

Consultation on targeted revision of the General Block Exemption Regulation (extension to ports and airports)

UK Government response

Introduction

1. The UK welcomes the Commission's initiative to extend the benefits of the GBER and to clarify and simplify certain points. The GBER removes burdens from aid givers and makes it simpler and easier to give aid where it is needed. This extension is very much in line with the Commission's stated aims for State Aid Modernisation of simplification, clarification and to tie the rules more closely to growth.

Ports

2. We note that while the costs covered in (a) are subject to the investment thresholds and corresponding aid intensity limits described in paragraph 4, the costs covered in (b) are not (more precisely, they are subject to a single 100% aid intensity threshold). We ask that the Commission clarify why this should be the case i.e. why are there no graduated aid intensity thresholds for the costs covered in (b)?
3. We note that the threshold figures themselves are highly provisional at this stage and will therefore reserve detailed comment on these until your thinking has developed further, in the second-stage consultation.

Operating aid in outermost regions and sparsely populated areas

4. The UK welcomes the simplification of provisions on operating aid in outermost regions and sparsely populated areas.

Airports

5. The UK believes that it is for commercial airport operators and airlines to determine and fund airport operations and air services respectively. However the UK recognises that in certain circumstances for smaller airports there may be a need for aid to fund specific infrastructure projects.
6. Therefore, to help to reduce the regulatory burden and costs for public authorities and other stakeholders, as well as the Commission, the UK is supportive of the proposed inclusion of infrastructure aid to airports handling fewer than 3 million passengers per annum within the General Block Exemption Regulation (GBER). In particular this is provided that the aid does not exceed 50% or 75% of eligible costs of airports handling between one and three million and fewer than one million passengers per annum respectively during the two financial years preceding the year in which aid is granted, and there is no other airport located within 100 kilometres distance or 60 minutes travelling time by car, bus, train or high-speed train.

7. The UK would welcome consistency where appropriate between the definitions in the 2014 Guidelines on State aid to airports and airlines and the draft amending regulations. Therefore we would like to see amendments made to the definition of both 'ground handling services' and 'non-aeronautical charges' to be in line with the 2014 State aid guidelines for airports and airlines, as well as the inclusion in the draft regulation definitions for 'average annual passenger traffic' and 'remote regions'.

Other points

Article 16

8. It would be helpful if the Commission could confirm whether conditions (a) to (c) are 'cumulative' or 'exclusive'. We think the Commission meant for these to be 'exclusive' and therefore would suggest the following revision to Article 16(2).

Urban development projects shall fulfil at least one of the following criteria:

- (a) they are implemented via urban development funds in assisted areas;
- (b) they are co-financed by the European Structural and Investment Funds;
- (c) they support the implementation of an 'integrated sustainable urban development strategy';

Article 22 paragraph 2

9. The UK requests that the Commission clarify whether the new wording prohibits follow up aid to the start up during the eligible time frame and within the rules of start-up activity.

Article 31

10. We welcome the fact that all trainees can now claim accommodation costs, not just those with disabilities.

Article 53

11. The UK welcomes the increased thresholds in Aid for Culture and Heritage Conservation, and the fact that cinemas are now specifically mentioned in paragraph two.

Articles 55 & 56 – Reasonable profit

12. In the case of aid for sport and multifunctional infrastructure (Article 55 paragraphs 10 and 11), aid for local infrastructures (article 56 paragraph 6), and investment aid for regional airports (article 56a paragraph 9), it is not the case that operators are allowed to keep a 'reasonable profit'. However, in the case of aid for culture and heritage conservation, the operator is indeed allowed to keep a reasonable profit (article 53 paragraphs 6 and 7). We request that the Commission clarify the reason for this discrepancy.

Article 58

13. Article 58(1) states that the GBER shall apply to individual aid granted before the respective provisions of this Regulation have entered into force, if the aid fulfils all the conditions laid down in this Regulation, with the exception of Article 9. However, the text doesn't clarify whether Member States are also exempt from the requirements of Article 11(a), which requires that, via the SANI system, the Member State must provide summary information about the aid measure, within 20 working days, following its entry into force.
14. Logically, there seems to be no way a Member State can comply with the requirements on Article 11(a) if the aid was granted before 1 July 2014, but not registered under the 2007 – 2013 GBER. We understand that the personal view of some case handlers in DG COMP is that the obligation to communicate to the Commission the summary information would need to be done once the Member State identifies a measure granted before 1 July 2014 which fulfils all GBER conditions, even if this communication will necessarily take place later than 20 working days after the entry into force of the measure, and that this would be necessary to make the aid measure 'lawful'. It would therefore be helpful if the Commission could clarify what action Member States should take in this situation.