



CONFERENCE DES REGIONS PERIPHERIQUES MARITIMES D'EUROPE  
CONFERENCE OF PERIPHERAL MARITIME REGIONS OF EUROPE

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**RESPONSE OF THE CONFERENCE OF PERIPHERAL MARITIME REGIONS (CPMR)  
TO THE EUROPEAN COMMISSION'S CONSULTATION  
ON THE DRAFT GUIDELINES ON STATE AID TO AIRPORTS AND  
AIRLINES**

The Conference of Peripheral Maritime Regions of Europe (CPMR) is registered in REGRIN under the following identification code: n° ID - 5546423688-07

*The CPMR is an organisation representing more than 150 regional authorities from the maritime peripheries of the EU. These include many regions with characteristics such as their outermost situation, insularity, remoteness or low population density.*

*The General Assembly of the CPMR gathered in Saint-Malo (FR) on 27<sup>th</sup> September wishes to make the following observations following the European Commission's consultation on its proposals concerning the draft Guidelines on State aid to airports and airlines:*

As part of the European Commission's State aid modernization efforts, it has published revised draft guidelines on State aid for airports and airlines<sup>1</sup>.

The draft guidelines specify conditions under which public financing for investment, operating and start-up of airlines may constitute State aid and the conditions under which State aid can be declared compatible with the internal market.

For the CPMR member regions, the issue of operating aid is of great importance. The premise of the Guidelines is that operating aid may be granted only for regional airports with less than 3 million passengers per year and that such aid should be phased out within a 10 year period. However, as an exemption to this general principle some airports of regional significance can continue to receive operating aid. This assumes that the airport is declared as an SGEI Airport (Services of General Economic Interest), i.e. that it produces a service of general economic interest. According to the revised draft, this is possible inter alia if part of the area potentially served by the airport would be, without the airport, isolated from the rest of the EU to an extent that would be detrimental to its social and economic development.

For most of the CPMR member regions, air connections are vital for the economic development and for the everyday life of their inhabitants and business. Most of the airports in the CPMR member regions contribute to the creation of improved regional connectivity and increase opportunities to reduce the distance to other parts of their respective nation and to the rest of Europe and the world. Transport comprises a survival factor for the industry in areas with large distance to markets and expertise and it is also important for citizens to have access to long-distance travel without undue sacrifice.

<sup>1</sup> [http://ec.europa.eu/competition/consultations/2013\\_aviation\\_guidelines/index\\_en.html](http://ec.europa.eu/competition/consultations/2013_aviation_guidelines/index_en.html)

CPMR understands that the proposed guidelines are based on the Commission's experiences that there are examples of distortion of competition between airports in the EU, due to the fact that certain airports receive public funds. This may be a fact in those parts of Europe which have a great population density, are close to economic centres in Europe and have a much larger passenger base. In most of the CPMR member regions - often suffering from handicaps due to their insularity, remoteness (such as the outermost or Arctic regions), sparse population or mountainous character - the situation is quite different, which requires special consideration.

Many of the CPMR member regions are insufficiently connected to their national territories, and even more so to Europe as a whole, lacking high speed rail connections or adequate road infrastructure. The airports in these areas are therefore of great importance for the transport of people as well as the transport of goods. For the island regions, the distances are often too long for ferry connections to be a realistic alternative to air connections.

Furthermore, not only investments in the repair and upgrading of terminals, runways and equipment are needed for our often small regional airports, but also a running financial yearly injection by the owners. For the vast majority of these small regional airports there is no prospect of making a profit ever. Compared to roads and railways, the smaller regional airports have a very low overall cost. On the other hand, they generate substantial benefits for their respective local communities in terms of tax revenue from inhabitants that stay in the region and from the local business community itself. The risk that companies, which currently can use the airports for urgent in- as well as outbound deliveries, relocate to other areas would increase significantly without such regional air connections in place. The most important upside is of course the income from all remaining local citizens that do not have to move to larger cities. In fact, we see no real difference to investments in and maintenance of roads and railways - which normally are covered by public means.

#### **RECOMMENDATIONS**

- CPMR urges Member States to consider the special conditions for our member regions when deciding which airports are to be declared to be listed as Services of General Economic Interests (SGEI).
- CPMR recommends the Commission to apply a reasonable flexibility to use SGEI in peripheral areas and especially in outermost regions and in areas with geographic and demographic challenges. The airports listed should not be subject to the proposed limitation of size or traffic.