

**Reference: Biannual Report on Services of General Interest: Article 9 of Decision 2012/21/EU of 20 December 2011 and point 62 of the SGEI Framework**

*Article 9 of the Decision states:*

*Each Member State shall submit a report on the implementation of this Decision to the Commission every two years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

- a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*
- b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*
- c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties;*

*and*

- d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

*The first report shall be submitted by 30 June 2014.*

In response to the European Commission request made by means of Commission letter dated 10 April 2014 recalling the obligation to submit the report and the previous letter dated 25 February 2013 on the same matter, the following report is therefore issued:

**DESCRIPTION OF THE APPLICATION UNDER THE SGEI DECISION AND SGEI FRAMEWORK AND AMOUNT GRANTED**

Air or maritime links to islands [(Article 2(1)(d)]

**2-EXPLAIN WHAT TYPE OF SERVICES IN THE RESPECTIVE SECTOR HAVE BEEN DEFINED AS SGEI IN YOUR MEMBER STATE. LIST THE CONTENTS OF THE SERVICES ALLOCATED AS SGEI AS CLEARLY AS POSSIBLE:**

Departmental Order of 29 May 2009 (Canary Islands Official Bulletin No 110 of 10 June 2009) states the obligation of public service and submits the regular inter-island maritime transport line known as 'Línea 1 Los Cristianos-La Estaca-Los Cristianos' for the prior authorisation procedure.  
<http://www.gobiernodecanarias.org/boc/2009/110/boc-2009-110-005.pdf>

**3.-EXPLAIN THE FORMS OF ALLOCATION (HABITUAL). IF STANDARD TEMPLATE IS USED WITHIN A GIVEN SECTOR FOR ALLOCATION, ATTACH IT EXPLAIN THE DURATION OF THE ALLOCATION**

On 26 November 2009, Directorate General of Transport Decisions were laid down granting provisional authorisation with financial compensation to Fred Olsen y Armas in the case brought as a result of the situation of insufficiency in line I referred to in Annex II of Decree 9/2009 of 27 January.

Applicable legislation: Law 12/2007 of 24 April regulating Maritime Transport and Decree 9/2009 of 27 January developing the special system for the provision of regular maritime transport.

**4.-EXPLAIN THE MECHANISM OF COMPENSATION (HABITUAL) FOR THE RESPECTIVE SERVICES, INCLUDING THE AID INSTRUMENT USED (DIRECT GRANT, GUARANTEE, ETC.) AND WHETHER THE METHOD BASED ON COST ALLOCATION OR THE NET AVOIDED COST METHOD WAS USED**

A grant was awarded to compensate for a shortfall in the line service.

**Total amount of aid granted<sup>1</sup>.** Include all the aid paid in your area, including aid paid by regional and local authorities.

**(GRANTED IN 2012):**

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- Grant to Naviera Armas, S.A. for the sum of EUR 845 142.85 to compensate for a shortfall arising out of the provision from 1 October 2011 to 9 January 2012 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 412 of 12 September 2012.
- Grant to Naviera Armas, S.A. for the sum of EUR 750 000 to compensate for a shortfall arising out of the provision from 10 January 2012 to 31 May 2012 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 507 of 06/11/2012.
- Grant to Naviera Armas, S.A. for the sum of EUR 541 478.85 to compensate for a shortfall arising out of the provision from 10 January 2012 to 31 May 2012 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 657 of 28/12/2012.
- Grant to Naviera Armas, S.A. for the sum of EUR 750 000 to compensate for a shortfall arising out of the provision from 1 July 2012 to 31 December 2012 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 662 of 28/12/2012.
- Grant to Fred Olsen, S.A. for the sum of EUR 135 243.51 to compensate for a shortfall arising out of the provision from 1 January to 30 June 2011 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 79 of 24/02/2012.
- Grant to Fred Olsen, S.A. for the sum of EUR 750 000 to compensate for a shortfall arising out of the provision from 1 July to 31 December 2011 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 506 of 06/11/2012.
- Grant to Fred Olsen, S.A. for the sum of EUR 2 663 467.80 to compensate for a shortfall arising out of the provision from 1 January to 31 May 2012 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 660 of 28/12/2012.
- Grant to Fred Olsen, S.A. for the sum of EUR 1 860 374.916 to compensate for a shortfall arising out of the provision from 1 Julio to 31 December 2011 of the regular inter-island maritime coastal shipping line No 1 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 659 of 28/12/2012.
- Grant to Fred Olsen, S.A. for the sum of 750 000 to compensate for a shortfall arising out of the provision from 12 July to 31 December 2012 of the regular inter-island maritime coastal shipping line No 12 referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 661 of 28/12/2012.

**(GRANTED IN 2013):**

- Grant to Naviera Armas, S.A. for the sum of EUR 750 000 to compensate for a shortfall arising out of the provision from 1 January 2013 to 30 June 2013 of the regular inter-island maritime coastal shipping line referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 668 of 27/12/2013.
- Grant to Naviera Armas, S.A. for the sum of EUR 545 833 to compensate for a shortfall arising out of the provision from 1 July 2013 to 18 November 2013 of the regular inter-island maritime coastal shipping line referred to in Annex II of Decree 9/2009, of 27 January (Los Cristianos- La Estaca- Cristianos) by Ministry of Public Works, Transport and Territorial Policy Order No 672 of 27/12/2013.
- Grant to Fred Olsen, S.A. for the sum of EUR 750 000 to compensate for a shortfall arising out of the provision from 01 January 2013 to 30 June 2013 of the regular inter-island maritime coastal shipping line referred to in Annex II of Decree 9/2009, of 27 January (Santa Cruz de Tenerife/Los Cristianos- La Estaca- Los Cristianos/Santa Cruz de Tenerife) by Ministry of Public Works, Transport and Territorial Policy Order No 667 of 27 December 2013.
- Grant to Fred Olsen, S.A. for the sum of EUR 545 833 to compensate for a shortfall arising out of the provision from 1 July 2013 to 18 November 2013 of the regular inter-island maritime coastal shipping line referred to in Annex II of Decree 9/2009, of 27 January (Santa Cruz de Tenerife/Los Cristianos- La Estaca- Los Cristianos/Santa Cruz de Tenerife) by Ministry of Public Works, Transport and Territorial Policy Order No 673 of 27 December 2013.

**MISCELLANEOUS**

On 21 October 2013, a contract was awarded for provision of the El Hierro line to the entity Caflaja, S.L., published in the Canary Islands Official Bulletin No 236, of 9 December 2013 – Notice of 27 November 2013 advertising the drawing up of a special administrative agreement for the regular inter-island maritime coastal shipping line referred to in Annex II of Decree 9/2009, of 27 January regarding a special system for the provision of regular maritime transport services, known as Santa Cruz de Tenerife/Los Cristianos- La Estaca- Los Cristianos/Santa Cruz de Tenerife.

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Las Palmas de Gran Canaria, 26 May 2014

*Document signed electronically at the foot of the page by*

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AFFAIRS WITH THE EUROPEAN UNION**

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