

Official Journal

of the European Communities

ISSN 0378-6978

L 177

Volume 42

13 July 1999

English edition

Legislation

Contents

I Acts whose publication is obligatory

Commission Regulation (EC) No 1515/1999 of 12 July 1999 establishing the standard import values for determining the entry price of certain fruit and vegetables 1

★ **Commission Regulation (EC) No 1516/1999 of 12 July 1999 amending Regulation (EC) No 1443/98 establishing the supply balance for the Canary Islands in the rice products sector 3**

★ **Commission Regulation (EC) No 1517/1999 of 12 July 1999 amending Regulation (EC) No 1324/96 establishing the supply balance for the Azores and Madeira in the rice products sector 5**

★ **Commission Regulation (EC) No 1518/1999 of 12 July 1999 setting the amount of the payment on account of the cost of disposal of certain distillation products for 2000 7**

★ **Commission Regulation (EC) No 1519/1999 of 12 July 1999 fixing depreciation percentages to be applied when agricultural products are bought in, for the 2000 financial year 8**

★ **Commission Regulation (EC) No 1520/1999 of 12 July 1999 establishing the lists of competent authorities and of aircraft registered in the Federal Republic of Yugoslavia and lawfully present in the European Community referred to in Article 8 of Council Regulation (EC) No 1064/1999 imposing a ban on flights between the European Community and the Federal Republic of Yugoslavia 10**

Commission Regulation (EC) No 1521/1999 of 12 July 1999 fixing the import duties in the rice sector 14

Contents (continued)

Commission Regulation (EC) No 1522/1999 of 12 July 1999 on the issuing of system B export licences for fruit and vegetables	17
Commission Regulation (EC) No 1523/1999 of 12 July 1999 amending the import duties in the cereals sector	19
Commission Regulation (EC) No 1524/1999 of 12 July 1999 fixing Community producer and import prices for carnations and roses with a view to the application of the arrangements governing imports of certain floricultural products originating in Cyprus, Israel, Jordan, Morocco and the West Bank and the Gaza Strip	22

II Acts whose publication is not obligatory

Commission

1999/450/EC:

- ★ **Commission Decision of 28 October 1998 on State aid which Spain is planning to implement in favour of AG Tubos Europa SA ⁽¹⁾ (notified under document number C(1998) 3438)** 24

1999/451/ECSC:

- ★ **Commission Decision of 4 May 1999 on the granting by Spain of aid to the coal industry in 1999 ⁽¹⁾ (notified under document number C(1999) 1379)** 27

I

(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1515/1999
of 12 July 1999
establishing the standard import values for determining the entry price of certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables ⁽¹⁾, as last amended by Regulation (EC) No 1498/98 ⁽²⁾, and in particular Article 4 (1) thereof,

- (1) Whereas Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multi-lateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto;

- (2) Whereas, in compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 13 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 337, 24.12.1994, p. 66.

⁽²⁾ OJ L 198, 15.7.1998, p. 4.

ANNEX

to the Commission Regulation of 12 July 1999 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0707 00 05	052	61,9
	628	130,8
	999	96,4
0709 90 70	052	53,6
	999	53,6
0805 30 10	382	54,4
	388	55,8
	524	44,8
	528	63,1
0808 10 20, 0808 10 50, 0808 10 90	999	54,5
	388	77,8
	400	77,6
	508	79,6
	512	53,0
	524	58,7
	528	51,0
	804	100,1
	999	71,1
	388	98,4
0808 20 50	512	46,1
	528	56,9
	999	67,1
	052	141,4
0809 10 00	064	65,8
	999	103,6
	052	183,6
0809 20 95	061	155,0
	064	96,9
	066	120,3
	068	90,6
	400	195,7
	616	171,9
	999	144,9
	064	106,1
0809 40 05	624	258,0
	999	182,0

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 2317/97 (OJ L 321, 22.11.1997, p. 19). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 1516/1999
of 12 July 1999
amending Regulation (EC) No 1443/98 establishing the supply balance for the Canary Islands in the
rice products sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1601/92 15 June 1992 concerning specific measures for the Canary Islands with regard to certain agricultural products ⁽¹⁾, as last amended by Regulation (EC) No 1257/1999 ⁽²⁾, and in particular Article 3(4) thereof,

- (1) Whereas common detailed rules for the implementation of the specific arrangements for the supply of certain agricultural products to the Canary Islands are laid down in Commission Regulation (EC) No 2790/94 ⁽³⁾, as last amended by Regulation (EC) No 825/98 ⁽⁴⁾;
- (2) Whereas, for the purposes of applying Article 2 of Regulation (EEC) No 1601/92, the forecast supply balance for the Canary Islands should be established for rice-sector products; whereas that balance must be established on the basis of the requirements of the region; whereas the

Annex to Commission Regulation (EC) No 1443/98 ⁽⁵⁾ should accordingly be replaced by the Annex hereto;

- (3) Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 1443/98 is replaced by the Annex hereto.

Article 2

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

It shall apply with effect from 1 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 173, 27.6.1992, p. 13.

⁽²⁾ OJ L 160, 26.6.1999, p. 80.

⁽³⁾ OJ L 296, 17.11.1994, p. 23.

⁽⁴⁾ OJ L 117, 21.4.1998, p. 5.

⁽⁵⁾ OJ L 191, 7.7.1998, p. 43.

ANNEX

'ANNEX

Supply balance for rice for the Canary Islands for the marketing period 1 July 1999 to 30 June 2000

(tonnes)

Product (CN code)		Canary Islands
Milled rice	1006 30	13 000
Broken rice	1006 40	2 600'

COMMISSION REGULATION (EC) No 1517/1999
of 12 July 1999
amending Regulation (EC) No 1324/96 establishing the supply balance for the Azores and Madeira
in the rice products sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1600/92 of 15 June 1992 concerning specific measures for the Azores and Madeira relating to certain agricultural products ⁽¹⁾, as last amended by Regulation (EC) No 1257/1999 ⁽²⁾, and in particular Article 10 thereof,

- (1) Whereas common detailed rules for the implementation of the specific arrangements for the supply of certain agricultural products to the Azores and Madeira are laid down in Commission Regulation (EEC) No 1696/92 ⁽³⁾, as last amended by Regulation (EEC) No 2596/93 ⁽⁴⁾;
- (2) Whereas, for the purposes of applying Article 2 of Regulation (EEC) No 1600/92, the forecast supply balance for the Azores and Madeira should be drawn up for rice-sector products on the basis of the islands' requirements; whereas the Annex to Commission Regulation (EC) No 1324/96 ⁽⁵⁾, as last amended by Regulation (EC) No

1451/98 ⁽⁶⁾, should accordingly be replaced by the Annex hereto;

- (3) Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The Annex to Regulation (EC) No 1324/96 is replaced by the Annex hereto.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply with effect from 1 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 173, 27.6.1992, p. 1.

⁽²⁾ OJ L 160, 26.6.1999, p. 80.

⁽³⁾ OJ L 179, 1.7.1992, p. 6.

⁽⁴⁾ OJ L 238, 23.9.1993, p. 24.

⁽⁵⁾ OJ L 171, 10.7.1996, p. 3.

⁽⁶⁾ OJ L 192, 8.7.1998, p. 10.

ANNEX

'ANNEX

Supply balance for rice for the Azores and Madeira for the marketing period 1 July 1999 to 30 June 2000

(tonnes)

Product (CN code)	Azores	Madeira
Milled rice 1006 30	2 500	5 000'

COMMISSION REGULATION (EC) No 1518/1999
of 12 July 1999
setting the amount of the payment on account of the cost of disposal of certain distillation
products for 2000

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS REGULATION:

Article 1

Having regard to the Treaty establishing the European Community,

The amount of the payment on account of the cost of disposal of the products of distillation pursuant to Articles 35 and 36 of Regulation (EEC) No 822/87 shall be determined by application of a coefficient to the value of purchase made by intervention agencies.

Having regard to Council Regulation (EEC) No 822/87 of 16 March 1987 on the common organisation of the market in wine ⁽¹⁾, as last amended by Regulation (EC) No 1627/98 ⁽²⁾ and in particular Article 37(2) thereof,

For the 2000 financial year this coefficient shall be 0,70.

Article 2

Whereas, as regards alcohol from distillation as referred to in Articles 35 and 36 of Regulation (EEC) No 822/87, the European Agricultural Guidance and Guarantee Fund (EAGGF) is to bear only the costs arising from its disposal; whereas the amount of the payment on account of the cost of disposal of the products must be fixed having regard to depreciation in a way similar to that by which alcohol from distillation as referred to in Article 39 of that Regulation is depreciated,

The expenditure amounts determined in this way shall be notified to the Commission under the declaration established pursuant to Commission Regulation (EC) No 296/96 ⁽³⁾.

Article 3

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Communities*.

It shall apply from 1 October 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 84, 27.3.1987, p. 1.

⁽²⁾ OJ L 210, 28.7.1998, p. 8.

⁽³⁾ OJ L 39, 17.2.1996, p. 5.

COMMISSION REGULATION (EC) No 1519/1999**of 12 July 1999****fixing depreciation percentages to be applied when agricultural products are bought in, for the 2000 financial year**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1883/78 of 2 August 1978 laying down general rules for the financing of interventions by the European Agricultural Guidance and Guarantee Fund, Guarantee Section ⁽¹⁾, as last amended by Regulation (EC) No 1259/96 ⁽²⁾, and in particular Article 8 thereof,

- (1) Whereas, pursuant to Article 8 of Regulation (EEC) No 1883/78, systematic depreciation of public intervention agricultural products must take place when they are bought in; whereas accordingly the Commission determines the depreciation percentage for each product concerned before the beginning of each year; whereas such percentage shall not exceed the difference between the buying-in price and the foreseeable disposal price for each of these products;
- (2) Whereas, pursuant to Article 8(3) of Regulation (EEC) No 1883/78, the Commission may, at its discretion, restrict depreciation at the time of buying in to a proportion of this depreciation percentage, but such proportion may not be less than 70 %; whereas, coefficients to be applied also for the 2000 financial year by the intervention agencies to the monthly buying-in values of products should be fixed, to enable the agencies to establish the depreciation amounts;

- (3) Whereas the measures provided for in this Regulation are in accordance with the opinion of the EAGGF Committee,

HAS ADOPTED THIS REGULATION:

Article 1

In respect of the products listed in the Annex, which, having been bought in by public intervention have entered store or been taken over by the intervention agencies between 1 October 1999 and 30 September 2000, the authorities shall depreciate their value to account for the difference between the buying-in prices and the foreseeable selling prices of the relevant products.

Article 2

To establish the amount of the depreciation, the intervention agencies shall apply to the values of the products bought in every month the coefficients set out in the Annex.

The expenditure amounts determined in this way shall be notified to the Commission under the declarations established pursuant to Commission Regulation (EC) No 296/96 ⁽³⁾.

Article 3

This Regulation shall enter into force on the seventh day following its publication in the *Official Journal of the European Communities*.

It shall apply from 1 October 1999 onwards.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 216, 5.8.1978, p. 1.
⁽²⁾ OJ L 163, 2.7.1996, p. 10.

⁽³⁾ OJ L 39, 17.2.1996, p. 5.

ANNEX

'k' coefficients (Article 8(3) of Regulation (EEC) No 1883/78) to be applied to the monthly buying-in values

Products	'k'
Breadmaking common wheat	0,15
Durum wheat	0,00
Barley	0,30
Rye	0,35
Maize	0,20
Sorghum	0,20
Paddy rice	0,25
Butter	0,50
Skimmed-milk powder	0,45
Beef	0,60
Alcohol as referred to in Article 40(1) of Regulation (EEC) No 822/87 ⁽¹⁾	0,70

⁽¹⁾ OJ L 84 of 27.3.1987, p. 1.

COMMISSION REGULATION (EC) No 1520/1999**of 12 July 1999****establishing the lists of competent authorities and of aircraft registered in the Federal Republic of Yugoslavia and lawfully present in the European Community referred to in Article 8 of Council Regulation (EC) No 1064/1999 imposing a ban on flights between the European Community and the Federal Republic of Yugoslavia**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1064/1999 of 21 May 1999 imposing a ban on flights between the European Community and the Federal Republic of Yugoslavia, repealing Regulation (EC) No 1901/98 ⁽¹⁾, and in particular Article 8 thereof,

- (1) Whereas it is necessary to establish a list of competent authorities that may authorise a take off from or landing in the territory of the Community under the conditions laid down in Article 3(2) of Regulation (EC) No 1064/1999;
- (2) Whereas, for the sake of clarity, it is necessary to establish a list of aircraft which are registered in the Federal Republic of Yugoslavia and were lawfully present in the

European Community at the date of entry into force of that Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The competent authorities referred to in Article 3 of Regulation (EC) 1064/1999 shall be those listed in Annex I.

Article 2

The aircraft registered in the Federal Republic of Yugoslavia and lawfully present in the European Community on 22 May 1999 shall be those listed in Annex II.

*Article 3*This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Leon BRITTAN

Vice-President⁽¹⁾ OJ L 129, 22.5.1999, p. 27.

ANNEX I

Names and addresses of competent authorities referred to in Article 3 of Regulation (EC) No 1064/1999

BELGIUM

Ministère des communications et de l'infrastructure
Administration de l'aéronautique
Centre Communications Nord — 4^e étage
Rue du Progrès 80 — Boîte 5
B-1030 Bruxelles
Tel. (32-2) 206 32 00
Fax (32-2) 203 15 28

DENMARK

Civil Aviation Administration
Luftfartshuset
Box 744
50 Ellebjergvej
DK-2450 København
Tel. (45) 36 44 48 48
Fax (45) 36 44 03 03

GERMANY

Generaldirektor für Luft- und Raumfahrt
Bundesministerium für Verkehr
Postfach 200 100
D-53170 Bonn
Tel. (49-228) 300 45 00
Fax (49-228) 300 79 29

GREECE

Ministry of Transport and Communications
Hellenic Civil Aviation Authority
PO Box 73 751
GR-16604 Helliniko
Tel. (30-1) 894 42 63
Fax (30-1) 894 42 79

SPAIN

Dirección General de Aviación Civil
Ministerio de Fomento
Paseo de la Castellana, N^o 67
E-28071 Madrid
Tel. (34-91) 597 70 00
Fax (34-91) 597 53 57

FRANCE

Direction générale de l'aviation civile (DGAC)
48, rue Camille Desmoulins
F-92452 Issy-les-Moulineaux
Tel. (33-1) 41 09 36 94
Fax (33-1) 41 09 38 64

IRELAND

General Director for Civil Aviation
Department of Transport, Energy and Communications
44, Kildare Street
Dublin 2
Ireland
Tel. (353-1) 604 11 72
Fax (353-1) 604 11 81

ITALY

Ente Nazionale per l'Aviazione Civile (ENAC)
Via di Villa Ricotti 42
I-00161 Roma
Tel. (39-06) 44 18 52 08/441 85 209
Fax (39-06) 44 18 53 16

LUXEMBOURG

Directeur de l'aviation civile
Ministère des transports
19-21, Boulevard Royal
L-2938 Luxembourg
Tel. (352) 478 44 12
Fax (352) 46 77 90

NETHERLANDS

Ministry of Transport, Public Works and Water Management
Directorate General of Civil Aviation
Plesmanweg 1-6
PO Box 90 771
2509 LT Den Haag
Netherlands
Tel. (31-70) 351 72 45
Fax (31-70) 351 63 48

AUSTRIA

Bundesministerium für Wissenschaft, Verkehr und Kunst
Radetzkystraße 2
A-1030 Wien
Tel. (43-1) 711 62 70 00
Fax (43-1) 713 03 26

PORTUGAL

Instituto Nacional da Aviação Civil
Ministério do Equipamento, do Planeamento e da Administração do Território
Aeroporto de Lisboa
Rua B, Edifícios 4, 5, 6
P-1700 Lisboa Codex
Tel. (351-1) 842 35 61
Fax (351-1) 842 35 82

FINLAND

Civil Aviation Administration
PO Box 50
FIN-001531 Vantaa
Tel. (358-9) 82 772 000
Fax (358-9) 82 772 090

SWEDEN

Swedish Civil Aviation Administration
S-60179 Norrköping
Tel. (46-11) 19 20 00
Fax (46-11) 19 27 60

UNITED KINGDOM

Department of Environment, Transport and the Regions
International Aviation Negotiations
Great Minster House
76, Marsham Street
London SW1P 4DR
United Kingdom
Fax (44 171) 676 21 94

EUROPEAN COMMUNITY

Commission of the European Communities
Directorate-General I
Mr A. de Vries,
DM24 5/75
Rue de la Loi/Wetstraat 200
B-1049 Bruxelles/Brussel
Tel.: (32-2) 295 68 80
Fax: (32-2) 295 73 31.

ANNEX II

Aircraft registered in the Federal Republic of Yugoslavia and lawfully present in the European Community at the date of entry into force of Council Regulation (EC) No 1064/1999

Registration code	Model	Owner	User
YU-AOH 11176	F28/4000	Montenegro Airlines	Air Sicilia
YU-AOI 11184	F28/4000	Montenegro Airlines	Air Sicilia

COMMISSION REGULATION (EC) No 1521/1999
of 12 July 1999
fixing the import duties in the rice sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 3072/95 of 22 December 1995 on the common organisation of the market in rice ⁽¹⁾, as last amended by Regulation (EC) No 2072/98 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1503/96 of 29 July 1996 laying down detailed rules for the application of Council Regulation (EC) No 3072/95 as regards import duties in the rice sector ⁽³⁾, as last amended by Regulation (EC) No 2831/98 ⁽⁴⁾, and in particular Article 4(1) thereof,

- (1) Whereas Article 11 of Regulation (EC) No 3072/95 provides that the rates of duty in the Common Customs Tariff are to be charged on import of the products referred to in Article 1 of that Regulation; whereas, however, in the case of the products referred to in paragraph 2 of that Article, the import duty is to be equal to the intervention price valid for such products on importation and increased by a certain percentage according to whether it is husked or milled rice, minus the cif import price provided that duty does not exceed the rate of the Common Customs Tariff duties;
- (2) Whereas, pursuant to Article 12(3) of Regulation (EC) No 3072/95, the cif import prices are calculated on the basis of the representative prices for the product in question on the world market or on the Community import market for the product;
- (3) Whereas Regulation (EC) No 1503/96 lays down detailed rules for the application of Regulation (EC) No 3072/95 as regards import duties in the rice sector;

- (4) Whereas the import duties are applicable until new duties are fixed and enter into force; whereas they also remain in force in cases where no quotation is available from the source referred to in Article 5 of Regulation (EC) No 1503/96 during the two weeks preceding the next periodical fixing;
- (5) Whereas, pursuant to the first subparagraph of Article 4(1) of Regulation (EC) No 1503/96, the import duties applicable in the rice sector should be fixed and explicit provisiona should be made for them, which are more advantageous for operators, to apply from 8 July 1999;
- (6) Whereas, in order to allow the import duty system to function normally, the market rates recorded during a reference period should be used for calculating the duties;
- (7) Whereas application of Regulation (EC) No 1503/96 results in import duties being fixed as set out in the Annexes to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The import duties in the rice sector referred to in Article 11(1) and (2) of Regulation (EC) No 3072/95 shall be those fixed in Annex I to this Regulation on the basis of the information given in Annex II.

Article 2

This Regulation shall enter into force on 13 July 1999.
It shall apply from 8 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 329, 30.12.1995, p. 18.

⁽²⁾ OJ L 265, 30.9.1998, p. 4.

⁽³⁾ OJ L 189, 30.7.1996, p. 71.

⁽⁴⁾ OJ L 351, 29.12.1998, p. 25.

ANNEX I

Import duties on rice and broken rice

(EUR/t)

CN code	Duties ⁽²⁾				
	Third countries (except ACP and Bangladesh) ⁽¹⁾ ⁽⁷⁾	ACP ⁽¹⁾ ⁽²⁾ ⁽³⁾	Bangladesh ⁽⁴⁾	Basmati India and Pakistan ⁽⁶⁾	Egypt ⁽⁸⁾
1006 10 21	(7)	76,44	111,06		173,10
1006 10 23	(7)	76,44	111,06		173,10
1006 10 25	(7)	76,44	111,06		173,10
1006 10 27	(7)	76,44	111,06		173,10
1006 10 92	(7)	76,44	111,06		173,10
1006 10 94	(7)	76,44	111,06		173,10
1006 10 96	(7)	76,44	111,06		173,10
1006 10 98	(7)	76,44	111,06		173,10
1006 20 11	202,90	66,68	97,11		152,18
1006 20 13	202,90	66,68	97,11		152,18
1006 20 15	202,90	66,68	97,11		152,18
1006 20 17	232,76	77,12	112,04	0,00	174,57
1006 20 92	202,90	66,68	97,11		152,18
1006 20 94	202,90	66,68	97,11		152,18
1006 20 96	202,90	66,68	97,11		152,18
1006 20 98	232,76	77,12	112,04	0,00	174,57
1006 30 21	425,65	136,58	197,92		319,24
1006 30 23	425,65	136,58	197,92		319,24
1006 30 25	425,65	136,58	197,92		319,24
1006 30 27	(7)	146,86	212,59		341,25
1006 30 42	425,65	136,58	197,92		319,24
1006 30 44	425,65	136,58	197,92		319,24
1006 30 46	425,65	136,58	197,92		319,24
1006 30 48	(7)	146,86	212,59		341,25
1006 30 61	425,65	136,58	197,92		319,24
1006 30 63	425,65	136,58	197,92		319,24
1006 30 65	425,65	136,58	197,92		319,24
1006 30 67	(7)	146,86	212,59		341,25
1006 30 92	425,65	136,58	197,92		319,24
1006 30 94	425,65	136,58	197,92		319,24
1006 30 96	425,65	136,58	197,92		319,24
1006 30 98	(7)	146,86	212,59		341,25
1006 40 00	(7)	45,38	(7)		105,00

⁽¹⁾ The duty on imports of rice originating in the ACP States is applicable, under the arrangements laid down in Council Regulation (EC) No 1706/98 (OJ L 215, 1.8.1998, p. 12) and amended Commission Regulation (EC) No 2603/97 (OJ L 351, 23.12.1997, p. 22).

⁽²⁾ In accordance with Regulation (EC) No 1706/98, the duties are not applied to products originating in the African, Caribbean and Pacific States and imported directly into the overseas department of Réunion.

⁽³⁾ The import levy on rice entering the overseas department of Réunion is specified in Article 11(3) of Regulation (EC) No 3072/95.

⁽⁴⁾ The duty on imports of rice not including broken rice (CN code 1006 40 00), originating in Bangladesh is applicable under the arrangements laid down in Council Regulation (EEC) No 3491/90 (OJ L 337, 4.12.1990, p. 1) and amended Commission Regulation (EEC) No 862/91 (OJ L 88, 9.4.1991, p. 7).

⁽⁵⁾ No import duty applies to products originating in the OCT pursuant to Article 101(1) of amended Council Decision 91/482/EEC (OJ L 263, 19.9.1991, p. 1).

⁽⁶⁾ For husked rice of the Basmati variety originating in India and Pakistan, a reduction of EUR 250 per tonne applies (Article 4a of amended Regulation (EC) No 1503/96).

⁽⁷⁾ Duties fixed in the Common Customs Tariff.

⁽⁸⁾ The duty on imports of rice originating in and coming from Egypt is applicable under the arrangements laid down in Council Regulation (EC) No 2184/96 (OJ L 292, 15.11.1996, p. 1) and Commission Regulation (EC) No 196/97 (OJ L 31, 1.2.1997, p. 53).

ANNEX II

Calculation of import duties for rice

	Paddy	Indica rice		Japonica rice		Broken rice
		Husked	Milled	Husked	Milled	
1. Import duty (EUR/tonne)	(¹)	232,76	455,00	202,90	425,65	(¹)
2. Elements of calculation:						
(a) Arag cif price (EUR/tonne)	—	350,26	305,08	406,03	439,16	—
(b) fob price (EUR/tonne)	—	—	—	376,68	409,81	—
(c) Sea freight (EUR/tonne)	—	—	—	29,35	29,35	—
(d) Source	—	USDA	USDA	Operators	Operators	—

(¹) Duties fixed in the Common Customs Tariff.

COMMISSION REGULATION (EC) No 1522/1999
of 12 July 1999
on the issuing of system B export licences for fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 2190/96 of 14 November 1996 on detailed rules for implementing Council Regulation (EEC) No 2200/96 as regards export refunds on fruit and vegetables ⁽¹⁾, as last amended by Regulation (EC) No 1303/1999 ⁽²⁾, and in particular Article 5(6) thereof,

- (1) Whereas Commission Regulation (EC) No 927/1999 ⁽³⁾, fixes the indicative quantities laid down for the issue of export licences other than those requested in the context of food aid;
- (2) Whereas, in the light of information now available to the Commission, the indicative quantities have been exceeded in the case of lemons, apples for destination group X and peaches and nectarines;
- (3) Whereas as a consequence, for system B licences applied for between 17 May 1999 and 30 May 1999, a rate of refund which is lower than the indicative rate should be

fixed for lemons, apples for destination groups X and peaches and nectarines,

HAS ADOPTED THIS REGULATION:

Article 1

The percentages for the issuing of system B export licences, as referred to in Article 5 of Regulation (EC) No 2190/96, and applied for between 17 May 1999 and 30 June 1999, by which the quantities applied for and the rates of refund applicable must be multiplied, shall be as fixed in the Annex hereto.

The above subparagraph shall not apply to licences applied for in connection with food-aid operations as provided for in Article 10(4) of the Agreement on Agriculture concluded during the Uruguay Round of multilateral trade negotiations.

Article 2

This Regulation shall enter into force on 13 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 292, 15.11.1996, p. 12.

⁽²⁾ OJ L 155, 22.6.1999, p. 29.

⁽³⁾ OJ L 115, 4.5.1999, p. 7.

ANNEX

Percentages for the issuing of licences and rates of refund applicable to system B licences applied for between 17 March and 16 May 1999

Product	Destination or group of destinations	Percentage for the issuing of licences	Rate of refund (EUR/tonne net)
Tomatoes	F	100 %	20,0
Shelled almonds	F	100 %	50,0
Hazelnuts in shell	F	100 %	—
Shelled hazelnuts	F	100 %	114,0
Oranges	XYC	100 %	50,0
Lemons	F	100 %	31,3
Apples	X	100 %	18,4
	Y	100 %	40,0
	Z	100 %	54,0
Peaches and nectarines	E	100 %	18,6

COMMISSION REGULATION (EC) No 1523/1999
of 12 July 1999
amending the import duties in the cereals sector

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals ⁽¹⁾, as last amended by Commission Regulation (EC) No 1253/1999 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1249/96 of 28 June 1996 laying down detailed rules for the application of Council Regulation (EEC) No 1766/92 as regards import duties in the cereals sector ⁽³⁾, as last amended by Regulation (EC) No 2519/98 ⁽⁴⁾, and in particular Article 2 (1) thereof,

- (1) Whereas the import duties in the cereals sector are fixed by Commission Regulation (EC) No 1423/1999 ⁽⁵⁾, as amended by Regulation (EC) No 1463/1999 ⁽⁶⁾;

- (2) Whereas Article 2, (1) of Regulation (EC) No 1249/96 provides that if during the period of application, the average import duty calculated differs by EUR 5 per tonne from the duty fixed, a corresponding adjustment is to be made; whereas such a difference has arisen; whereas it is therefore necessary to adjust the import duties fixed in Regulation (EC) No 1423/1999,

HAS ADOPTED THIS REGULATION:

Article 1

Annexes I and II to Regulation (EC) No 1423/1999 are hereby replaced by Annexes I and II to this Regulation.

Article 2

This Regulation shall enter into force on 13 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 181, 1.7.1992, p. 21.

⁽²⁾ OJ L 160, 26.6.1999, p. 18.

⁽³⁾ OJ L 161, 29.6.1996, p. 125.

⁽⁴⁾ OJ L 315, 25.11.1998, p. 7.

⁽⁵⁾ OJ L 166, 1.7.1999, p. 33.

⁽⁶⁾ OJ L 168, 3.7.1999, p. 11.

ANNEX I

Import duties for the products covered by Article 10(2) of Regulation (EEC) No 1766/92

CN code	Description	Import duty by land inland waterway or sea from Mediterranean, the Black Sea or Baltic Sea ports (EUR/tonne)	Import duty by air or by sea from other ports ⁽²⁾ (EUR/tonne)
1001 10 00	Durum wheat high quality	22,16	12,16
	medium quality ⁽¹⁾	32,16	22,16
1001 90 91	Common wheat seed	35,76	25,76
1001 90 99	Common high quality wheat other than for sowing ⁽³⁾	35,76	25,76
	medium quality	72,45	62,45
	low quality	90,79	80,79
1002 00 00	Rye	88,38	78,38
1003 00 10	Barley, seed	88,38	78,38
1003 00 90	Barley, other ⁽³⁾	88,38	78,38
1005 10 90	Maize seed other than hybrid	102,62	92,62
1005 90 00	Maize other than seed ⁽³⁾	102,62	92,62
1007 00 90	Grain sorghum other than hybrids for sowing	99,23	89,23

⁽¹⁾ In the case of durum wheat not meeting the minimum quality requirements for durum wheat of medium quality, referred to in Annex I to Regulation (EC) No 1249/96, the duty applicable is that fixed for low-quality common wheat.

⁽²⁾ For goods arriving in the Community via the Atlantic Ocean or via the Suez Canal (Article 2(4) of Regulation (EC) No 1249/96), the importer may benefit from a reduction in the duty of:

— EUR 3 per tonne, where the port of unloading is on the Mediterranean Sea, or

— EUR 2 per tonne, where the port of unloading is in Ireland, the United Kingdom, Denmark, Sweden, Finland or the Atlantic Coasts of the Iberian Peninsula.

⁽³⁾ The importer may benefit from a flat-rate reduction of EUR 14 or 8 per tonne, where the conditions laid down in Article 2(5) of Regulation (EC) No 1249/96 are met.

ANNEX II

Factors for calculating duties

(period from 30 June to 9 July 1999)

1. Averages over the two-week period preceding the day of fixing:

Exchange quotations	Minneapolis	Kansas-City	Chicago	Chicago	Minneapolis	Minneapolis	Minneapolis
Product (% proteins at 12 % humidity)	HRS2. 14 %	HRW2. 11,5 %	SRW2	YC3	HAD2	Medium quality (*)	US barley 2
Quotation (EUR/t)	120,54	99,79	89,73	75,93	146,74 (**)	136,74 (**)	80,37 (**)
Gulf premium (EUR/t)	—	8,25	– 0,03	12,64	—	—	—
Great Lakes premium (EUR/t)	12,61	—	—	—	—	—	—

(*) A discount of EUR 10/t (Article 4(1) of Regulation (EC) No 1249/96).

(**) Fob Duluth.

2. Freight/cost: Gulf of Mexico — Rotterdam: EUR 14,41/t; Great Lakes — Rotterdam: EUR 26,06/t.

3. Subsidy within the meaning of the third paragraph of Article 4(2) of Regulation (EC) No 1249/96 : EUR 0,00/t (HRW2)
: EUR 0,00/t (SRW2).

COMMISSION REGULATION (EC) No 1524/1999**of 12 July 1999****fixing Community producer and import prices for carnations and roses with a view to the application of the arrangements governing imports of certain floricultural products originating in Cyprus, Israel, Jordan, Morocco and the West Bank and the Gaza Strip**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 4088/87 of 21 December 1987 fixing conditions for the application of preferential customs duties on imports of certain flowers originating in Cyprus, Israel, Jordan, Morocco and the West Bank and the Gaza Strip ⁽¹⁾, as last amended by Regulation (EC) No 1300/97 ⁽²⁾, and in particular Article 5 (2) (a) thereof,

- (1) Whereas, pursuant to Article 2 (2) and Article 3 of abovementioned Regulation (EEC) No 4088/87, Community import and producer prices are fixed each fortnight for uniflorous (bloom) carnations, multiflorous (spray) carnations, large-flowered roses and small-flowered roses and apply for two-weekly periods; whereas, pursuant to Article 1b of Commission Regulation (EEC) No 700/88 of 17 March 1988 laying down detailed rules for the application of the arrangements for the import into the Community of certain floricultural products originating in Cyprus, Israel, Jordan, Morocco and the West Bank and the Gaza Strip ⁽³⁾, as last amended by Regulation (EC) No 2062/97 ⁽⁴⁾, those prices are deter-

mined for fortnightly periods on the basis of weighted prices provided by the Member States; whereas those prices should be fixed immediately so the customs duties applicable can be determined; whereas, to that end, provision should be made for this Regulation to enter into force immediately,

HAS ADOPTED THIS REGULATION:

Article 1

The Community producer and import prices for uniflorous (bloom) carnations, multiflorous (spray) carnations, large-flowered roses and small-flowered roses as referred to in Article 1b of Regulation (EEC) No 700/88 for a fortnightly period shall be as set out in the Annex.

Article 2

This Regulation shall enter into force on 13 July 1999.

It shall apply from 14 to 27 July 1999.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 1999.

For the Commission

Franz FISCHLER

Member of the Commission

⁽¹⁾ OJ L 382, 31.12.1987, p. 22.

⁽²⁾ OJ L 177, 5.7.1997, p. 1.

⁽³⁾ OJ L 72, 18.3.1988, p. 16.

⁽⁴⁾ OJ L 289, 22.10.1997, p. 1.

ANNEX

(EUR/100 pieces)

Period from 14 to 27 July 1999				
Community producer price	Uniflorous (bloom) carnations	Multiflorous (spray) carnations	Large-flowered roses	Small-flowered roses
	11,68	12,38	18,59	9,40
Community import prices	Uniflorous (bloom) carnations	Multiflorous (spray) carnations	Large-flowered roses	Small-flowered roses
Israel	—	—	7,47	7,42
Morocco	12,16	—	—	—
Cyprus	—	—	—	—
Jordan	—	—	—	—
West Bank and Gaza Strip	—	—	—	—

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 28 October 1998

on State aid which Spain is planning to implement in favour of AG Tubos Europa SA

(notified under document number C(1998) 3438)

(Only the Spanish text is authentic)

(Text with EEA relevance)

(1999/450/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 93(2) thereof,

Having regard to the Agreement establishing the European Economic Area, and in particular Article 62(1)(a) thereof,

Having called on interested parties to submit their comments pursuant to those provisions ⁽¹⁾ and having regard to their comments,

Whereas:

I. PROCEDURE

By letter dated 29 October 1997, the Spanish Permanent Representation to the European Union notified the Commission of a plan to grant regional investment aid to AG Tubos Europa SA, a new subsidiary of the Spanish group Alfonso Gallardo, to be created in the region of Extremadura. It furnished the Commission with supplementary information by letter dated 22 January 1998.

By letter dated 11 March 1998, the Commission informed Spain of its decision to initiate the procedure laid down in Article 93(2) of the EC Treaty in respect of the aid.

The Commission decision to initiate the procedure was published in the *Official Journal of the European Communities* ⁽²⁾.

The Commission called on interested parties to submit their comments.

The Commission received comments from the United Kingdom Steel Association, the Wirtschaftsvereinigung Stahlrohre (the German association of steel tube producers) and the German Ministry for Economic Affairs. It forwarded them to Spain, which was given the opportunity to react. Spain's initial comments were received by letter dated 9 April 1998 and its reaction to third parties' comments by letters dated 23 July and 4 August 1998.

II. DETAILED DESCRIPTION OF THE AID

The aid consists of a regional grant of ESP 1 175 million towards an initial investment of ESP 5 596 million, representing an aid intensity of 21 %. The new company is to produce steel tubes, and in particular large and small welded hollow sections. Technically, it will have an annual maximum production capacity of 225 000 tonnes, but its annual production is, however, to be limited initially to 100 000 tonnes. It will produce both large (diameter larger than 406,4 mm) and small tubes, round and shaped. Production of large tubes is expected to represent around 25 % of total production. The plant will employ 60 people.

State aid to the sector of large welded steel tubes is subject to prior notification to the Commission in accordance with point 4.1(a) of the Community framework for certain steel sectors not covered by the ECSC Treaty ⁽³⁾ (hereinafter 'the EC framework for steel'), and it cannot be implemented before it has

⁽¹⁾ OJ C 156, 21.5.1998, p. 11.

⁽²⁾ See footnote 1.

⁽³⁾ OJ C 320, 13.12.1988, p. 3.

been agreed to. Although the company will produce tubular products of different sizes, only about 25 % fall under this obligation. However, because it can switch between product sizes according to demand, without any technical adaptation, the Commission has to assess the aid as if all the company's production were of large welded steel tubes.

As stated at the time of opening of the procedure, when assessing aid to a company covered by the EC framework for steel, the Commission assesses the market situation of the sub-sector of the undertaking, in particular whether or not it suffers from structural overcapacity, and the effect the aided investment may have on that situation and on competition in general. The Commission also takes into account the regional dimension of the aided investments: if the company in receipt of the aid is located in an assisted area, the potential benefits that the aided investment brings to the development of the region are to be balanced against any negative effects on competition. Finally, the Commission has to satisfy itself that no aid will be transferred to the ECSC steel sector, inasmuch as aid awarded to subsidiaries of steel groups, for non-ECSC activities could ultimately benefit ECSC activities.

In the steel tubes sector, excess production capacity has existed since the mid-1980s. In 1997, the rate of capacity utilisation in the Community was only 49 % in the sub-sector of large welded steel tubes in general, where the company will be active.

Following a preliminary examination, the Commission concluded that negative effects on competition could not be excluded from the outset and that they might outweigh the potential benefits that the region would receive from the aided investment. Also, the possibility that the aid to be granted to AG Tubos Europa SA might be transferred to the ECSC steel sector was not clearly excluded. It accordingly decided to initiate the procedure laid down in Article 93(2) of the Treaty in respect of this aid.

III. COMMENTS FROM INTERESTED PARTIES

All the third parties who intervened in the procedure referred to the existing excess capacity in the sector of steel tubes in general, and of large welded tubes in particular. For that reason, they took the view that the Commission should oppose the aid because, if the aid were to be granted, it would make matters worse and might even jeopardise the future of existing companies that were also located in depressed areas.

The United Kingdom Steel Association argued that the investment could not be justified on grounds of insufficient European supply of the type of hollow section to be marketed by AG Tubos Europa SA. In its view, it was questionable whether there was room in the market for new capacities starting at 100 000 tonnes, given the limited demand for such a product.

IV. COMMENTS FROM SPAIN

On the possible transfer of aid to the ECSC activities of the group that controls AG Tubos Europa SA, Spain stated that such a possibility did not exist. The new company would be a legally independent subsidiary and it would not buy its input material from other group companies. There was no transfer of losses/profits between the various subsidiaries and Spain would monitor the correct use of the aid.

On the question of excess capacity in the market, Spain took the view that the company was to produce a new product which, by its technical characteristics and uses, was not in competition with the existing Community production of large welded tubes. That product, structural hollow sections, was a relatively new product being used more and more in non-residential construction. In view of the advantages of that type of material over conventional construction materials, Spain foresaw an expansion in demand for the product. The sector therefore did not suffer from any surplus production capacity in Europe, but on the contrary was a growth market. Moreover, the production process differed from that of conventional steel tubes in such a way that, if AG Tubos Europa SA were to switch its production to that type of product, it would have to make quite substantial investments.

V. ASSESSMENT OF THE AID

The key to assessing the compatibility of the aid to AG Tubos Europa SA lies in ascertaining the exact market segment in which the company is to operate. From this, it can then be established whether the new company will, by its production, further increase the current excess production capacity in the large welded steel tubes sector, as feared by the Commission following its preliminary examination and expressed in its decision to initiate formal proceedings.

According to the information submitted by Spain, including technical specifications of the installations to be acquired, AG Tubos Europa SA will produce only structural hollow sections. They will be produced by cold forming and will have a diameter up to 600 mm and above.

Large structural hollow sections, whilst being classified under the heading of 'large welded steel tubes' for different purposes, differ from conventional steel tubes in terms of production process and end use and are subject to different European standards. They constitute what may be considered a subsector under the general heading of 'steel tubes'. The installations for their production cannot be used for the production of tubes without further substantial investment and their destination market is that of non-residential construction, a market not served by normal large welded tubes, which are used mainly for the transport of liquids and gas. Accordingly, large structural hollow sections and conventional large welded steel tubes cannot be classed as substitute products either at production level or at consumption level.

The products of AG Tubos Europa SA will compete with other construction materials such as concrete rather than with other steel tubes. Indeed, this type of product is being used more and more in non-residential construction. Not only is its use in replacing other materials increasing, but construction in Europe is set to continue its positive trend of recent years. It can therefore safely be concluded that there is a new market for large cold welded hollow sections, which is expanding in Europe.

AG Tubos Europa SA will be the first producer of structural hollow sections with a diameter above 406,4 mm. There is therefore no production overcapacity for such products. Indeed, the company will be the first producer of cold formed welded structural hollow sections with a diameter above 200 mm and the first producer of (hot and cold formed) structural hollow sections with a diameter above 406 mm. The current European producers of structural hollow sections only cover the range up to 400 mm and their production process is hot forming, unlike AG Tubos Europa SA, which will produce them by cold forming. Its production in the product range that qualifies as large welded tubes will therefore not affect Community production capacity.

VI. CONCLUSIONS

The Commission therefore concludes that, contrary to its initial view and the comments submitted by third parties, the new company's production of large welded steel tubes (diameter above 406,4 mm) will not further increase the existing excess capacity in the sector. The specific product of AG Tubos Europa SA has a specific market, which is expanding, and the company will be the first producer of such a product in Europe.

As regards the possibility of transfer of the aid to ECSC activities of the group which controls the company, the Commission, in view of the information and assurances provided by Spain (legally independent company, no transfer of losses/profits and monitoring of the correct use of the aid) agrees that

in the present case the risk of transfer of the aid is minimal or even non-existent.

What is more, the company will be located in a region classified under Article 92(3)(a) of the Treaty with a regional aid ceiling of 60 %. The aid, with an intensity of only 21 %, is well within this ceiling and the aided investment will bring economic and social benefits to the region, with the direct creation of 60 jobs and the potential impact it will have on the local economy through the development of ancillary activities.

In view of the above, the Commission concludes that the aid proposed by Spain to AG Tubos Europa SA fulfils the conditions of the EC framework for steel and is compatible with the common market within the meaning of Article 92(3)(a) of the Treaty,

HAS ADOPTED THIS DECISION:

Article 1

The State aid notified by Spain, which is to be granted to AG Tubos Europa SA, amounting to ESP 1 175 million, is compatible with the common market within the meaning of Article 92(3)(a) of the Treaty.

Implementation of the aid, to the amount of ESP 1 175 million, is accordingly authorised.

Article 2

This Decision is addressed to the Kingdom of Spain.

Done at Brussels, 28 October 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

COMMISSION DECISION
of 4 May 1999
on the granting by Spain of aid to the coal industry in 1999

(notified under document number C(1999) 1379)

(Only the Spanish text is authentic)

(Text with EEA relevance)

(1999/451/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 3632/93/ECSC of 28 December 1993 establishing Community rules for State aid to the coal industry ⁽¹⁾, and in particular Articles 2(1) and 9 thereof,

Whereas:

I

- (1) By letters of 16 October 1998, 6 January 1999, 19 January 1999 and 16 April 1999, Spain notified the Commission, pursuant to Article 9(1) of Decision No 3632/93/ECSC, of the financial support it intended to grant to the coal industry in 1999.
- (2) Spain also notified the Commission, by letter of 25 September 1998, of the production costs per undertaking for 1997.
- (3) By letter of 9 March 1999, Spain provided the information requested in the Commission's letter of 15 January 1999 concerning its proposals for the implementation in 1999 of the 1999-2002 modernisation, rationalisation, restructuring and activity-reduction plan for the coal industry.
- (4) By letter of 16 April 1999 Spain notified the Commission, pursuant to Article 9(2) of Decision No 3632/93/ECSC, of the amount of aid actually paid to the coal industry during the coal production year 1998.
- (5) Pursuant to Decision No 3632/93/ECSC, the Commission must rule on the following financial measures relating to 1999:
 - (a) aid of ESP 121 030 million (EUR 727 404 949,94) to cover operating losses by coal undertakings;
 - (b) aid of ESP 44 141 million (EUR 265 292 753) to cover exceptional welfare aid paid to workers who lose their jobs as a result of the measures to modernise, rationalise, restructure and reduce the activity of the coal industry;

(c) aid of ESP 13 079 million (EUR 78 606 373,13) to cover the technical costs of closing down mining installations as a result of the measures to modernise, rationalise, restructure and reduce the activity of the coal industry.

- (6) The financial measures proposed by Spain for the coal industry fall within the provisions of Article 1 of Decision No 3632/93/ECSC. The Commission must therefore take a decision on such measures in accordance with Article 9(4) of the Decision. The Commission's assessment will depend on the compliance of the measures with the general criteria and objectives laid down in Article 2 and the specific criteria established by Articles 3 and 4 of the Decision, and on their compatibility with the proper functioning of the common market. Additionally, in accordance with Article 9(6) of the Decision, the Commission when conducting its assessment must check whether the measures conform with the modernisation, rationalisation, restructuring and activity-reduction plan which the Commission approved in its Decision 98/637/ECSC ⁽²⁾.

II

- (7) By Decision 98/637/ECSC the Commission gave an opinion as to the conformity of the 1998-2002 phase of the plan notified by Spain for the modernisation, rationalisation, restructuring and activity reduction of the coal industry with the general and specific objectives of Decision No 3632/93/ECSC.
- (8) The Commission has verified that the measures taken to modernise, rationalise, restructure and reduce activity in the coal industry during 1998, and those notified for 1999, correspond to the plans which the Commission had approved.
- (9) Spain's coal production of 1 625 000 tonnes in 1998 is 6,7 % lower than that shown in the plans for 1998 and 6,2 % lower than that which obtained in 1997. The production figure notified by Spain for 1999 is 16 300 000 tonnes, lower by 6,8 % and 3,3 % than that shown in the plans for 1998 and 1999 respectively.

⁽¹⁾ OJ L 329, 30.12.1993, p. 12.

⁽²⁾ OJ L 303, 13.11.1998, p. 57.

- (10) The number of workers in the undertakings has fallen, from 22 840 at the end of 1997 to 18 498 at the end of 1998. A further reduction of 1 320 workers is forecast for 1999.
- (11) During 1998 the definitive closure of mines with a production capacity of 1 103 000 tonnes was begun, and other mines with a total capacity of 700 000 tonnes have already announced their closure in 1999.
- (12) These reductions, which are larger than those initially envisaged, are due to the inclusion in the closure plans, in conformity with Article 4 of Decision No 3632/93/ECSC, of undertakings which were unable to meet the conditions which would entitle them to operating aid under Article 3 of the Decision.
- (13) By letter of 25 September 1998 Spain notified the Commission, as required by Commission Decision 98/637/ECSC, of the undertakings' production costs in 1997. The Commission's analysis of the production costs of the undertakings or production units in receipt of operating aid (Article 3 of Decision No 3632/93/ECSC) revealed a mean reduction in the cost of production, at 1992 prices, from 109,2 ECU/tce in 1994 to 81,02 ECU/tce in 1997. This mean reduction of 25,8 % between 1992 and 1997 breaks down into a reduction of more than 30 % for 30,3 % of production, between 30 % and 20 % for 42,5 % of production, between 20 % and 10 % for 16,6 % of production and between 10 % and 0 % for 8,5 % of production. The remaining 2,1 % increased their cost of production.
- (14) The following undertakings or production units: Antracitas de Guillón S.A., Antracitas de Rengos S.A., ENCASUR (underground mines component only), Inversiones Terrales S.A., Minas de Escucha S.A., Ramiro Genuario y otras S.A., Antracitas de Rodrigatos, S.A., with a total annual production of 675 800 tonnes, have been included by Spain, according to its notification of 16 October 1998, in a closure plan with a deadline occurring before the date of expiry of Decision No 3632/93/ECSC. The Commission has checked that the conditions laid down in Article 3(2) of Decision No 3632/93/ECSC cannot be achieved by these undertakings, so they do indeed qualify for activity-reduction aid in accordance with Article 4 of the Decision.
- (15) If Spain finds that other undertakings are experiencing difficulties in making further progress towards economic viability it will inform the Commission and, if so, propose activity-reduction measures as provided for in Article 4 of Decision No 3632/93/ECSC.
- (16) Throughout the period from 1999 to 2002 Spain will continue to monitor production cost trends at each of the coal undertakings and, should the undertakings prove unable to achieve the trend downwards in production costs provided for in Article 3(2) of Decision No 3632/93/ECSC, will propose the necessary corrective measures to the Commission.
- (17) One of the conditions laid down by the Commission in its Decision 98/637/ECSC on the conformity of the Spanish coal industry's modernisation, rationalisation, restructuring and activity-reduction plan with the general and specific objectives of Decision No 3632/93/ECSC, is that Spain must ensure that, between 1 January 1998 and the date of closure, no aid is granted to cover the production costs of the mines formerly belonging to Minas de Lieres SA, which were put back into production by Hunosa. The Commission notes that for 1998 and 1999 the mines in question experienced or are set to experience production losses valued respectively at ESP 193 300 000 (EUR 1 161 756,40) and ESP 169 000 000 (EUR 1 015 710,46). On the basis of the information in the letter of 16 April 1999 from Spain, the Commission notes that the operating losses of the old Minas de Lieres mines were not covered by aid during 1998 and that no aid has been set aside for them for 1999. These mines must close down definitively by 31 December 1999.
- (18) The aid notified by Spain to cover operating losses in 1999 provides for a reduction in production aid compared with 1998, at current currency values, of 4 % for underground mines and 6 % for open-cast mines. The total amount of aid, i.e. aid for current production plus aid to cover exceptional restructuring costs, fell by 8 %. These reductions will help to achieve the objective of degression of aid. The aid to cover the production costs of the undertakings or production units, i.e. the aid under Articles 3 and 4 of the Decision, is intended to cover all or part of the difference between the production costs and the selling price freely agreed between the contracting parties in the light of the conditions prevailing on the world market.
- (19) The reduction in the aid notified for 1999 compared with 1998 is still more notable when the fall in the selling price of coal on the world market is taken into consideration.

- (20) In accordance with Article 2(2) of Decision No 3632/93/ECSC, all the aid which Spain plans to grant to the coal industry under the said Decision in 1999 has been entered in national, regional or local public budgets. Part of this aid to Hunosa could be channelled via SEPI (Sociedad Estatal de Participaciones Industriales).
- (21) In view of the above, the measures notified by Spain for 1999 are deemed to be in line with the modernisation, rationalisation, restructuring and activity-reduction plans approved by the Commission in its Decision 98/637/ECSC, provided all the conditions laid down in the Decision are complied with, particularly those relating to non-discrimination between producers, between purchasers or between users of coal in the Community.
- III
- (22) The aid of ESP 121 030 million (EUR 727 404 949,94) which Spain plans to grant the coal industry in 1999 is intended to compensate in full or in part for operating losses suffered by coal undertakings.
- (23) It is intended to cover the difference between the production costs and the selling price freely agreed between the contracting parties in the light of the conditions prevailing on the world market.
- (24) The sum notified subdivides into operating aid of ESP 54 544 million (EUR 327 816 042,22) under Article 3 of Decision No 3632/93/ECSC, and activity-reduction aid of ESP 66 486 million (EUR 399 588 907,72) under Article 4 thereof.
- (25) The operating aid of ESP 54 544 million (EUR 327 816 042,22) is intended to cover the operating losses of 57 undertakings with a combined envisaged production of 13 335 million tonnes in 1999.
- (26) The Commission notes, after verifying the production costs of these undertakings, at 1992 prices, that the downward trend of production costs observed in the period 1994-1997 will continue in 1999. The reduction envisaged for 1999, compared with 1997, will be 7,2 %.
- (27) In 1997 the mean production cost, at 1992 prices, of the undertakings receiving aid under Article 3 of Decision No 3632/93/ECSC is 81,02 ECU/tce, broken down as follows:
- 10 % of production at costs between 42 and 57 ECU/tce;
 - 10 % of production at costs between 59 and 62 ECU/tce;
 - 10 % of production at costs between 63 and 71 ECU/tce;
 - 10 % of production at costs between 72 and 81 ECU/tce;
 - 10 % of production at costs between 82 and 85 ECU/tce;
 - 10 % of production at costs between 86 and 87 ECU/tce;
 - 10 % of production at costs between 88 and 90 ECU/tce;
 - 10 % of production at costs between 91 and 92 ECU/tce;
 - 10 % of production at costs between 93 and 95 ECU/tce;
 - 10 % of production at costs between 96 and 129 ECU/tce.
- (28) Spain will notify the Commission, by no later than 30 September 1999, of the undertakings' production costs for 1998, to enable the Commission to verify the downward trend of these costs over the period 1994 to 1998.
- (29) The mean selling price to the thermal power stations of the 13 335 000 tonnes (8 476 700 tce) of production envisaged in 1999 by the undertakings in receipt of operating aid is ESP 5 955/tonne (EUR 35,79/tonne). In the light of the envisaged mean cost of this production in 1999, namely ESP 10 046/tonne (EUR 60,38/tonne), the Commission notes that the aid notified corresponds to the difference between the cost of production and the selling price freely agreed between the contracting parties in the light of the conditions prevailing on the world market.
- (30) Of the aid of ESP 66 486 million (EUR 399 588 907,72) to reduce activity, ESP 58 442 million (EUR 351 243 494,04) is intended to cover the operating losses of Hunosa; ESP 5 147 million (EUR 30 934 093,01) the operating losses of Mina la Camocha; ESP 624 million (EUR 3 750 315,53) the operating losses of the underground workings of Endesa; ESP 533 million (EUR 3 203 394,52) the operating losses of the Encasur underground workings; ESP 1 115 million (EUR 6 701 284,96) the operating losses of Antracitas de Guillón; ESP 271 million (EUR 1 628 742,80) the operating losses of Antracitas de Rengos; and ESP 354 million (EUR 2 127 582,85) the operating losses of Minas de Escucha, with the combined production of these undertakings totalling an envisaged 3 million tonnes in 1999.

- (31) Of the aid of ESP 58 442 million (EUR 351 243 494,04) to Hunosa, ESP 39 555 million (EUR 237 730 337,89) will be granted via SEPI.
- (32) The mean selling price to the thermal power stations of the 3 000 million tonnes (2 350 000 tce) of production envisaged in 1999 by the undertakings in receipt of aid to reduce activity is ESP 5 350/tonne (EUR 3 215/tonne). In the light of the envisaged mean cost of this production in 1999, namely ESP 27 550/tonne (EUR 165,58/tonne), the Commission notes that that the aid notified corresponds to the difference between the cost of production and the selling price freely agreed between the contracting parties in the light of the conditions prevailing on the world market.
- (33) The aid to cover the operating losses suffered by coal undertakings has been entered in the general State budgets for 1999. It is 5 % lower than the aid authorised by the Commission for 1998. Spain sent notification of the Spanish Council of Ministers' decision on the company-by-company allocation of this aid. This decision has been published in Spain's Boletín Oficial del Estado ⁽¹⁾).
- (34) The inclusion of this measure in the modernisation, rationalisation, restructuring and activity-reduction plan notified by Spain, and the reduction in the aid and quantities envisaged for 1999, are in line with the objectives of the first and second indents of Article 2(1) of Decision No 3632/93/ECSC, and in particular the objective to solve the social and regional problems created by developments in the coal industry.
- (35) In view of the above, and on the basis of the information provided by Spain, this aid is compatible with Articles 3 and 4 of Decision No 3632/93/ECSC and with the proper functioning of the common market.
- (36) The aid of ESP 44 141 million (EUR 265 292 753) which Spain is proposing to grant is intended to cover, with the exception of the costs for the payment of social-welfare benefits borne by the State as a special contribution pursuant to Article 56 of the Treaty, compensation paid to workers in Spanish coal undertakings who have lost their jobs or have had to or will have to take early retirement under the modernisation, rationalisation, restructuring and activity-reduction plan for the Spanish coal industry.
- (37) Part of this aid, totalling ESP 34 046 million (EUR 204 620 581,06), is to be granted to Hunosa to cover the costs for the workers who took early retirement before 1 January 1999 and the 536 workers who will retire in 1999. This part of the aid will be granted to Hunosa via SEPI.
- (38) The remaining ESP 10 095 million (EUR 60 672 171,94) is intended to cover compensation for the approximately 1 000 workers who will lose their jobs in 1999 in the other undertakings affected by modernisation, rationalisation, restructuring and activity-reduction measures.
- (39) This aid, designed to cover exceptional costs that have arisen or are due to arise from restructuring, has been entered in the general State budgets for 1999.
- (40) These financial measures relate to action made necessary by the modernisation, rationalisation and restructuring of the Spanish coal industry and cannot therefore be considered to be related to current production (inherited liabilities).
- (41) Pursuant to Article 5 of Decision No 3632/93/ECSC the aid mentioned explicitly in the Annex to the Decision, namely the cost of paying social-welfare benefits resulting from the pensioning-off of workers before they reach statutory retirement age and other exceptional expenditure on workers who lose their jobs as a result of restructuring and rationalisation, may be considered compatible with the common market provided that the amount paid does not exceed such costs.
- (42) In view of the above and on the basis of the information provided by Spain, this aid is compatible with Article 5 of Decision No 3632/93/ECSC and with the proper functioning of the common market.
- (43) The aid of ESP 13 079 million (EUR 78 606 373,13) which Spain proposes to grant is intended to cover part of the loss of value of the fixed assets of coal undertakings which have to close down totally or partially, and other exceptional costs to enable undertakings to cover the costs that have arisen or are due to arise from the progressive closures connected with the restructuring of the coal industry.

IV

V

- (36) The aid of ESP 44 141 million (EUR 265 292 753) which Spain is proposing to grant is intended to cover, with the exception of the costs for the payment of social-welfare benefits borne by the State as a special contribution pursuant to Article 56 of the Treaty, compensation paid to workers in Spanish coal undertakings who have lost their jobs or have had to or will have to take early retirement under the modernisation, rationalisation, restructuring and activity-reduction plan for the Spanish coal industry.
- (43) The aid of ESP 13 079 million (EUR 78 606 373,13) which Spain proposes to grant is intended to cover part of the loss of value of the fixed assets of coal undertakings which have to close down totally or partially, and other exceptional costs to enable undertakings to cover the costs that have arisen or are due to arise from the progressive closures connected with the restructuring of the coal industry.

⁽¹⁾ BOE No 46, 23.2.1999, p. 7570.

- (44) Part of this aid, totalling ESP 2 754 million (EUR 16 551 873,35), will be granted to Hunosa via SEPI. Since Minas de Lieres S.A. received closure aid in Spain's 1991 to 1993 restructuring plan it is not therefore entitled to receive any other aid to cover the costs of closure, which must be completed by no later than 31 December 1999. The remaining sum, totalling ESP 10 325 million (EUR 62 054 499,78), will be granted to the other undertakings that are restructuring or reducing their activity.
- (45) The aid to cover exceptional costs arising or due to arise from restructuring has been entered in the general State budgets for 1999.
- (46) These financial measures relate to action made necessary by the modernisation, rationalisation and restructuring of the Spanish coal industry and cannot therefore be considered to be related to current production (inherited liabilities).
- (47) Pursuant to Article 5 of Decision No 3632/93/ECSC, the aid mentioned explicitly in the Annex to the Decision, namely exceptional intrinsic depreciation provided that it results from the restructuring of the industry (without taking account of any revaluation which has occurred since 1 January 1986 and which exceeds the rate of inflation) and other additional work and residual costs arising from closures of installations, can be considered compatible with the common market provided that the amount paid does not exceed such costs.
- (48) Spain must ensure that the aid granted to undertakings to cover exceptional costs is in line with the categories of costs specified in the Annex to Decision No 3632/93/ECSC.
- (49) In view of the above, and on the basis of the information provided by Spain, this aid is compatible with Article 5 of Decision No 3632/93/ECSC and with the proper functioning of the common market.
- (52) Spain undertakes to ensure that, within the framework of the provisions of Article 86 of the Treaty, the aid is limited to that which is strictly necessary in the light of the social and regional considerations which characterise the decline of the Community's coal industry. The aid may not give any economic advantage, whether directly or indirectly, to productions for which no aid is authorised or to other activities distinct from coal production.
- (53) In accordance with the second indent of Article 3(1) and with Article 9(2) and (3) of Decision No 3632/93/ECSC the Commission must verify that the aid authorised for current production responds exclusively to the objectives stated in Articles 3 and 4 of the Decision. Spain must notify the Commission, by no later than 30 June 2000, of the amount of aid actually paid during 1999, and declare any corrections made to the amounts originally notified. When submitting this annual statement of aid paid, Spain must also supply the Commission with all the information necessary for verification of the criteria set out in the Articles in question.
- (54) In approving the aid, the Commission has recognised the need to soften, as far as possible, the social and regional impact of the restructuring of the coal industry, given the economic and social situation surrounding the mines affected.
- (55) In view of the above, and on the basis of the information provided by Spain, the measures and the aid proposed for the coal industry are deemed to be compatible with the objectives of Decision No 3632/93/ECSC and with the proper functioning of the common market.

HAS ADOPTED THIS DECISION:

Article 1

Spain is hereby authorised to pay the following aid in respect of 1999:

- (50) The aid granted by Spain to the coal industry is restricted to coal production destined to be used for electricity production. Spain undertakes to ensure that the coal sold to the industrial and domestic sectors is sold at prices (exempt from compensation) that cover the costs of production.
- (51) Spain must ensure that the aid granted to current production under this Decision does not give rise to any discrimination between coal producers, between purchasers or between users on the Community coal market.
- (a) operating aid of ESP 54 544 million (EUR 327 816 042,22) under Article 3 of Decision No 3632/93/ECSC;
- (b) aid for the reduction of activity of ESP 66 486 million (EUR 399 588 971,72) under Article 4 of Decision No 3632/93/ECSC;
- (c) aid of ESP 44 141 million (EUR 265 292 753), under Article 5 of Decision No 3632/93/ECSC, to cover exceptional welfare aid for workers who lose their jobs as a result of the measures to modernise, rationalise, restructure and reduce the activity of the Spanish coal industry;

- (d) aid of ESP 13 079 million (EUR 78 606 373,13), under Article 5 of Decision No 3632/93/ECSC, to cover the exceptional technical costs of closing down mining installations as a result of the measures to modernise, rationalise, restructure and reduce the activity of the Spanish coal industry.

Article 2

In accordance with Article 86 of the ECSC Treaty, Spain shall adopt all appropriate measures, whether general or particular, to ensure fulfilment of the obligations resulting from this Decision. It shall ensure that the aid authorised is used for the purposes intended and that any unspent, overestimated or incorrectly used aid for any item covered by this Decision is repaid to it.

Article 3

Spain shall notify the Commission, by 30 June 2000 at the latest, of the amount of aid actually paid in respect of 1999.

Article 4

This Decision is addressed to the Kingdom of Spain.

Done at Brussels, 4 May 1999.

For the Commission

Christos PAPOUTSIS

Member of the Commission
