

## III

Whereas, pursuant to Article 14 (1) of the Decision, the Commission must ensure that the aids authorized are used for the purposes set out in Articles 7 to 12 thereof ; whereas the Commission must be informed in particular of the amount of the aids and of the manner in which they are apportioned,

HAS ADOPTED THIS DECISION :

### *Article 1*

The Government of the Federal Republic of Germany is hereby given approval for the following aids to the coal industry during the calendar year 1977 :

1. grant of investment aid not exceeding DM 217 500 000 to undertakings in the coal industry in order to increase investment ;
2. payment of premiums to shift-paid workers and piece workers for each shift worked underground, not exceeding DM 115 000 000 ;
3. promotion of development and innovation not exceeding DM 36 000 000 ;
4. aid not exceeding DM 120 000 000 for the build-up of long-term security stocks.

### *Article 2*

The Federal Government shall notify the Commission by 31 May 1978 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 Federal Republic of Germany.

Done at Brussels, 1 March 1978.

*For the Commission*

Guido BRUNNER

*Member of the Commission*