

EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject:State aid SA.39486 (2014/N) – SlovakiaAid to cover exceptional costs of the Baňa Dolina lignite mining

field – prolongation of the duration

Sir,

The Commission wishes to inform Slovakia that, having examined the information supplied by your authorities on the matter referred to above, it has decided to raise no objections to the aid measure.

1. PROCEDURE AND DESCRIPTION

 By electronic notification of 11 September 2014, Slovakia notified to the Commission the above-mentioned aid measure. The measure was notified under Article 4 of Commission Regulation No 794/2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules of the application of Article 93 of the EC Treaty (the "Implementing Regulation")¹.

Miroslav LAJČÁK minister zahraničných vecí Ministerstvo zahraničných vecí Hlboká cesta 2 SK-833 36 Bratislava SLOVENSKÁ REPUBLIKA

¹ OJ L 140, 30.04.2004, p. 1-134

- 2. The measure refers to an aid measure to cover exceptional costs of the mine of Baňa Dolina, to which the Commission raised no objections on 22.05.2014 [SA.36565 (2013/N) Slovakia aid to cover exceptional costs of the mine of Baňa Dolina]², and declared the aid compatible with the internal market pursuant to Article 107 (3)(c)TFEU.
- 3. According to the measure SA.36565 (2013/N), Slovakia can grant aid to the mining company Baňa Dolina a. s. in order to cover severance payments to its workers who have lost their jobs due to the closure of the beneficiary's sole mining unit Veľký Krtíš. Pursuant to recital 14 of the decision on that measure the aid approved amounts to a total budget of EUR 200 318 which would be granted under a plan ending in 2014 and would take the form of a direct grant.
- 4. Slovakia explains in the current notification that the approved measure SA.36565 (2013/N) was officially notified to the Commission on 22 April 2013. The Commission adopted its decision on the case on 22 May 2014. As the notification proceedings took place during the entire year of 2013, the Slovak government could not start granting the aid in question already in 2013 as planned. Therefore Slovakia would like to grant the approved aid by 31 December 2015 in the following way:

TOTAL	EUR 200 318
2015	EUR 107 475.84
2014	EUR 92 842.16
Year	Granting of state aid

Source: Slovakian authorities

- 5. The Slovakian authorities have confirmed that only the duration of the measure as mentioned in recital 4 of this decision is modified. The budget and all other provisions of the measure SA.36565 (2013/N) remain unchanged.
- 6. The Slovak authorities confirmed that the aid notified cannot be cumulated with other aid covering the same eligible costs.

2. Assessment

7. The Commission already concluded in its decision of 22 May 2014 in case SA.36565 (2013/N), that the measure involves State aid within the meaning of Article 107(1) TFEU. The amendment notified by the Slovakian authorities and subject to this decision does not alter that conclusion.

² <u>http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_36565</u>

- 8. By notifying the proposed change to the scheme set out in recital 4 above before implementation, the Slovakian authorities have fulfilled their obligation according to Article 108 (3) of the TFEU. In addition, the Slovakian authorities have confirmed that, except for the notified change in duration mentioned above in recital 4, all other provisions of the scheme remain unchanged.
- 9. In decision SA.36565 (2013/N), the Commission came to the conclusion that the measure was compatible with Council Decision 2010/787/EU of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines³ ("the Council Decision"). The Commission notes that the notified modification does not alter the primary objective of the scheme which is the orderly winding down of mining activities of Veľký Krtíš in the context of an irrevocable closure plan. The termination of mining activities in Veľký Krtíš is expected on 31 December 2015.
- 10. As regards the extended duration of the measure until 31 December 2015, the Commission notes that Slovakia could not meet the timetable proposed in its notification in case SA.36565 (2013/N), which sets out the end of 2014 as the last payment. In light of this, as Slovakia could start granting the aid only in 2014 in order to meet its standing obligation, it is reasonable that it amends the timetable by setting the last payment not later than 31 December 2015, which is the termination of the mining activities in Veľký Krtíš⁴. The prolongation of the duration does not result from a change in any other conditions of the measure. In light of the above, the Commission finds that the prolongation of the duration at hand does not change the positive assessment of the compatibility of the measure with the internal market concluded by the Commission in case SA.36565 (2013/N) which was assessed under the rules of the Council Decision.
- 11. It follows that the aid notified under Article 4(2)b) of the Implementing Regulation remains compliant with the relevant conditions laid down in the Council Decision.

3. CONCLUSION

- 12. The Commission considers that the proposed change to the aid measure SA.36565 (2013/N) is compatible with the internal market. The Commission accordingly decides not to raise objections against the proposed modification.
- 13. The Commission reminds the Slovak authorities that, in accordance with the Council Decision, they shall notify to the Commission:
 - any amendments related to the final closure, and
 - all the aid which they intend to grant to the coal industry under the Council Decision during a coal year.

³ OJ L 336, 21.12.2010, p. 24.

⁴ See recital 7 of Commission Decision SA.36565 (2013/N)

- 14. The Commission also reminds the Slovak authorities that, in accordance with Article 7 (5) of the Council Decision, they shall inform the Commission of the amount and of the calculation of the aid actually paid during a coal year no later than six months after the end of that year. Where any corrections are made to the amounts originally paid during a given coal year, the Slovak authorities shall inform the Commission before the end of the following coal year.
- 15. If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

http://ec.europa.eu/competition/elojade/isef/index.cfm

Your request should be sent by registered letter or fax to:

European Commission Directorate-General for Competition State Aid Greffe B-1049 Brussels Fax No: 32 2 296 12 42

> Yours faithfully, For the Commission

> Joaquín ALMUNIA Vice President