Dear Sir,

Re: Draft Guidelines on State Aid to Airports & Airlines – Isle of Anglesey Council Response

The Isle of Anglesey County Council (IACC) welcomes the opportunity to provide comments on the consultation on the proposals for new Guidelines on State aid to airports and airlines.

The Isle of Anglesey County Council owns the Anglesey Airport, a civil aviation enclave based at RAF Valley on Anglesey, North Wales. The Airport was established in response to the Future of Air Transport White Paper (2003) with the aim of stimulating economic development in a peripheral region by opening up new markets, encouraging inward investment and promoting business development.

Funded by the Welsh Assembly Government, the airport was developed to provide a Northern terminal for the North – South air link within Wales, and was opened in 2007 with the first civilian flights taking place between Anglesey and Cardiff. The Welsh Government subsidises the service by means of a Public Service Obligation. During 2012, passenger numbers travelling through Anglesey Airport totalled 8,814.

These smaller regional / local airports are strategic public infrastructures, and are crucial components of local economic development strategies - integral to creating sustainable jobs, boost economic growth and improve connectivity to and from peripheral areas. In the context of today’s economic climate and dwindling budgets and resources local authorities are facing ever-increasing challenges to run and maintain their local/regional airports.

As such, we express grave concerns regarding the content of the new guidelines on State Aid to airports as it implies that any small airport may be subject to the rigorous State Aid guidelines irrespective of very small passenger numbers. As a consequence, we feel that the new guidelines should better clarify whether airports such as Anglesey Airport are subject to or exempt from the new arrangements.
Without access to public operating subsidies, the Isle of Anglesey County Council will be unable to maintain this important airport, leading to its inevitable closure. The consequences of the closure would have a significantly detrimental impact on the regional economy with the reduction in accessibility leading to a loss of competitive edge, business closures and job losses. Even granting investment aid up to 75% for airports with less than a million passengers per annum would be very damaging for local jobs, public authorities and economies. This approach completely contradicts the European Commission’s Europe 2020 goals of smart, sustainable and inclusive growth.

Whilst we acknowledge the Commission’s aim of ensuring a balanced approach and a level playing field for Europe’s airports and airlines, we feel that the current guidelines are unfair and unrealistic for small peripheral airports in Wales. Grouping these very small airports with airports which handle up to 3 million passengers per annum and asking for notifications of schemes for investment aid would be very burdensome for local authorities and hinders their ability to operate these airports within their means.

We would urge the Commission to ensure that smaller airports across the EU (i.e. those with less than a million passengers per annum) are exempted from the guidelines, and for airports of all sizes to be able to benefit from SGEI designation. The new guidelines should assist, as opposed to hinder the EU’s agenda for growth and jobs, and continuing with the new proposals will be to the detriment of Europe’s regions.

If you wish to discuss any of these points in more detail, please don’t hesitate to contact me.

Yours sincerely,

Dylan J. Williams
Head of Service - Economic Development