



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Industry, Research and Energy

2010/0220(NLE)

9.11.2010

OPINION

of the Committee on Industry, Research and Energy

for the Committee on Economic and Monetary Affairs

on the proposal for a Council regulation on State aid to facilitate the closure of uncompetitive coal mines
(COM(2010)0372 – C7-0296/2010 – 2010/0220(NLE))

Rapporteur: Herbert Reul

PA_Legam

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Title

Text proposed by the Commission

Proposal for a
COUNCIL REGULATION (EU) No .../...
on State aid to facilitate the closure of
uncompetitive coal mines

Amendment

Proposal for a
COUNCIL REGULATION (EU) No .../...
on State aid to facilitate the closure *or*
transition to competitiveness of
uncompetitive coal mines

Amendment 2

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Council Regulation (EC) No
1407/2002⁵ of 23 July 2002 on State aid to
the coal industry expires on 31 December
2010.

Amendment

(1) Council Regulation (EC) No
1407/2002⁵ of 23 July 2002 on State aid to
the coal industry expires on 31 December
2010 ***and in the absence of a new legal
framework allowing for certain specific
types of State aid to the coal industry,
Member States can grant aid only within
the limits provided for in the general State
aid rules applicable to all sectors.***

Amendment 3

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) The small contribution of subsidised coal to the overall energy mix no longer justifies the maintenance of **such** subsidies with a view of securing the supply of energy **on a** Union level.

Amendment

(2) The small contribution of subsidised coal to the overall energy mix **in some Member States** no longer justifies the maintenance of **significant** subsidies with a view of securing the supply of energy **at Union and Member State level, as long as that objective cannot be guaranteed by other means.**

Amendment 4

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Due account should be taken of the right of Member States to choose their specific energy mix as stated by the Presidency Conclusions of 9 March 2007 and Article 194(2) of the Treaty on the Functioning of the European Union (TFEU) in compliance with EU obligations on sustainability, competitiveness, energy efficiency, climate protection, the use of renewable energy sources and security of supply.

Amendment 5

Proposal for a regulation
Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) State aid in the process of closing of uncompetitive coal mines should be used primarily to minimise the increasing danger of mining accidents, especially fatal ones, caused mainly by insufficient

funding of the coal industry.

Justification

When no initial investments are made while at any price one wants to achieve profitability, mining accidents multiply.

Amendment 6

Proposal for a regulation
Recital 2 c (new)

Text proposed by the Commission

Amendment

(2c) The Union is funding research activities on clean coal, new technologies in coal mining and carbon capture storage projects with various budget allocations under the New Entrants Reserve scheme, the EU Research and Development Programmes, the European Energy Programme for Recovery and the Research Fund for Coal and Steel.

Amendment 7

Proposal for a regulation
Recital 3

Text proposed by the Commission

Amendment

(3) The Union's policies of ***encouraging*** renewable and ***lower carbon fossil fuels*** for power generation do not justify the indefinite ***support*** for ***uncompetitive*** coal mines. The categories of aid permitted by Regulation (EC) No 1407/2002 should therefore not be continued ***indefinitely***.

(3) The Union's policies ***aiming, inter alia, at the promotion*** of renewable ***fuels*** and ***natural gas*** for power generation ***with low CO₂ emissions*** do not justify the indefinite ***provision of State aid*** for coal mines ***that are uncompetitive on the internal market***. The categories of aid permitted by Regulation (EC) No 1407/2002 should therefore not be continued.

Justification

In the amendment the Union's policies are specified, as well as the place where the lack of competitiveness occurs; it is a common market (it should be), not the Member States.

Amendment 8

Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) Union policies aimed at increasing the competitiveness of Union industry, improving energy security and reducing CO₂ emissions, based on the existing customs strategy, should be conducive to limiting subsidised coal imports from third countries.

Justification

EU wants to liquidate its own mining and does not protect it against competition from outside.

Amendment 9

Proposal for a regulation Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) When the necessity arises in exceptional cases and in order to ensure the energy supply, the Commission should be able to allow national solutions extending hard coal subsidies in accordance with Union law.

Amendment 10

Proposal for a regulation Recital 5

Text proposed by the Commission

Amendment

(5) Without prejudice to the general State aid rules, Member States should be able to

(5) Without prejudice to the general State aid rules, Member States should be able to

take measures to alleviate the social and regional consequences of the closure of those mines, that is to say the orderly winding down of activities in the context of an irrevocable closure plan and/or the financing of exceptional costs, inherited liabilities in particular.

take measures to alleviate the social and regional consequences of the *possible* closure of those mines, that is to say the orderly winding down of activities in the context of an irrevocable closure plan and/or the financing of exceptional costs, inherited liabilities in particular.

Amendment 11

Proposal for a regulation

Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) The social purpose of the transitional period preceding the closure of coal mining undertakings should guarantee Member States enough time to address fundamental challenges to the social fabric resulting from such closures, such as unemployment, poverty, re-skilling of workers and the creation of new jobs.

Amendment 12

Proposal for a regulation

Recital 7

Text proposed by the Commission

Amendment

(7) In order to minimise the distortion of competition in the internal market resulting from aid, such aid should be degressive and ***strictly*** limited to production units that are ***irrevocably*** planned for closure.

(7) In order to minimise the distortion of competition in the internal market resulting from *State* aid, such aid should be degressive and limited to production units that are planned for closure. ***If financial measures are not assigned for those purposes, State aid should be returned in respect of coal mines which have not been closed.***

Amendment 13

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) In order to mitigate the negative environmental impact of aid to coal, the Member State should provide a plan of appropriate measures, for example in the field of energy efficiency, **renewable energy or carbon capture and storage**.

Amendment

(8) In order to mitigate the negative environmental impact of aid to coal **and coal imports**, the Member State should provide a local plan of appropriate measures, for example in the field of energy efficiency **and sustainable energy sources, since such actions would also contribute significantly to global reductions of CO₂ emissions and could assist Member States in fulfilling their commitments in the context of the climate change and energy package**.

Amendment 14

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) A minimum level of coal production, together with other measures, especially those aimed at the promotion of renewable energy sources, should contribute to the maintenance of a quota of primary energy sources, which will allow energy security in the Union to be reinforced significantly. In addition, a quota of autochthonous sources of primary energy will help to promote environmental goals in relation with sustainable development. In this framework of boosting autochthonous energy sources in the Union in order to counterbalance the continent's huge dependence on energy sources from third countries, consideration should be given to complementing autochthonous energy sources, which in many Member States are represented solely by coal, with non-fossil sources.

Amendment 15

Proposal for a regulation Recital 8 b (new)

Text proposed by the Commission

Amendment

(8b) In coal-powered stations, autochthonous coal is very likely to be replaced by imported coal. The overall impact on greenhouse gas emissions depends on the emissions from coal mining in third countries and from the transport of the coal to the Union.

Amendment 16

Proposal for a regulation Recital 9

Text proposed by the Commission

Amendment

(9) ***Undertakings*** should also be eligible for aid to cover costs which, in accordance with normal accounting practice, do not directly affect the cost of production. Such aid is intended to cover exceptional costs that arise from the closure of their production units. In order to avoid such aid unduly benefiting undertakings that close only some of their production sites, the undertakings concerned should keep separate accounts for each of their production units.

(9) In duly justified cases where undertakings as well as associations and foundations in the coal mining sector cannot take over the exceptional costs, Member States should finance those costs with the aim of ensuring the environmental rehabilitation of former sites and minimising the negative social consequences of the closure of mines. In such cases, undertakings should also be eligible for aid to cover costs which, in accordance with normal accounting practice, do not directly affect the cost of production. Such aid is intended to cover exceptional costs that arise from the closure of their production units. In order to avoid such aid unduly benefiting undertakings that close only some of their production sites, the undertakings concerned should keep separate accounts for each of their production units; ***undertakings that operate competitive***

coal mines in one place must not profit from state aids for uncompetitive mines.

Amendment 17

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) In accomplishing its task, the European Commission should ensure that normal conditions of competition are established, maintained and complied with. With regard to more especially the electricity market, aid to the coal industry should not be such as to affect electricity producers' choice of sources of primary energy supply. Consequently, the prices and quantities of coal should be freely agreed between the contracting parties in the light of prevailing conditions on the world market.

Amendment

(10) In accomplishing its task, the Commission should ensure that normal conditions of competition are established, maintained and complied with. With regard to more especially the electricity market, aid to the coal industry should not be such as to affect electricity producers' choice of sources of primary energy supply. Consequently, the prices and quantities of coal should be freely agreed between the contracting parties in the light of prevailing conditions on the world market. ***In any event, and in order to avoid social or environmental 'dumping', the Union institutions and bodies should ensure that the coal from third countries which is marketed in the Union is extracted in accordance with certain social and environmental standards which are equivalent to those required in respect of mines in the Union.***

Amendment 18

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The application of this Regulation does not exclude that aid to the coal industry may be found compatible with the internal market on other grounds;

Amendment

(11) The application of this Regulation does not exclude that aid to the coal industry may be found compatible with the internal market on other grounds. ***In addition, the application of this Regulation does not exclude the eligibility of businesses or regions affected by the***

closure of a coal mine to benefit from other Member State or Union funds, including the European Globalisation Adjustment Fund (EGF) and cohesion policy funds.

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point b

Text proposed by the Commission

(b) "closure" means the permanent cessation of production and sales of coal;

Amendment

(b) "closure" means the permanent cessation of production and sales of coal, *or the long-term conservation of mines with proved reserves for at least 10 years;*

Justification

Europe has to leave its door open for revitalizing the domestic production in case of unexpected change of the economic or political situation in the world after 2020.

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) "cessation of production" means the permanent liquidation or the temporary suspension of production due to unfavourable economic conditions;

Justification

Cessation of production may be permanent or temporary.

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) "closure plan" means a plan drawn up by a Member State providing for measures culminating in the definitive closure of coal production units;

(c) "closure plan" means a plan drawn up by a Member State providing for measures culminating in the definitive closure of coal production units **resulting in such units being definitively liquidated or put into a dormant state**;

Justification

We should ask ourselves whether the definite closure of a mine would mean physical liquidation including shaft filling. A better strategy would be perhaps to wait the downturn in the economy out by putting the mine into a so called "dormant" condition, i.e. maintain its usability but suspend exploitation.

Amendment 22

**Proposal for a regulation
Article 2 – paragraph 2**

Text proposed by the Commission

Amendment

2. Aid shall cover only costs in connection with coal for the production of electricity, the combined production of heat and electricity, the production of coke and the fuelling of blast furnaces in the steel industry, where such use takes place in the Union.

2. Aid shall cover only costs in connection with coal for the production of electricity, the combined production of heat and electricity, the production of coke and the fuelling of blast furnaces in the steel industry, **research and investment in technology aimed at increasing energy efficiency and reducing polluting emissions from coal**, where such use takes place in the Union.

Amendment 23

**Proposal for a regulation
Article 3 – paragraph 1 – point a**

Text proposed by the Commission

Amendment

(a) the operation of the production units concerned must form part of a closure plan the deadline of which does not extend

(a) the operation of the production units concerned must form part of a closure plan the deadline of which does not extend

beyond **1 October 2014**;

beyond **31 October 2020**;

Amendment 24

Proposal for a regulation

Article 3 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the aid granted under this paragraph must not result in additional polluted areas and perpetual consequential costs and new environmental damage from the coal mining sector;

Amendment 25

Proposal for a regulation

Article 3 – paragraph 1 – point a b (new)

Text proposed by the Commission

Amendment

(ab) the Member States planning to finance operational costs in the framework of this Regulation after 31 December 2010 must draw up independent cost-benefit analyses calculating the economic impact of extended State aid regimes; these must adequately address resulting social and environmental costs and benefits to be significant;

Amendment 26

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) the production units concerned must be closed definitively in accordance with the closure plan;

(b) the production units concerned must be closed definitively in accordance with the closure plan ***unless they have become competitive by 31 October 2020 or the Union's energy needs require their***

continued operation;

Amendment 27

Proposal for a regulation

Article 3 – paragraph 1 – point d

Text proposed by the Commission

(d) the amount of aid per tonne coal equivalent must not cause prices *for Union* coal at delivery point to be lower than those for coal of a similar quality from third countries;

Amendment

(d) the amount of aid per tonne coal equivalent must not cause prices *of Union* coal at delivery point to be lower than those for coal of a similar quality from third countries *and importing coal subsidised by State aid from third countries must be excluded;*

Justification

Often a cheap import from the third countries results from the fact that coal mining is supported by state in these countries.

Amendment 28

Proposal for a regulation

Article 3 – paragraph 1 – point f

Text proposed by the Commission

(f) the overall amount of closure aid granted by a Member State *for any particular undertaking* must follow a downward trend, where the reduction between successive periods of *fifteen months* must not be less than *33 percent* of the aid provided in the initial *fifteen* month period of the closure plan;

Amendment

(f) the overall amount of closure aid granted by a Member State must follow a downward trend, where the reduction between successive periods of *thirteen months* must not be less than *10 %* of the aid provided in the initial *thirteen* month period of the closure plan *but such a downward trend must not apply to mines that have become competitive during that period and which continue to require public investment aimed at reducing the polluting effects of coal;*

Amendment 29

Proposal for a regulation
Article 3 – paragraph 1 – point g

Text proposed by the Commission

(g) the overall amount of closure aid to the coal industry of a Member State must not exceed, for any year after 2010, the amount of aid granted by that Member State and authorised by the Commission in accordance with Articles 4 and 5 of Regulation (EC) No 1407/2002 for the year 2010.

Amendment

(g) the overall amount of closure aid to the coal industry of a Member State must not exceed, for any year after 2010, the amount of aid granted by that Member State and authorised by the Commission in accordance with Articles 4 and 5 of Regulation (EC) No 1407/2002 for the year 2010, ***with the exception of those Member States which currently operate underground mines, the closure of which is planned for 2013, which have not yet received State aid in accordance with this Regulation and where the production costs of coal exceed the selling price at delivery point freely agreed between the contracting parties in the light of the conditions prevailing on the world market;***

Amendment 30

Proposal for a regulation
Article 3 – paragraph 1 – point h

Text proposed by the Commission

(h) the Member State must provide a plan to take measures aimed at mitigating the environmental impact of the use of coal, ***for example*** in the field of energy ***efficiency, renewable energy or carbon capture and storage***. The inclusion of measures constituting State aid within the meaning of Article 107 (1) in such a plan is without prejudice to the notification and standstill obligations imposed on the Member State with respect to these measures by Article 108 (3) TFEU, and to the compatibility of these measures with the internal market.

Amendment

(h) the Member State must provide a plan to take measures aimed at mitigating the environmental impact of the use of ***autochthonous and imported*** coal in the field of ***environmentally friendly*** energy ***solutions paying particular attention to mono-industrialised regions where coal mines represent the major employers and to the creation of local sustainable jobs and investment***. The inclusion of measures constituting State aid within the meaning of Article 107 (1) TFEU in such a plan is without prejudice to the notification and standstill obligations imposed on the Member State with respect to these measures by Article 108 (3) TFEU, and to

the compatibility of these measures with the internal market.

Amendment 31

Proposal for a regulation

Article 3 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(ha) the evidence of the transparency of costs incurred by undertakings and associations and details of the funds granted by Member States must be made public. To this effect a yearly report is to be forwarded to the European Institutions.

Amendment 32

Proposal for a regulation

Article 3 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(ha) the Member State shall provide a social-economic recovery plan for the mining region in order to mitigate the social impact of mine closure.

Amendment 33

Proposal for a regulation

Article 3 – paragraph 2

Text proposed by the Commission

Amendment

2. If the production units to which aid is granted pursuant to paragraph 1 are not closed at the date fixed in the closure plan as authorised by the Commission, the Member State concerned shall recover all aid granted in respect of the whole period covered by the closure plan.

2. If the production units to which aid is granted pursuant to paragraph 1 are not closed at the date fixed in the closure plan as authorised by the Commission ***and the Commission does not endorse the revision of the closure plan***, the Member State concerned shall recover all aid granted in respect of the whole period covered by the

closure plan.

Amendment 34

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) the costs incurred by *several* undertakings.

Amendment

(b) the costs incurred by ***the closure of mines organised as associations or foundations, which cannot be taken over by undertakings, or associations or foundations: in duly justified cases Member States may finance exceptional costs in order to ensure the environmental rehabilitation of the former sites and to ensure that the negative social consequences of the closure of mines are minimalised. In order to avoid such aid unduly benefiting undertakings that close only some of their production sites, the undertakings should keep separate accounts for each of their production units.***

Amendment 35

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

2. The categories of costs covered by paragraph 1 are defined in the Annex. Paragraph 1 shall not apply to costs resulting from non-compliance with environmental regulations.

Amendment

2. The categories of costs covered by paragraph 1 are defined in the Annex. Paragraph 1 shall not apply to costs resulting from non-compliance with ***social, environmental and other applicable*** regulations.

Amendment 36

Proposal for a regulation

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Evidence of the transparency of costs incurred by undertakings and associations and details of the funds granted by Member States shall be made public. To this effect an annual report shall be forwarded to the Union's institutions.

Amendment 37

Proposal for a regulation

Article 5 – paragraph 1

Text proposed by the Commission

Amendment

1. The maximum amount of aid authorised under this Regulation shall apply regardless of whether the aid is financed entirely from State resources or is partly financed by the Union.

1. Since the financing of operational and exceptional costs must be carried out primarily by undertakings, foundations or associations and only secondarily by the authorities of the Member States or the Union, the maximum amount of aid authorised under this Regulation shall apply regardless of whether the aid is financed entirely from State resources or is partly financed by the Union.

Amendment 38

Proposal for a regulation

Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Funds granted from the European Globalisation Adjustment Fund (EGF) may apply in addition to the aid authorised under this Regulation.

Amendment 39

Proposal for a regulation

Article 7 – title

Text proposed by the Commission

Information to be provided by Member States

Amendment

Closure plans and other information to be provided by Member States

Amendment 40

Proposal for a regulation

Article 8 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. On the basis of the information provided by the Member States in accordance with Article 7, the Commission may, if necessary, submit to the Council a proposal for the amendment of this Regulation concerning its prolonged application in respect of aid to cover exceptional costs.

Amendment 41

Proposal for a regulation

Article 9 – paragraph 2 – subparagraph 1

Text proposed by the Commission

This Regulation shall expire on ***31 December 2026***.

Amendment

This Regulation shall expire on ***31 December 2030***.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	9.11.2010
Result of final vote	+: 35 -: 10 0: 8
Members present for the final vote	Jean-Pierre Audy, Ivo Belet, Bendt Bendtsen, Jan Březina, Giles Chichester, Pilar del Castillo Vera, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Sajjad Karim, Arturs Krišjānis Kariņš, Béla Kovács, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Judith A. Merkies, Angelika Niebler, Jaroslav Paška, Aldo Patriciello, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Patrizia Toia, Evžen Tošenovský, Ioannis A. Tsoukalas, Claude Turmes, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
Substitute(s) present for the final vote	António Fernando Correia De Campos, Andrzej Grzyb, Yannick Jadot, Silvana Koch-Mehrin, Werner Langen, Ivari Padar, Vladko Todorov Panayotov, Markus Pieper, Peter Skinner, Silvia-Adriana Țicău, Catherine Trautmann
Substitute(s) under Rule 187(2) present for the final vote	Morten Løkkegaard, María Muñiz De Urquiza