

## II

*(Acts whose publication is not obligatory)*

## COMMISSION

## COMMISSION DECISION

of 7 November 1980

approving aids from the Federal Republic of Germany to the coal-mining industry during 1979

*(Only the German text is authentic)*

(80/1279/ECSC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

— aid for development and innovation  
(testing and trial of new equipment) in the  
coal-mining industry 68·0,

Having regard to Commission Decision No 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>,

— premiums to shift-paid workers and piece  
workers for each shift worked  
underground 110·0,

Having consulted the Council,

— aid for the building of long-term security  
stocks 121·5;

## I

Whereas the Government of the Federal Republic of  
Germany has informed the Commission, pursuant to  
Article 2 of the Decision, of the financial measures  
which it intends to implement directly or indirectly for  
the benefit of the coal industry in 1979; whereas of  
these measures the following may be approved pursuant  
to that Decision :

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

Whereas the investment of DM 746 600 000 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 more than 80 %;

*(million DM)*

— investment aids to individual projects  
under an investment programme 746·6,

Whereas in relation to the Community's new policy for  
coal, this 1979 investment aid, which increased slightly  
*vis-à-vis* 1978, is to be regarded as beneficial since it  
will promote the long-term stabilization of production

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

in the German coalfields. The aid complies with the provisions of Article 7 (1) of the Decision;

Whereas, the purpose and amount of the aid in question shows that, pursuant to Article 7 (5) of the Decision, the Federal Government must 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;

Whereas the sum of DM 68 000 000 to promote innovation is intended to ensure that research results are applied to production as quickly as possible; whereas the aid is lower than the costs borne by the undertakings and is granted in respect of individual projects which, when completed, are likely to prove their economic worth to coal-mining in the medium term; whereas the purpose and amount of this aid show that it is compatible with the third subparagraph of Article 7 (3) of the Decision;

Whereas the aid of DM 110 000 000 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-mining premium show that this measure is compatible with Article 8 of the Decision;

Whereas the aid of DM 121 500 000 for the building-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 actual current cost of maintaining these stocks;

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, an 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 1979;

Whereas on this basis the total cost of the proposed measures amounts to 1 023 500 000 European units of account i.e. 10.98 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 were no supply difficulties in 1979,
- the level of exports of German coal to the other Member States fell in 1979 compared with 1978,
- price alignment agreements were hardly entered into in 1979,
- industrial consumers of coal did not receive indirect aid in 1979 as a result of the prices of German coking coal and steam coal,
- rationalization of production in 1979 was achieved by heavy investment and the closure of two unprofitable pits;

Whereas it may therefore be concluded that the German aids for current production in the coal industry in 1979 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 were apportioned,

HAS ADOPTED THIS DECISION:

*Article 1*

The Federal Republic of Germany is hereby authorized in respect of the 1979 calendar year to grant the following aids to the coal industry:

1. grant of investment aid not exceeding DM 746 600 000 to undertakings in the coal industry in order to increase investment;
  2. promotion of development and innovation not exceeding DM 68 000 000;
  3. payment of premiums to shift-paid workers and piece workers for each shift worked underground, not exceeding DM 110 000 000;
  4. aid not exceeding DM 121 500 000 for the build-up of long-term security stocks.
- 

*Article 2*

The Government of the Federal Republic of Germany shall notify the Commission by 31 December 1980 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, 7 November 1980.

*For the Commission*

Guido BRUNNER

*Member of the Commission*