

Council Regulation (EC) No 1407/2002 of
23 July 2002 on State aid to the coal industry

CHAPTER 1

GENERAL PROVISIONS AND DEFINITIONS

Article 1

Aim

This Regulation lays down rules for the granting of State aid to the coal industry with the aim of contributing to the restructuring of the coal industry. The rules laid down herein take account of:

- the social and regional aspects of the sector's restructuring,
- the need for maintaining, as a precautionary measure, a minimum quantity of indigenous coal production to guarantee access to reserves.

Article 2

Definitions

For the purposes of this Regulation:

- (a) 'coal' means high-grade, medium-grade and low-grade category A and B coal within the meaning of the international codification system for coal laid down by the United Nations Economic Commission for Europe⁽¹⁾;
- (b) 'plan for accessing coal reserves': plan drawn up by a Member State, providing for the production of the minimum quantity of indigenous coal necessary to guarantee access to coal reserves;
- (c) 'closure plan': plan drawn up by a Member State providing for measures culminating in the definitive closure of coal production units;
- (d) 'initial investment costs': fixed capital costs directly related to infrastructure work or to the equipment necessary for the mining of coal resources in existing mines;
- (e) 'production costs' means costs related to current production, calculated in accordance with Article 9(3). These cover, apart from mining operations, operations for the dressing of coal, in particular washing, sizing and sorting, and the transport to the delivery point;
- (f) 'current production losses' means the positive difference between the coal production cost and the delivered selling price freely agreed between the contracting parties in the light of the conditions prevailing on the world market.

Status: Point in time view as at 01/01/2007.

Changes to legislation: There are currently no known outstanding effects for the Council Regulation (EC) No 1407/2002, CHAPTER 1. (See end of Document for details)

Article 3

Aid

1 Aid to the coal industry may be considered compatible with the proper functioning of the common market only if it complies with the provisions of Chapter 2, without prejudice to State aid schemes concerning research and technological development, the environment and training.

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 Community.

Status: Point in time view as at 01/01/2007.

Changes to legislation: There are currently no known outstanding effects for the
Council Regulation (EC) No 1407/2002, CHAPTER 1. (See end of Document for details)

- (1) International system for the codification of medium-grade and high-grade coal (1998); International classification of coal in seam (1998) and International system of codification for low-grade coal (1999).

Status:

Point in time view as at 01/01/2007.

Changes to legislation:

There are currently no known outstanding effects for the Council Regulation (EC) No 1407/2002, CHAPTER 1.