

Communication from the Commission concerning the prolongation of the specific regime for operating aid for airports with up to 700 000 passengers per annum provided for in the Guidelines on State aid to airports and airlines

(2018/C 456/06)

1. The Guidelines on State aid to airports and airlines ⁽¹⁾ ('the Guidelines') specify the conditions under which public financing of airports and airlines may constitute State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union, and when it does constitute State aid, the conditions under which it can be declared compatible with the internal market.
2. In principle, operating aid constitutes a very distortive form of aid and can only be authorised under exceptional circumstances. The Commission considers that airports and airlines should normally bear their own operating costs. Nevertheless, to enable the aviation industry to adapt to new market situations, such as increased competition between airports to attract airlines, certain categories of operating aid to airports might still be justified under certain conditions.
3. In this context, the Guidelines foresee a transitional period of 10 years from 4 April 2014 during which airports with annual average traffic of up to 3 million passengers per annum can receive operating aid. By the end of the transitional period in 2024, all airports must have reached full coverage of their operating costs and no operating aid to airports will be considered compatible with the internal market after that date, with the exception of operating aid granted in accordance with horizontal State aid rules, such as rules applicable to the financing of services of general economic interest ⁽²⁾.
4. The Guidelines recognise that airports with annual passenger traffic of up to 700 000 may face increased difficulties in achieving full cost coverage during the 10-year transitional period. They therefore provide for a specific regime for such airports for an initial period of five years until 3 April 2019.
5. For the purposes of that specific regime, the aid amount is, in principle, to be established *ex-ante* as a fixed sum covering the expected operating funding gap (determined on the basis of an *ex-ante* business plan) ⁽³⁾. In any event, the maximum permissible aid amount during the whole transitional period is limited to 80 % of the initial operating funding gap for a period of five years ⁽⁴⁾.
6. The Guidelines state that the Commission will reassess the need for continued specific treatment and the future prospects for full operating cost coverage for this category of airports, in particular with regard to changes in market conditions and profitability prospects after four years. The Guidelines contain no specific rules as regards operating aid for this category of airports beyond 3 April 2019.
7. In point 175 of the Guidelines, the Commission states that it will undertake a general evaluation of the Guidelines by 4 April 2020, including the rules on operating aid for airports.
8. As a review of the specific rules for smaller airports together with the remaining rules on operating aid will allow for a more comprehensive assessment of the market situation, it is appropriate to carry out the reassessment of this specific regime in the context of the overall evaluation of the Guidelines, which will be undertaken by 4 April 2020. This will also allow the Commission to assess the appropriateness of the Guidelines as a whole and, if necessary, to propose a consistent package of changes concerning all categories of airports and all types of aid.
9. As a consequence of postponing the evaluation of the specific regime for airports with up to 700 000 passengers per annum, the existing rules need to be prolonged which will provide for continuity and legal certainty in the treatment of this type of aid. Therefore, the specific regime set out in point 130 of the Guidelines is extended until 3 April 2024, aligning the transitional period for the application of the rules for smaller airports with that applicable for airports with more than 700 000 passengers per annum.

⁽¹⁾ OJ C 99, 4.4.2014, p. 3.

⁽²⁾ See Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3); Commission Communication on a European Union framework for State aid in the form of public service compensation (2011) (OJ C 8, 11.1.2012, p. 15).

⁽³⁾ See point 121 of the Guidelines.

⁽⁴⁾ See point 130 of the Guidelines.

10. Thus, as of the date of the publication of this Communication in the *Official Journal of the European Union*, the maximum permissible aid amount for airports with up to 700 000 passengers per annum will be 80 % of the initial operating funding gap for a period of 10 years after the beginning of the transitional period. For instance, if the annual average funding gap of a small airport over the period 2009 to 2013 is equal to EUR 1 million, the maximum amount of operating aid that the airport could receive as an *ex-ante* established fixed sum would be EUR 8 million over 10 years (80 % x 1 million x 10).
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