

## COMMISSION DECISION

of 17 December 1975

approving aids to be granted by the United Kingdom for the benefit of undertakings  
in the coal industry in respect of the financial year 1975/76

(Only the English text is authentic)

(76/215/ECSC)

THE COMMISSION OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the  
European Coal and Steel Community, and in  
particular Articles 2, 3, 4 and 5 thereof,

Having regard to Commission Decision 3/71/ECSC  
of 22 December 1970 on Community rules for  
interventions by Member States for the benefit of the  
coal industry <sup>(1)</sup>,

Having regard to Decision 73/287/ECSC of 25 July  
1973 on coking coal and coke <sup>(2)</sup>, and in particular  
Article 9 (1) thereof,

Having consulted the Council,

Whereas the British Government has informed the  
Commission, pursuant to Article 2 of Decision  
3/71/ECSC, of the financial measures which it  
proposes to implement directly or indirectly for the  
benefit of the coal industry during the 1975/76 coal  
marketing year <sup>(3)</sup>; whereas of these measures the  
following aids should be authorized pursuant to the  
aforementioned Decision;

Whereas the British Government proposes to grant to  
the British coal industry the following aids for the  
1975/76 coal marketing year:

	<i>£ million</i>
To cover expenditure on pensions	13.7
For severance payments to miners about to be made redundant and/or for the vocational retraining of staff	6.5
To cover the NCB's expenditure resulting from the early retirement of staff	1.5

To cover expenditure on the supply of  
concessionary coal to redundant miners aged  
from 55 to 65 years 0.8

For the retraining and retention of staff 3.7

Whereas the aforementioned aids are in accordance  
with the criteria laid down in Articles 6 and 7 of  
Decision 3/71/ECSC for the admission of such State  
assistance;

Whereas aid towards the covering of expenditure on  
pensions is granted to retired miners; whereas the  
expenditure on pensions incurred by the NCB is no  
longer related to the production of coal and is  
covered in part by the aid;

Whereas the purpose and form of the aid show that  
the measure is in accordance with the criteria set out  
in Article 6 (1) (1);

Whereas aid towards severance payments for miners  
about to be made redundant and/or for the  
vocational retraining of staff was introduced by the  
Coal Industry Act 1965; whereas the Coal Industry  
Act 1973 continues the aid and makes provision for  
payment of a maximum of £ 60 million for the  
financial years 1973/74 to 1975/76; whereas for  
1975/76 provision has been made for a sum of £ 6.5  
million;

Whereas such aid is granted in respect of miners  
leaving mining as a result of the closure of pits, and  
also of those being retrained and/or re-employed in  
coal mining;

Whereas the purpose and form of the aid show that  
the measure is in accordance with the criteria set out  
in Articles 6 (1) (1) and 7 (3) of Decision 3/71/ECSC;

Whereas aid towards the covering of the NCB's  
expenditure resulting from the early retirement of  
staff was introduced by the Coal Industry Act 1967;  
whereas for 1975/76 provision has been made for a  
sum of £ 1.5 million;

<sup>(1)</sup> OJ No L 3, 5. 1. 1971, p. 7.

<sup>(2)</sup> OJ No L 259, 15. 9. 1973, p. 36.

<sup>(3)</sup> The 1975/76 coal marketing year runs from the  
beginning of April 1975 to the end of March 1976.

Whereas such aid is granted to miners retired prematurely; whereas such retirement was necessary on account of the drop in production (as a result of marketing difficulties) in 1967 to 1970; whereas the expenditure on pensions incurred by the NCB is no longer related to the production of coal and is covered in full by the aid;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) (1) of Decision 3/71/ECSC;

Whereas the aid towards the covering of the NCB's expenditure on the supply of concessionary coal is granted in respect of expenditure which is no longer related to the production of coal; whereas the NCB's expenditure on the supply of concessionary coal to redundant miners between the ages of 55 and 60 is fully reimbursed by the British Government; whereas for miners made redundant between the ages of 60 and 65, the aid is to cover 50 % of the expenditure on the supply of concessionary coal; whereas the amount of aid provided for 1975/76 is £ 800 000;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 6 (1) (1) of Decision 3/71/ECSC;

Whereas the aid towards the retraining and retention of staff is a supplement to be paid by the British Government to help to cover the expenditure which the NCB will have to spend in 1975/76 for the regrouping of staff which will be required as part of the rationalization programme; whereas, in order to ensure that qualified workers are retained, the costs falling on the miners affected by the regroupment schemes must be reimbursed to them by the NCB; whereas such costs include removal costs, resettlement costs, travel expenses and compensation for a temporary loss of income;

Whereas the British Government is to contribute £ 3.7 million towards such costs to be borne by the NCB in respect of 1975/76;

Whereas the purpose and form of the aid show that the measure is in accordance with the criteria set out in Article 7 (3) of Decision 3/71/ECSC;

Whereas the following remarks must be made in respect of the compatibility of the total amount of British aids with the proper functioning of the common market:

- no adverse effect on trade in coal between the United Kingdom and the other Member States is expected in 1975 (Article 3 (1) (1) of Decision 3/71/ECSC);
- no alignment of prices with those of other Community producers is expected in respect of British coal in 1975;
- although the prices for British coal have been considerably increased, they have not yet reached the level of the equivalent prices for heating oil or coking coal imported from the United States. This state of affairs does not however lead to indirect aids to industrial consumers as the British coal industry is receiving no aids to cover operating losses in the coal marketing year 1975/76, in accordance with Article 9 of Decision 3/71/ECSC;
- the closure of two or three unprofitable pits will lead to rationalization and the concentration of production in pits where productivity is highest;

Whereas it can therefore be said that the British aids for the benefit of the coal industry in 1975/76 are compatible with the proper functioning of the common market;

Whereas this also applies if account is taken of aids granted to the coal industry under Decision 73/287/ECSC;

Whereas, pursuant to Article 11 (1) of Decision 3/71/ECSC, the Commission must ensure that the aids authorized are used for the purposes set out in Articles 6 and 7 of that Decision; whereas the Commission must be informed in particular of the amount of these aids and the manner in which they are apportioned,

HAS ADOPTED THIS DECISION:

#### *Article 1*

The Government of the United Kingdom is hereby authorized to grant aids totalling £ 26 200 000 for the benefit of the British coal industry in the coal marketing year 1975/76, divided as follows:

1. assumption of responsibility for expenditure on pensions for retired miners (£ 13.7 million);
2. severance payments to miners to be made redundant as a result of the closure of pits and/or for miners to be retrained or re-employed up to a maximum of £ 6.5 million;
3. reimbursement of the NCB's expenditure resulting from the early retirement of miners (£ 1.5 million);
4. assumption of responsibility for the costs of supplying concessionary coal to redundant miners aged between 55 and 60 years, up to a maximum of £ 800 000;
5. supplement to cover the NCB's expenditure on the regrouping of staff which will be required as part of the rationalization programme, up to a maximum of £ 3.7 million.

*Article 2*

The British Government shall notify the Commission by 30 April 1976 of the details of the aids granted pursuant to this Decision, and in particular as regards the amounts paid and the manner in which they are apportioned.

*Article 3*

The Decision is addressed to the United Kingdom.

Done at Brussels, 17 December 1975.

*For the Commission*

Henri SIMONET

*Vice-President*