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PUBLIC VERSION

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Subject: State aid No SA. 36560 - Finland - Financing of airport infrastructure at Tampere-Pirkkala airport T2

Sir,

1 PROCEDURE

- (1) By electronic notification dated 27 May 2013, Finland notified to the European Commission a measure concerning the airport infrastructure at Tampere-Pirkkala airport. The measure was registered under the state aid case number SA. 36560.
- (2) By letters of 23 July 2013 and 27 September 2013 the Commission requested additional clarifications by the Finnish authorities. These were provided on 26 July 2013 and 23 October 2013 respectively.

2 DESCRIPTION OF THE MEASURE

2.1 Tampere-Pirkkala airport

- (1) The airport is located in Pirkkala, 13 kilometres south-west of the City of Tampere in southern Finland. The airport is the third largest airport in Finland (measured in number of passengers, see tables 1 and 2). Besides the civil aviation, the airport also serves as a base for the Finnish Air Force.
- (2) The airport has two scheduled passenger terminals:
 - Terminal 1 was constructed in 1998 and is currently used by Finnair, Flybe, SAS, Blue1 and Air Baltic.
 - Terminal 2 (hereinafter also "T2") was initially used as a cargo hangar by DHL and (after it became vacant in 2002) converted into a low-cost terminal. T2 is currently used by Ryanair. However, it is open also to other potential users.

- (3) The airport is owned and operated by Finavia Oyj¹ (hereinafter "Finavia"). T2 is operated by Airpro Oy (hereinafter "Airpro")², a subsidiary of Finavia.
- (4) The passenger traffic at the airport almost doubled between 2003 and 2010. This is due to the development of the passengers at T2. The following table summarises the development of passengers at the airport in 2003 to 2012:

Table 1: Passenger development at Tampere-Pirkkala airport 2003 – 2012

Year	Number of passengers T1	Number of passengers T2	Total number of passengers at the airport
2003	222 656	81 369	304 025
2004	264 684	231 208	495 892
2005	268 736	328 366	597 102
2006	272 348	359 662	632 010
2007	248 500	439 211	687 711
2008	249 305	460 051	709 356
2009	190 876	437 229	628 105
2010	186 913	430 484	617 397
2011	200 844	456 715	657 559
2012	209 503	361 010	570 513

- (5) After the peak of passenger traffic in 2008, the down turn in passenger traffic experienced by the airport reflects the difficult situation in the context of the worldwide financial and economic crisis. A further decrease in the passenger traffic was experienced in 2012 and 2013. The actual passenger traffic at Tampere-Pirkkala airport in January to May 2013 amounted to around 162 000 (out of which 86 101 were handled at Terminal 2).
- (6) The following table summarises the expected development of passenger traffic until 2030, provided that the modernisation investments into Terminal 2's infrastructure are carried out:

Table 2: Expected passenger development at Tampere-Pirkkala airport 2013 – 2030

Year	Number of passengers T1	Number of passengers T2	Total number of passengers at the airport
2013	160 651	270 758	431 409
2017	163 868	293 077	456 945
2021	167 216	317 236	484 452

¹ Until end of 2009 Finavia Oyj (formerly known as the Finnish Civil Aviation Administration) was a state enterprise. From 1 January 2010 Finavia was transformed into a public limited company by Act 877/2009 on the transformation of the Civil Aviation Administration into a public limited company. It manages 25 airports in Finland; only three Finnish airports are not managed by Finavia. Besides the operation of the Finnish airports, Finavia provides air navigation services at Finavia's airports and it is also responsible for the supervision of the Finnish airspace. Finavia's real estate operations are managed by Finavia's subsidiary Lentoasemakiinteistöt Oyj. The company offers facility services to companies operating at the airport and operates as a developer of construction projects and owner of premises located at the airports.

² Airpro Oy is a fully owned subsidiary of Finavia (100 %). It develops and provides airport and travel services at Finavia's airports. Airpro has a subsidiary providing ground handling services called RTG Ground Handling Ltd.

2025	170 700	343 386	514 086
2030	175 254	379 126	554 379

2.2 The investment project and its financing

- (7) Terminal 2 at Tampere airport was built in 1979 as a provisional facility for temporary use. In the 1990s it was used as a cargo hangar by DHL. After the departure of DHL in 2002 minor renovation works were undertaken in order to transfer the cargo hangar into a terminal.³ The notified infrastructure project concerns an investment into fixed capital assets with the aim to replace and enhance the existing, already fully depreciated, infrastructure of Terminal 2.
- (8) An alternative to the envisaged investment would be to close down the existing Terminal 2 and to construct a new terminal. This alternative option was however disregarded, as it would be more costly. If no additional investment would be undertaken, the operation of Terminal 2 would have to cease, as the infrastructure is obsolete and without additional investments could not be used anymore.
- (9) The investment project at stake involves measures such as the acquisition of a new conveyor belt for arriving baggage, xray scanners for the security check area, relocating and replacing the passport control booths. Furthermore, the modernisation project will improve the utilisation of the second floor of T2 by combining different areas into one large space in order to allow a more flexible use, if necessary. For example the area could be divided into a Schengen and a non-Schengen area.
- (10) The investment amounts to EUR 3.3 million. The total estimated investment costs can be broken down as follows:

Table 2: The investment project at Tampere-Pirkkala airport:

Measure	Cost in EUR
Planning, construction, permits	342 000
Construction and technical work, project management service	2 703 500
Access control system	95 000
Security control devices	159 000
Total investment costs	3 300 000

- (11) According to Finland, the investment project will be financed partially through public funding (EUR 2.2 million) and partially through the aviation and non-aviation revenue of the airport operator (EUR 1.1 million).
- (12) The aid amount is limited to the funding gap of the investment project (EUR 2.278 million), which is determined on the basis of an ex ante business plan of the airport as the difference between the total estimated investment costs (EUR 3.3

³ The renovation works included the creation of a check-in lobby, office facilities, toilet facilities and facilities for outbound and inbound passengers, facilities for personal security checks and for luggage, a cafeteria/restaurant and refurbishment of electricity, piping, heating and air-conditioning systems as well as modifications of the infrastructure outside the terminal for pedestrians and motorists. The investment costs of the refurbishment of the terminal amounted to EUR 760 612 and were fully financed by the operator of the airport. The investments are already fully amortised.

million) and the net present value (hereinafter: "NPV") of the net cash flows expected to be generated by the project under consideration (EUR 1.022 million). The discount rate used for the calculation of the NPV reflects the opportunity cost of capital (i. e. weighted average costs of capital) and amounts to 6%.⁴ Without the aid the NPV of the investment project would be negative. The aid intensity amounts to around 64%.

2.3 Legal basis

- (13) The legal basis for the aid grant are the Act on Discretionary Government Transfers (Valtionavustuslaki) Act No 688/2001 and the relevant provision in the Finnish State Budget 1186/2010.⁵

3 ASSESSMENT OF THE MEASURE

3.1 Existence of aid

- (14) By virtue of Article 107(1) of the TFEU "*any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.*"
- (15) The criteria laid down in Article 107(1) of the TFEU are cumulative. Therefore, in order to determine whether the notified measures constitute State aid within the meaning of Article 107(1) of the TFEU all of the following conditions need to be fulfilled. Namely, the financial support:
- is granted by the State or through State resources,
 - favours certain undertakings or the production of certain goods,
 - distorts or threatens to distort competition, and
 - affects trade between Member States.

Economic activity and notion of undertaking

- (16) According to settled case law, the Commission must first establish whether Finavia is an undertaking within the meaning of Article 107 (1) of the TFEU. The concept of an undertaking covers any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed⁶ and any activity consisting in offering goods and services on a given market is an economic activity.⁷
- (17) In its "*Leipzig-Halle airport*" judgement the Court of Justice confirmed that the operation of an airport for commercial purpose and the construction of the airport

⁴ WACC has been calculated as follows:

WACC = equity ratio * cost of equity + debt ratio * cost of debt *(1-tax)

⁵ See <http://www.finlex.fi/en/laki/kaannokset/2001/en20010688.pdf> and

http://www.eduskunta.fi/faktatmp/utatmp/akxtmp/ek_36_2010_p.shtml.

⁶ Case C-35/96 Commission v Italy [1998] ECR I-3851; C-41/90 Höfner and Elser [1991] ECR I-1979; Case C-244/94 Fédération Française des Sociétés d'Assurances v Ministère de l'Agriculture et de la Pêche [1995] ECR I-4013; Case C-55/96 Job Centre [1997] ECR I-7119.

⁷ Case 118/85 Commission v Italy [1987] ECR 2599; Case 35/96 Commission v Italy [1998] ECR I-3851.

infrastructure constitute an economic activity⁸. Once an airport operator engages in economic activities, regardless of its legal status or the way in which it is financed, it constitutes an undertaking within the meaning of Article 107(1) of the TFEU, and the Treaty rules on State aid therefore apply⁹.

- (18) In this regard the Commission notes that the infrastructure, which is the subject of the present decision, will be operated on a commercial basis by the airport manager Finavia. Since the airport operator will charge users for the use of this infrastructure, the latter is commercially exploitable. It follows that the entity exploiting this infrastructure constitutes an undertaking for the purposes of Article 107 (1) of the TFEU.
- (19) However, not all the activities of an airport operator are necessarily of an economic nature¹⁰. It is necessary to establish to what extent airport activities are of an economic nature.
- (20) The Court of Justice¹¹ has held that activities that normally fall under State responsibility in the exercise of its official powers as a public authority are not of an economic nature and do not fall within the scope of the rules on State aid. Such activities include security, air traffic control, police, customs, etc. The financing has to be strictly limited to compensation of the costs to which they give rise and may not be used instead to fund other economic activities.¹²
- (21) Therefore, the practice of the Commission¹³ is that in relation to activities falling within the public policy remit, the financing of these activities or of infrastructure directly related to these activities does not constitute State aid. This means that the financing of infrastructure necessary for security reasons or essential for the control and supervision of the air navigation and airspace falls within the public policy remit.¹⁴
- (22) In view of the above, the Commission notes that the investments into buildings and equipment for customs, airport security guards, police and border guards amounting in total to EUR 254 000 falls within the public policy remit, and hence the financing of this measure does not constitute State aid in the meaning of Article 107(1) of the TFEU.

⁸ Joint Cases T-455/08 Flughafen Leipzig-Halle GmbH and Mitteldeutsche Flughafen AG c/ Commission and T-443/08 Freistaat Sachsen and Land Sachsen-Anhalt c/ Commission, (hereafter: "Leipzig-Halle airport case"), [2011] ECR II-01311, confirmed by the ECJ, Case C-288/11 P Mitteldeutsche Flughafen and Flughafen Leipzig-Halle v Commission, [2012], not yet published in the ECR; see also Case T-128/98 Aéroports de Paris v Commission [2000] ECR II-3929, confirmed by the ECJ, Case C-82/01P, ECR 2002 Page I-9297, and Case T-196/04 Ryanair v Commission [2008], ECR II-3643.

⁹ Cases C-159/91 and C-160/91, Poucet v AGV and Pistre v Cancave [1993] ECR I-637.

¹⁰ Case C-364/92 SAT Fluggesellschaft v Eurocontrol [1994] ECR I-43.

¹¹ Commission Decision N309/2002 of 19 March 2003 on Aviation security - compensation for costs incurred following the attacks of 11 September 2001.

¹² Case C-343/95 Cali & Figli v Servizi ecologici porto di Genova [1997] ECR I-1547; Commission Decision N309/2002 of 19 March 2003; Commission Decision N438/2002 of 16 October 2002, Aid in support of the public authority functions in the Belgian port sector.

¹³ Commission Decision N309/2002 of 19 March 2003 on Aviation security - compensation for costs incurred following the attacks of 11 September 2001.

¹⁴ See Commission Decision N620/2006 of 7 March 2007 on Einrichtung des Regionalflughafens Memmingen.

State resources and imputability to the State

- (23) The grant of EUR 2.024 million in favour of Finavia, the operator of Tampere-Pirkkala airport, is financed out of the budget of the Finnish government, hence it involves State resources. The notified measure is directly taken by the Finnish authorities, thus it is imputable to the State.

Economic advantage

- (24) The above-mentioned public financing from the Finnish State budget provided without any remuneration reduces the investment costs that the airport operator would normally have to bear, if it wanted to expand or improve its efficiency, and therefore it confers an economic advantage to the airport.

Selectivity

- (25) Article 107 (1) TFEU requires that a measure, in order to be defined as State aid, favours "*certain undertakings or the production of certain goods*". The Commission notes that the advantages in question were granted to Finavia only. Thus it is a selective measure within the meaning of Article 107 (1) of the TFEU.

Distortion of competition and effect on trade

- (26) When aid granted by a Member State strengthens the position of an undertaking compared with other undertakings competing in the internal market, the latter must be regarded as affected by that aid. In accordance with settled case law¹⁵, for a measure to distort competition it is sufficient that the recipient of the aid competes with other undertakings on markets open to competition.
- (27) As previously explained, the operation of an airport is an economic activity¹⁶. Competition takes place between airports and between airport operators, which may compete between themselves to be entrusted with the management of a given airport.
- (28) Also relatively small airports compete to attract airlines. As mentioned in paragraph 40 of the 2005 Aviation Guidelines, it is not possible to exclude even smaller airports from the scope of application of Article 107 (1) of the TFEU. The forecast in terms of passenger traffic¹⁷ at Tampere-Pirkkala airport T2 shows an increase in traffic over the coming years. In addition, the measures will allow the airport to attract new airlines.
- (29) In view of the above, the measures at stake are capable of affecting competition between airports by strengthening the attractiveness of Tampere-Pirkkala airport for airlines.
- (30) Moreover, the economic advantage, which Finavia receives as grant to finance the infrastructure enhancement projects at Tampere-Pirkkala airport, will strengthen its position vis-à-vis its competitors on the European market of providers of airport services. Since the market for the provisions of airport services is not closed to competition at EU level, the public funding under examination distorts or threatens to distort competition and affects trade between the Member States.

¹⁵ Case T-214/95 *Het Vlaamse Gewest v Commission* [1998] ECR II-717.

¹⁶ See above, paragraph 16.

¹⁷ See above, tables 1 and 2.

Conclusion

- (31) For the reasons set out above the Commission concludes that the public financing of the infrastructure measures at Tampere-Pirkkala airport involves State aid within the meaning of Article 107 (1) of the TFEU. As the grant at stake is subject to Commission's approval, Finland has respected the prohibition of Article 108 (3) of the TFEU.

3.2 Compatibility of the aid

- (32) The Commission has to assess, if the aid can be found compatible with the internal market.

Compliance with the 2005 Aviation Guidelines

- (33) As the measure in question concerns the public funding of an investment into fixed capital assets, it should be assessed upon the basis of Article 107 (3) (c) TFEU. Article 107 (3) (c) TFEU stipulates that: "*aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest*", may be considered to be compatible with the internal market. In this regard, the 2005 Aviation Guidelines provide a framework for assessing whether aid to airports may be declared compatible pursuant to Article 107 (3) (c) TFEU. They set out a number of criteria which the Commission takes into account in this regard in its decision making practice since the "*Aéroports de Paris*" case-law.¹⁸
- (34) According to point 61 of the 2005 Aviation Guidelines the Commission has to examine whether:
- the construction and operation of the infrastructure meets a clearly defined objective of general interest (regional development, accessibility, etc.);
 - the infrastructure is necessary and proportional to the objective which has been set;
 - the infrastructure has satisfactory medium-term prospects for use, in particular as regards the use of existing infrastructure;
 - all potential users of the infrastructure have access to it in an equal and non-discriminatory manner;
 - the development of trade is not affected to an extent contrary to the EU interest.
- (35) In addition to the requirement to satisfy specific compatibility criteria specified in the 2005 Aviation Guidelines, State aid to airports, as any other State aid measure, should

¹⁸ See for example Commission decision of 13 March 2001 - State aid Case N 58/2000 – Italy - Promotion of the Piedmont airport system, OJ C 67, 17 March 2004; Commission decision of 19 January 2005 – State aid N 644i/2002 – Germany – Development of municipal economic infrastructure pursuant to Part II, Section 7 of the Framework plan under the joint Federal Government / Länder scheme for improving regional economic infrastructure: (i) Construction or development of regional airports, OJ C 126, 25 May 2005; Commission decision of 20 April 2005 – State aid case N 355/2004 – Belgium – Public-Private-Partnership for tunnelling the Krijgsbaan at Deurne and the development of industrial estates and the operation of Antwerp Airport (PPP – Project Antwerp Airport), OJ C 176, 16 July 2005; Commission decision of 23 July 2008 - State aid case C 48/2006 (ex N 227/2006) – Germany – DHL/Leipzig Halle, OJ L 346, 23 December 2008.

have an incentive effect and should be necessary and proportional in relation to the aimed legitimate objective in order to be cleared as compatible aid¹⁹.

(i) Construction and operation of the infrastructure meets a clearly defined objective of common interest (regional development, accessibility, etc.)

- (36) According to Finland, the main aim of the financing of the infrastructure project at stake is to maintain and improve the accessibility of the region, and thus to stimulate the regional development and creation of new jobs.
- (37) The airport has attracted a significant number of incoming tourists visiting the area and the region as a whole, in particular since the beginning of the operation of Terminal 2. This is of a particular importance for the area's economy. In addition, the airport itself plays an important role as an employer.
- (38) According to Finland, the other means of transport (road network or train connections) cannot meet the region's demands for mobility. The Tampere-Pirkkala airport provides in particular higher mobility to local companies.
- (39) The new investment will not constitute a duplication of existing non-profitable infrastructure. The two closest airports located in the area, Jyväskylä (145 km from Tampere) and Pori (110 km from Tampere) are located at around 2 hours travelling time away, and therefore, according to Finland, do not share the catchment area with Tampere-Pirkkala airport. Both airports have only very limited annual traffic (less than 100 000 passenger p.a.).
- (40) Moreover, according to the traffic forecast submitted by Finland, there is sufficient demand for the modernised infrastructure. Terminal 2 handles around 60% of the passenger traffic at Tampere-Pirkkala airport. If the expected investment would not be carried out, the diversification of the activities of the airport operator (point to point traffic and network operation, full service and low cost service level) would have to be substantially reduced as the operation of the terminal would have to cease. Consequently, according to Finland, without the project at stake there would be risk that the region would be underserved.
- (41) The Commission can therefore conclude that the modernisation and operation of the infrastructure meets a clearly defined objective of common interest.

(ii) The infrastructure is necessary and proportional to the objective which has been set

- (42) As previously stated Terminal 2 was built in 1979 as a provisional facility for a temporary use. In the 1990s it was used as a cargo hangar by DHL. After the departure of DHL in 2002 minor renovation works were undertaken in order to transfer the cargo hangar into a terminal. According to Finland the infrastructure of the terminal is already fully depreciated and without the planned investment it could not be used anymore for the current purpose (i. e. as a passenger terminal).
- (43) Furthermore, according to Finland the planned modernisation of Tampere-Pirkkala airport is necessary, because the present facilities do not meet the requirements for unhindered flow of passengers. In particular, the current passenger flows during peak

¹⁹ It is constant case law that the Commission can declare an aid compatible only if it is necessary for achieving a legitimate objective (see for example case 730/79, Philipp Morris; case C-390/06, Nuova Agricast; case T-162/06, Kronoply).

times are mainly hindered by lack of space at check-in, security and gate area as well as the arrival area including boarder control facilities. Due to the deficiencies of the current baggage handling system (i. e. absence of a circular conveyor belt) at arrival the passengers crowd the baggage claim area with the result that some passengers have to wait outside.

- (44) The planned enhancement of the terminal relates also to the changing needs regarding boarder control and Schengen requirements. In this respect the border control authority requires that all passengers inside the terminal are physically separated from each other, if there is border crossing traffic simultaneously with internal traffic. Presently the boarding process cannot be started within the aircraft's turnaround time, if the arriving passengers are still outside the terminal. The investment project at stake aims to expand the arriving area to allow the space freed by the present arrival area to be used for departing passengers.
- (45) An alternative to the envisaged investment would be to close down the existing Terminal 2 and to construct a new terminal. This alternative option was however disregarded, as it would be more costly. If no additional investment would be undertaken, the operation of Terminal 2 would have to cease, as the infrastructure is obsolete and without additional investments could not be used anymore.
- (46) The cost/benefit analysis submitted by Finland provides that the infrastructure project will be undertaken only to the extent it is necessary to attain the goals set and that the project is not disproportionately large or elaborate.
- (47) The Commission can therefore conclude that the infrastructure in question is necessary and proportional to the objectives, which have been set.

(iii) The infrastructure has satisfactory medium-term prospects for use, in particular as regards the use of existing infrastructure

- (48) The investment project at stake is not aimed at increasing the existing capacity of Terminal 2, but rather at enhancing the possibility of utilisation of the existing obsolete infrastructure, that otherwise would have to be abandoned. In the latter case, the operator of the airport would have to build a new Terminal or to cease operation of Terminal 2. Consequently, if the expected investment would not be carried out, the diversification of the activities of the airport operator (point to point traffic and network operation, full service and low cost service level) would have to be substantially reduced.
- (49) Moreover, according to the information provided by Finland the infrastructure project meets the medium term demand of airlines and passengers. As previously stated, Terminal 2 handles around 60% of the passenger traffic at Tampere-Pirkkala airport.
- (50) On the basis of the above mentioned forecasts for passenger numbers, in the medium-term, the development project for Tampere-Pirkkala airport offers good perspectives for use, especially in relation to existing infrastructure at the airport, which the planned works will optimise.

(iv) All potential users of the infrastructure have access to it in an equal and non-discriminatory manner

- (51) According to Finland the infrastructure will be operated by Finavia and will be open to all potential users without any commercially unjustified discrimination.

(v) The development of trade is not affected to an extent contrary to the interest of the EU

- (52) Tampere-Pirkkala airport currently serves less than 1 million passengers per annum, which qualifies it according to the 2005 Aviation Guidelines as a small regional airport (category D). As previously indicated, after the development of the airport infrastructure, Tampere-Pirkkala airport is expected to serve around half a million passengers in 2030.
- (53) Tampere-Pirkkala's two closest airports located in the area, Jyväskylä (145 km from Tampere) and Pori (110 km from Tampere) are located at around 2 hours travelling time away, and therefore, according to Finland, do not share the catchment area with Tampere-Pirkkala airport. Both airports have only very limited annual traffic (less than 100 000 passenger p.a.).²⁰
- (54) In addition, the aid intensity of the project (see section on the necessity and proportionality of the aid further below) is limited to its funding gap.
- (55) On the basis of the above, the Commission can therefore conclude, that the development of trade is not affected to an extent contrary to the common interest.

(vi) Aid is necessary and proportional

- (56) The Commission must establish, whether the State aid granted to Finavia has changed the behaviour of the beneficiary undertaking in such a way that it engages in activity that contributes to the achievement of a public-interest objective that (i) it would not carry out without the aid, or (ii) it would carry out in a restricted or different manner. In addition, the aid is considered to be proportionate, only if the same result could not be reached with less aid and less distortion. This means that the amount and intensity of the aid must be limited to the minimum needed for the aided activity to take place.
- (57) According to the counterfactual scenario provided by Finland, without the aid the investment could not be realised. The interest costs and additional cost related to private bank loans have been considered too expensive in relation to the project at hand. The Terminal 2 building is in a poor condition and its modernization would not be carried out in case the public funding is not available. Moreover, the investment costs exceed the NPV of the expected operating profits of the investment.
- (58) In view of the above, it can be concluded that the aid measure at stake has an incentive effect, as it will enable the beneficiary to realise the notified investment.
- (59) With regard to the assessment of the proportionality of the aid, Finland provided a calculation of the funding gap of the investment project showing that the aid is limited to the funding gap (EUR 2.278 million). As described the funding gap was determined on the basis of an ex ante business plan as the difference between the total investment costs (including also the measures falling within public policy remit; EUR 3.3 million) and the NPV of the expected operating profits of the investment (EUR 1.022 million) over the next years (i. e. 2014 – 2023). The discount rate used for the calculation of the NPV reflects the opportunity cost of capital of Finavia and amounts to 6%. The funding gap of the investment project amounts to EUR 2.278 million. Without the aid the NPV of the investment project would be negative.

²⁰ Jyväskylä airport served 65.220 passengers and Pori airport served 35.313 passengers in 2012.

- (60) The public funding granted (i. e. 2.200 million including EUR 0.254 falling within public policy remit) is below the funding gap calculated for this investment project. The aid intensity amounts to around 64%.²¹
- (61) As the 2005 Aviation Guidelines leave open the issue of aid intensities, the maximum permissible aid amount has to be limited to the funding gap calculated on the basis of an ex ante business plan of the airport. Moreover, the Commission notes that the investments concerned are similar to the investments at airports with comparable characteristics.²² Therefore, the aid intensity of ~64% is justified in the case at stake.

Conclusion

- (62) In view of the above assessment the Commission concludes that the measure is compatible with the internal market on the basis of Article 107(3)(c) of the TFEU.

4 DECISION

The Commission has accordingly decided to consider that:

- The financing of the investments into buildings and equipment for customs, airport security guards, police and border guards in the airport of Tampere-Pirkkala notified by the Finnish authorities amounting total to EUR 254 000 does not involve State aid within the meaning of Article 107 (1) TFEU.
- The financing of the acquisition of a new conveyor belt for arriving baggage, the modernisation of the second floor of Terminal 2 in the airport of Tampere-Pirkkala and other measures notified by the Finnish authorities amounting to EUR 2.024 million constitute aid compatible with the internal market on the basis of Article 107 (3) (c) of the TFEU and not to raise objection against it.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

<http://ec.europa.eu/competition/elojade/isef/ndex.cfm>

Your request should be sent by registered letter or fax to:

²¹ Aid intensity = Aid amount (or Funding gap)/Investment costs
= (EUR 2.200 million – EUR 0.254 million)/(EUR 3.300 million – 0.254 million)= ~64%

²² See Commission decision of 11 February 2009 in State aid case N 472/2008 – Poland – Investment aid for airports under the infrastructure and environment operational programme, OJ C 79, 2 April 2009 and Commission decision of 13 July 2009 in State aid case N 196/2008 – Poland – Investment aid for the airports under Regional Operational Programmes, OJ C 204, 29 August 2009, and Commission decision of 19 December 2012 in State aid case No SA.35220 (2012/N) – Greece – Makedonia Airport Modernisation, OJ C 36, 8 February 2013.

European Commission
Directorate-General for Competition
B-1049 Brussels

Fax No: +0032 (0) 2 2961242

Yours faithfully,
For the Commission

Joaquín ALMUNIA
Vice-President