THE VOICE OF UK AIRPORTS

Airport Operators Association response to the European Commission Consultation on the extension to airports of the General Block Exemption Regulation (GBER)

1. The Airport Operators Association (AOA) is the trade association for UK airports and a member association of ACI Europe. We represent the interests of UK airports, and the principal such body engaging with the UK Government and regulatory authorities on airport matters. The AOA's members include over 50 airports and more than 160 Associate Members, made up of companies representing a wide range of suppliers in the aviation industry.

2. We welcome the opportunity to respond to the European Commission consultation on the extension to airports of the General Block Exemption Regulation (GBER), which declares certain aid measures compatible with the internal market and exempt from prior notification to the Commission.

3. The extension will remove the anomaly that, while exemption provisions were available for a wide range of infrastructure, airports and ports had previously been excluded. As a result, delays had been built into the process for the airport and port sectors, in a way that was not the case for other types of infrastructure. In future, providing the criteria set out in the regulation are met, Member States will not have to wait for the Commission's approval before they can start implementation.

4. The AOA supports the initiative's objective of simplifying the application of state aid rules and so reducing administrative burden and costs and speeding up the implementation of projects. The AOA believes that cutting red tape in this way should, on the one hand, enable eligible projects to go ahead quickly and, on the other hand, allow the Commission to focus its resources on potentially distortive competition cases. It should have the effect of providing legal certainty for investments in airport infrastructure, in line with the Commission's goal of stimulating investment to boost growth and job creation.

5. In addition, the AOA understands that the new provisions for investment aid for regional airports are necessarily based on a codification of existing practice and the criteria contained in the guidelines on state aid to airports and airlines. Nevertheless, the Commission has some discretion on where to set the threshold below which measures do not need to be notified.

6. Article 56a proposes the following thresholds: except where an airport's annual passenger traffic is below 50,000 passengers, an airport will not be eligible if it is within 100 kilometres or 60 minutes travelling time of an existing airport with scheduled air services. Equally, an airport will not be eligible where an airport has annual passenger traffic of more than three million passengers. The AOA believes it is vitally important that the principle of free and fair competition is upheld and the market is not distorted. To this end, the AOA calls on the Commission to take note of the difficulty in creating arbitrary thresholds, particularly as regard travel time and distance, neither of which are an entirely accurate means of measuring an airport's catchment area. The AOA is concerned that there could be some airports with annual passenger traffic of less than three million passengers and who serve catchments that overlap with larger airports which would be eligible for investment aid under the proposed thresholds, while on the other hand there are potentially some airports

with traffic above 50,000 passengers and below three million passengers and which only serve a distinct local catchment but which would not be eligible for investment aid under the proposed thresholds.

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