Part III.13.B - SUPPLEMENTARY INFORMATION SHEET ON OPERATING AID TO AIRPORTS

*It is recommended that this supplementary information sheet is completed, in addition to the 'General information' form, for the notification of any individual operating aid covered by the Guidelines on State aid to airports and airlines*[[1]](#footnote-1)*.*

1. Additional information on the beneficiary and its activities

*It is recommended that this supplementary information sheet is completed, in addition to the 'General information' form, for the notification of any individual operating aid covered by the Guidelines on State aid to airports and airlines*[[2]](#footnote-2)*.*

1.1. Beneficiary

1.1.1. Is the aid awarded directly to the operator of the airport?

Yes  No

1.1.2. If the answer to point 1.1.1 is no, please describe, if applicable, (i) the legal entity/-ies receiving the aid, and (ii) the legal entity/-ies responsible for transferring the aid as intermediary/-ies to the airport providing the services eligible for the aid.

1.1.3. If the answer to point 1.1.1 is ‘no’, please explain how the authorities ensure that that there is no advantage granted at the intermediary levels.

1.1.4. Is the beneficiary of the aid also the owner of the airport?

Yes  No

1.1.5. If the answer to point 1.1.4 is ‘no’: please specify who is/will be the owner of the airport and describe the ownership structure.

1.1.6. In the case of individual aid, please describe the legal, organisational and financial relationships between the recipient of the aid and (i) the undertakings with which it forms part of a group of undertakings; (ii) its subsidiaries; (iii) any other associated enterprises, including joint ventures.

In the case of aid schemes, please describe the method by which the aid granting authority will assess the legal, organisational and financial relationships referred to in points 1.1.1 to 1.1.5.

1.2. General information about the airport operator

1.2.1. Where the airport or the airports are used by the national armed forces, the police force, non-economic air rescue services, or any other air service of a non-economic nature, please specify (a) the nature of the service(s); and (b) the rate of airport capacity utilisation (e.g. use of the runway and other airport facilities, expressed as a percentage of annual aircraft movements).

1.2.2. Please provide the following passenger traffic data of the airport(s) receiving the aid:

(a) Airports with a commercial passenger traffic history of more than two financial years: average annual passenger traffic during the two financial years preceding the year in which the aid is notified or actually granted.

(b) Airports with a commercial passenger traffic history of less than two financial years: forecasted average annual passenger traffic during the two financial years after the beginning of the operation of commercial passenger air traffic flows.

Please provide the data in the form of a table, as follows: [copied from page 188, point 2.2.3]

|  |  |
| --- | --- |
| **Year** | **Total number of passengers** |
|  |  |
|  |  |

Passenger numbers must be counted ‘one-way’ and for each individual route. For example: a passenger flying to the airport and back would be counted twice. If the airport is part of a group of airports, passenger traffic data must be established on the basis of each individual airport.

1.2.3. In the case of individual operating aid: please provide the business plan that the beneficiary has implemented in the period 2009–2013, and that it intends to implement until 4 April 2027. Please describe the assumptions underlying those business plans.

The business plan must contain information on traffic and traffic forecasts; costs and cost forecasts; financial data and financial forecasts as regards the level of profitability and cash-flows (by reference to methodologies which are demonstrably used by the airport, e.g. using methods for evaluating the net present value of an investment (NPV), the internal rate of return (IRR), and the average return on capital employed (ROCE). The business plan must be provided in an excel format including explanations of all underlying formulas.

In the case of aid schemes, please specify in detail (a) the formal and material criteria to which business plans of eligible airports must conform; (b) the method the national authorities will use to assess the business plans.

1.2.4. In the case of individual operating aid, please provide a summary overview of operating losses[[3]](#footnote-3) the beneficiary incurred in the period 2009–2013, as well as of forecasted operating losses in the remaining period until 4 April 2027. Please provide the data in the form of a table, structured as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Revenue |  |  |  |  |
| … |  |  |  |  |
| Operating costs |  |  |  |  |
| … |  |  |  |  |
| Other |  |  |  |  |
| … |  |  |  |  |
| Operating results |  |  |  |  |

In the case of aid schemes, please specify the method the authorities will use to establish the operating losses of eligible airports.

1.2.5. In the case of individual operating aid, please provide copies of the eligible airports’ financial reports[[4]](#footnote-4) for the 5 years preceding the year of application for operating aid.

In the case of aid schemes, please commit to include the above described financial reports in the assessment of individual aid.

1.2.6. Please specify the provisions made to avoid overcompensation and recover excess amounts from the beneficiary.

1.3. Airport service activities

1.3.1. Please specify the eligible airport services[[5]](#footnote-5) and the categories of eligible operating costs[[6]](#footnote-6) in respect of the provision of those services.

1.4. Activities falling within the public policy remit

1.4.1. Does the operating aid cover activities that fall under State responsibility in the exercise of its official powers as a public authority (e.g. air traffic control, police, customs, firefighting, activities necessary to safeguard civil aviation against acts of unlawful interference)? Operating costs relating to the infrastructure and equipment necessary to perform such activities are considered in general to be of a non-economic nature and thus do not fall within the scope of State aid rules.

Yes  No

1.4.2. Please provide the relevant national, regional or any other legal instrument concerning the notion of activities falling within the public policy remit and their financing. In absence of any such legal instrument, please clarify how those activities are usually financed by the relevant authorities.

1.4.3. Please provide evidence showing that the public financing of non-economic activities does not lead to undue discrimination between airports. Discrimination arises in situations where, under the relevant legal order, civil airports normally have to bear certain costs inherent to their non-economic activities, whereas certain civil airports do not have to cover such costs. Please specify the material and territorial applicability of the national rules applicable to the financing of non-economic activities of airports and, if applicable, the level of regional competences in that matter.

1.4.4. Please confirm, supported by relevant evidence, that the compensation of costs incurred in relation to non-economic activities will be strictly limited to such costs, and that any cross-subsidisation of economic activities through such compensation is effectively excluded.

1.4.5. Please confirm that the airport will maintain separate cost accounts for economic and non-economic activities.

2. Compatibility assessment of the measure

2.1. Was the aid granted before 4April 2014?

Yes  No

2.2. Contribution to a well-defined objective of common interest

2.2.1. Does the operating aid:

(a)  Increase the mobility of Union citizens and the connectivity of the regions by establishing access points for intra-Union flights?

(b)  Combat air traffic congestion at major Union hub airports?

(c)  Facilitate regional development?

Please specify how the operating aid contributes to the objective(s) chosen.

2.2.2. Does the notified measure concern the operator of a new airport?

Yes  No

2.2.3. In the case of individual operating aid: Is the beneficiary airport located in the same catchment area[[7]](#footnote-7) of another airport with spare capacity?

Yes  No

2.2.4. In the case of individual operating aid: If the answer to point 2.2.3 is yes, please specify the size and shape of the catchment area. Please provide information, identifying the likely effect on the traffic of the other airport located in that catchment area. That information should be part of the beneficiary airport’s business plan and should be based on sound passenger and freight traffic forecasts.

In the case of aid schemes: Please (a) confirm that the authorities are committed to assess the likely effect on the traffic of any other airport(s) located in the same catchment area as an eligible airport on the basis of information that is part of the beneficiary airport’s business plan and is based on sound passenger and freight traffic forecasts; (b) explain the method and the criteria the national authorities will use to assess the likely effect on the traffic of that other airport or those other airports.

2.3. Need for State intervention

2.3.1. Please confirm that the annual traffic of the airport/eligible airports does not exceed 3 million passengers (see also question 1.2.2).

2.4. Appropriateness of the measure

2.4.1. Please demonstrate that the aid in question is appropriate to achieve the intended objective or resolve the problems which it intendeds to address. In particular, please explain how the authorities have established that the same objective cannot be reached, or the same problem cannot be resolved, through less distortive policy or aid instruments. For example, if the aid is granted in forms that provide a direct pecuniary advantage[[8]](#footnote-8), please demonstrate why other potentially less distortive forms of aid such as repayable advances or forms of aid that are based on debt or equity instruments[[9]](#footnote-9) are not appropriate:

2.4.2. In the case of individual operating aid: Has the aid amount been established ex‑ante as a fixed sum covering the expected operating funding gap determined on the basis of the business plan of the beneficiary?

Yes  No

If yes, please provide relevant information in the business plan.

2.4.3. In the case of aid schemes: will the aid amount in each individual case be established ex-ante as a fixed sum covering the expected operating funding gap determined on the basis of the business plan of the beneficiary?

Yes  No

If yes, the beneficiary should provide relevant information in the business plan.

2.4.4. If the answer to points 2.4.2 and 2.4.3 is ‘no’, please specify: (a) the degree of uncertainty of cost and revenue forecasts, (b) any information asymmetries that prevent the national authorities from calculating the aid amount ex ante on the basis of a business plan.

2.4.5. If the answer to points 2.4.2 and 2.4.3 is ‘no’, please confirm that the maximum amount of compatible operating aid was/will be established according to a model based on the average of the operating funding gaps[[10]](#footnote-10) during the five years from 2009 to 2013.

2.4.6. Please confirm that the amount of operating aid will not be increased ex-post.

Yes  No

2.4.7. If the answer to the above question is ‘no’, please explain why in your opinion the possibility of an ex-post increase would not reduce incentives to manage the airport efficiently.

2.5. Incentive effect and proportionality of the aid

2.5.1. In the case of individual operating aid, please describe why there is the likelihood that in the absence of the aid the level of economic activity of the airport concerned would be significantly reduced. Please provide the necessary information on the basis of the business plan (see also point 1.2.3), comparing the levels of intended activity with aid and without aid (the counterfactual scenario), and taking into account the possible presence of investment aid and level of traffic.

In the case of aid schemes, please describe the method applied by the aid granting authority in order to assess the business plans as well as the likelihood that in the absence of aid the level of economic activity of the airport concerned would be significantly reduced, taking into account the possible presence of investment aid and level of traffic.

2.5.2. In the case of individual operating aid, please demonstrate that the business plan of the airport will result in full operating cost coverage by 4 April 2027. Please specify the relevant key parameters of the business plan.

In the case of aid schemes, please confirm that the aid granting authority will grant individual operating aid only if it has concluded that the business plan of the beneficiary airport will result in full operating cost coverage by 4 April 2027. Please specify which key parameters of the business plan the aid granting authorities will assess in order to reach that conclusion in each case.

2.5.3. Please indicate:

In the case of individual operating aid: The beneficiary airport’s initial funding gap over 13 years, starting with the operating cost coverage on 4 April 2014 at the beginning of the transition period and reaching full operating cost coverage achievement by 4 April 2027, at the end of the transition period.

In the case of aid schemes: please commit (a) that the funding gap of eligible airports will be established using the method referred to in point 2.5.2; (b) that eligible airports must demonstrate that they will achieve full operating cost coverage by 4 April 2027.

* The maximum permissible aid amount:

* The percentage of the funding gap to be covered by the operating aid:

* The period during which operating aid will be granted:

2.6. Avoidance of negative effects on competition and trade

2.6.1. Please demonstrate that all airports located in the same catchment area as the eligible airport or airports will be able to achieve full operating cost coverage by 4 April 2027.

2.6.2. Please confirm that the airport or airports, including any investment for which aid is granted, will be open to all potential users and not be dedicated to one specific user.

Yes  No

2.6.3. Please specify the provisions made to ensure that airport capacity will be allocated to users on the basis of pertinent, objective, transparent and non-discriminatory criteria.

1. Guidelines on State aid to airports and airlines (OJ C 99, 4.4.2014, p. 3). [↑](#footnote-ref-1)
2. Guidelines on State aid to airports and airlines (OJ C 99, 4.4.2014, p. 3). [↑](#footnote-ref-2)
3. 'Operating funding gap' means the operating losses of an airport over the relevant period, discounted to their current value using the cost of capital, that is to say the shortfall (in Net Present Value terms) between airport revenues and operating costs of the airport. [↑](#footnote-ref-3)
4. Balance sheet, profit and loss statement, statement of chartered accountant or audit firm. [↑](#footnote-ref-4)
5. Services provided by an airport or any of its subsidiaries, to ensure the handling of aircraft, from landing to take-off, and of passengers and freight, so as to enable airlines to provide air transport services, including the provision of ground handling services and the provision of centralised ground handling infrastructure. [↑](#footnote-ref-5)
6. Underlying costs of an airport in respect of the provision of airport services, including cost categories such as cost of personnel, contracted services, communications, waste, energy, maintenance, rent and administration, but excluding the capital costs, marketing support or any other incentives granted to airlines by the airport, and costs falling within a public policy remit. [↑](#footnote-ref-6)
7. ‘Catchment area of an airport’ means a geographic market boundary that is normally set at around 100 kilometres or around 60 minutes travelling time by car, bus, train or high-speed train; however, the catchment area of a given airport may be different and needs to take into account the specificities of each particular airport. The size and shape of the catchment area varies from airport to airport, and depends on various characteristics of the airport, including its business model, location and the destinations it serves. [↑](#footnote-ref-7)
8. For example, direct grants, exemptions or reductions in taxes, social security or other compulsory charges, or the supply of land, goods or services at favourable prices, etc. [↑](#footnote-ref-8)
9. For example, low-interest loans or interest rebates, State guarantees, the purchase of a shareholding or an alternative provision of capital on favourable terms. [↑](#footnote-ref-9)
10. 'Operating funding gap’ means the operating losses of an airport over the relevant period, discounted to their current value using the cost of capital, that is to say the shortfall (in Net Present Value terms) between airport revenues and operating costs of the airport. [↑](#footnote-ref-10)