



Brussels, 22.04.2015
C(2015) 2584 final

<p>In the published version of this decision, some information has been omitted, pursuant to articles 24 and 25 of Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty, concerning non-disclosure of information covered by professional secrecy. The omissions are shown thus [...].</p>		<p style="text-align: center;">PUBLIC VERSION</p> <p>This document is made available for information purposes only.</p>
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Subject: State aid SA. 39883 (2014/N) – Romania
State aid scheme for Ro-La combined transport

Sir, /Madam,

1. PROCEDURE

- (1) On 14 November 2014, Romania notified, in accordance with Article 108(3) of the Treaty on the Functioning of the European Union, a State aid scheme for Ro-La combined transport¹. By letter of 13 January 2015, the Commission requested further information, which was provided by the Romanian authorities by letter of 9 February 2015.

¹ Ro-La means the transportation of lorries by rail on low-loader wagons, whereby the lorries drive onto the wagon at the start and drive off it at the end of their rail journey.

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2. DETAILED DESCRIPTION OF THE MEASURE

2.1. Objective

- (2) The objective of the scheme is to reduce the adverse impact of road transport on the environment by attracting freight to the Ro-La combined transport system and thus permanently transferring part of the freight from the road network to the railways, in accordance with the Europe 2020 Strategy which provides for a reduction in CO₂ emissions from road vehicles.

2.2. Legal basis

- (3) The legal basis of the notified aid scheme consists of the following acts:
- Decision No 11 of 4 November 2014 of the Approval Board of the Environmental Fund on State Aid for RO-LA combined transport;
 - Emergency Order No 196 of 22 December 2005 on the Environmental Fund, as amended;
 - Emergency Order No 117 of 21 December 2006 on national State aid procedures, approved with amendments by Law No 137/2007;
 - Communication from the Commission on Guidelines on State aid for railway undertakings (hereafter “the Railway Guidelines”)².

2.3. Beneficiaries

- (4) This scheme applies to railway transport operators classified under heading 4920 'Freight rail transport', in accordance with the Statistical Classification of Economic Activities in the European Community (NACE), Rev. 2.
- (5) The estimated number of beneficiaries ranges from 11 to 20 undertakings.

2.4. Eligible costs and aid intensity

- (6) The eligible costs under the notified scheme include the expenditure required for the Ro-La transport within the territory of Romania.
- (7) Eligible costs shall not include:
- the expenditure incurred with the purchase of road vehicles and Ro-La wagons;
 - costs borne before the submission of a written application for the receipt of a subsidy;

² OJ C 184 of 22 July 2008, p. 13.

- the costs borne in connection with the preparation of the project before the execution of the contract regarding the allocation of the subsidy;
 - bank charges and fees as well as other unspecified costs not directly related to the preparation and implementation of the eligible project;
 - the value added tax and the investment costs;
 - infrastructure, research or study projects.
- (8) The financing provided under the notified scheme shall take the form of non-reimbursable grants of up to 60 % of the total costs of the railway part of the Ro-La combined transport journey.

2.5. Cumulation of aid

- (9) The aid can be cumulated with aid received from other local, regional, national or Union schemes to cover the same eligible expenses so long as the applicable maximum aid intensities are respected.

2.6. Expected effects and benefits

- (10) According to the Romanian authorities the aid will reduce the negative influence of the road transport on the environment³, will enhance intermodality and will contribute in the future to the development of an efficient and sustainable transport system.

2.7. Budget and duration

- (11) The estimated budget of the scheme is RON 115 million. The scheme shall apply from 1 January 2015 to 31 December 2017.

2.8. Procedure

- (12) The scheme is funded from the revenue of the Environmental Fund.
- (13) The aid will be granted as a subsidy in several non-refundable instalments the amount of which shall be established in annual sessions, through the budget of the Environmental Fund for a period of three years. The amount allocated under each funding round shall be published at the same time as the launch of the call for applications, by order of the President of the Environmental Fund. The orders are to be published on the website of the funding authority⁴ at least ten days before the launch of the funding round. The allocation procedure, evaluation and selection criteria are set out in the guidelines for financing related to the scheme.

3 The aid will entail the reduction of air pollution and the noise effect generated by trucks.

4 www.afm.ro

3. ASSESSMENT OF THE AID SCHEME

3.1. Existence of aid within the meaning of Article 107(1) of the Treaty

- (14) Pursuant to Article 107 (1) of the Treaty "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 is, in so far as it affects trade between Member States, incompatible with the internal market".
- (15) The qualification of a measure as aid within the meaning of this provision therefore requires the following cumulative conditions to be met: (i) the measure must be imputable to the State and financed through State resources; (ii) it must confer an advantage on its recipient; (iii) that advantage must be selective; and (iv) the measure must distort or threaten to distort competition and affect trade between Member States.
- (16) The notified scheme (i) is financed from the Romanian central budget; (ii) confers a financial advantage by subsidising the costs of railway transport operators offering Ro-La combined transport systems; (iii) is selective in nature because it is confined to certain segments of the transportation services market, in particular rail freight transport; and (iv) has a potential to distort competition and trade between Member States since it concerns markets which have been liberalised. The notified scheme therefore constitutes State aid within the meaning of Article 107(1) of the Treaty.
- (17) The Commission observes that the Romanian authorities have respected their obligation under Article 108(3) of the TFEU to notify the scheme before its implementation.

3.2. Compatibility with the internal market

- (18) After the entry into force of Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70⁵, Article 93 TFEU became directly applicable as the legal basis for establishing the compatibility of aid not covered by that regulation and, in particular, of aid for the coordination of freight transport. Since the notified scheme is not covered by Regulation (EC) No 1370/2007, its compatibility will be assessed directly under Article 93 TFEU.
- (19) Article 93 TFEU provides that "*aids shall be compatible with the Treaties if they meet the needs of coordination of transport [...]*". The concept of aid meeting the needs of co-ordination of transport refers to the need for government intervention arising in the absence of a competitive market or in the presence of market failures.

5 OJ L 315 of 3.12.2007, p.1.

In this regard, the Commission notes that measures of co-ordination of transport may be needed when certain modes of transport do not bear the costs of the negative externalities which they impose on society.

- (20) As stipulated in the Commission's White Paper on the European Transport Area,⁶ the fundamental principle of infrastructure charging is that the charge for using infrastructure must cover not only infrastructure costs, but also external costs, that is, costs connected with accidents, air pollution, noise and congestion. This approach has been applied in a number of decisions over the last years⁷. It also reflects the fact that, in view of Articles 3, 6 and 191 TFEU⁸, the environmental objectives of the Treaty have to be pursued *inter alia* through the Common Transport Policy.
- (21) As regards railway undertakings, the rules for the interpretation of Article 93 TFEU have been set out in Section 6 of the Communication from the Commission on Guidelines on State aid for railway undertakings (hereafter “the Railway Guidelines”)⁹. Since the notified scheme concerns a modal shift from road to rail and beneficiaries of the scheme are railway transport operators, the compatibility assessment will be conducted in light of the criteria laid down in chapters 6.2 and 6.3 of the Railway Guidelines.
- (22) According to point 95 of the Railway Guidelines, aid which meets the needs of transport coordination is considered compatible with the Treaty. Point 96 of the Railway Guidelines provides that for a given aid measure to be considered to “meet the needs” of transport coordination; it has to be necessary and proportionate to the intended objective. Furthermore, the distortion of competition which is inherent in aid must not jeopardise the general interests of the Community.
- (23) According to the Railway Guidelines, as regards the railway industry more specifically, aid for the needs of transport coordination can take several forms. One of those forms is aid for reducing external costs, which is designed to encourage a modal shift of freight transport to rail because rail transport generates lower external costs than other modes of transport, such as road transport, both in terms of accident costs and air pollution (point 98(b) of the Railway Guidelines).
- (24) As regards aid for reducing external costs, the eligible costs are that part of the external costs which rail transport makes it possible to avoid compared with competing transport modes (point 103 of the Railway Guidelines).

6 White Paper of the European Commission: Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, COM (2011) 144 of 28.3.2011.

7 See e.g. N 588/98 DK, N 219/01 AUT, N 638/01 IT, N 287/02 DK, N 335/03 IT, N 810/02 IT, N 64/03 IT, N 551/03 IT, N 249/04 BE, N 496/03 IT, N 427/06 UK, N 720/06 BE, NN46B/2006, SA.33417 (2011/N) HU.

8 Until 30 November 2009 – Articles 2, 6 and 174 EC Treaty.

9 OJ C 184 of 22 July 2008, p. 1.

(25) According to point 107 of the Railway Guidelines, the Commission considers that there is a presumption of necessity and proportionality:

- for aid for rail infrastructure use: 30 % of the total cost of rail transport and up to 100 % of the eligible costs.
- for aid for reducing external costs: 30% of the total cost of rail transport and up to 50% of the eligible costs.

(26) In order to determine the eligible costs of accompanied combined transport in Romania, i.e. the costs for the use of infrastructure and the external costs of accompanied combined transport, and the maximum aid amounts for the envisaged aid scheme, the Romanian authorities submitted comprehensive calculations.

(27) As regards the costs for Ro-La transport, the Romanian authorities submitted the breakdown of costs for transport by Ro-La trains on five routes, presented in Table 1, where it is feasible to organise the circulation of Ro-La:

- Bucharest Progresu - Glogovat (Arad);
- Bucharest Progresu - Constanta Ferry Boat;
- Bucharest Progresu - Dornesti (Suceava);
- Constanta Ferry Boat - Glogovat (Arad);
- Constanta Ferry Boat - Dornesti (Suceava).

Table 1 Costs of Ro-La transport

Route	Bucharest Progresu - Glogovat	Bucharest Progresu - Constanta Ferry Boat	Bucharest Progresu - Dornesti	Constanta Ferry Boat - Glogovat	Constanta Ferry Boat - Dornesti
Distance (km)	611	247,3	497,5	825,3	568,8
Number of Ro-La wagons/train	22	22	22	22	22
Loading rate of the train	80%	80%	80%	80%	80%
Number of trucks/train	17	17	17	17	17
Gross mass of the truck (tonne)	20	20	20	20	20
TUI [EUR/truck]	[...]*	[...]	[...]	[...]	[...]
Traction [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Train staff [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Ro-La wagons [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Other wagons (couchette and generator) [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Technological processes upon delivery, in transit and at destination [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Expenditure with terminals [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Commercial risk [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Direct expenses [EUR/truck]	[...]	[...]	[...]	[...]	[...]
Indirect cost (20% of the direct cost) [EUR/truck]	[...]	[...]	[...]	[...]	[...]
COST TOTAL [EUR/truck]	[...]	[...]	[...]	[...]	[...]

* Covered by the obligation of professional secrecy

(28) In addition, calculations are provided for the difference of costs between accompanied combined transport and road transport, as presented in Table 2.

Table 2 Costs of accompanied combined transport

Route	Distance in km	Accompanied combined transport				Road cost [EUR/truck]	Cost difference ¹⁰
		Ro-La route	Road cost [EUR/truck]	Rail cost [EUR/truck]	TOTAL [EUR/truck]		
Bucharest - Arad	553	Bucharest Progresu - Glogovat	[...]	[...]	[...]	[...]	47,5%
Bucharest - Timisoara	538.00		[...]	[...]	[...]	[...]	50,0%
Bucharest - Oradea	586.00		[...]	[...]	[...]	[...]	47,0%
Giurgiu - Nadlac	646.00		[...]	[...]	[...]	[...]	38,8%
Bucharest - Suceava	434.00	Bucharest Progresu - Dornesti	[...]	[...]	[...]	[...]	54,4%
Bucharest - Botosani	442.00		[...]	[...]	[...]	[...]	54,6%
Bucharest – Siret	475.00		[...]	[...]	[...]	[...]	44,9%
Giurgiu - Siret	548.00		[...]	[...]	[...]	[...]	40,0%
Bucharest - Constanta	250.00	Bucharest Progresu - Constanta Ferry	[...]	[...]	[...]	[...]	46,2%
Constanta – Arad	804.00	Constanta Ferry-Glogovat	[...]	[...]	[...]	[...]	38,1%
Constanta - Timisoara	790.00		[...]	[...]	[...]	[...]	40,8%
Constanta - Nadlac	833.00		[...]	[...]	[...]	[...]	37,4%
Constanta - Oradea	836.00		[...]	[...]	[...]	[...]	38,6%

10 In order to cover the difference between road cost and total costs of accompanied combined transport.

Constanta - Suceava	518.00	Constanta Ferry- Dornesti	[...]	[...]	[...]	[...]	47,1%
Constanta - Botosani	515.00		[...]	[...]	[...]	[...]	48,3%
Constanta- Siret	559.00		[...]	[...]	[...]	[...]	40,5%

- (29) The costs in Table 1 and Table 2 can be considered reference costs valid for any operator involved in the transport of goods by rail in Romania.
- (30) The amounts of the costs incurred with Ro-La trains are calculated in consideration of the legislation on the taxation of the railway infrastructure and the depreciation of fixed assets; the catalogue prices of wagons and locomotives; the prices applied on the market for the maintenance and repairing of wagons and locomotives; the rules and prices on the consumption of electricity and diesel fuel for the traction of trains and manoeuvres; the railway regulations prepared by the Romanian Railway Authority and enforced by an Order of the Minister of Transport, which provide for certain specific activities involving the use of human and material resources; the wages on the market of transport of goods by rail. Moreover, the costs are calculated for trains comprising 22 Ro-La wagons, with the loading rate of 80%, i.e. 17 trucks per train, and road vehicles with maximum and average loads. As regards the costs incurred with accompanied combined transports, account is taken of the costs incurred with transport by road on the initial and final road legs, and of the expenses incurred by hauliers in the period when the trucks are in the Ro-La trains.
- (31) As regards costs related to road transport they are calculated for each route in consideration of distance, duration, vehicle depreciation, maintenance, road tax, bridge crossing tolls, fuel, workforce expenditure, driver daily allowances and insurance.
- (32) The total costs for accompanied combined transport amount to between EUR 403 and EUR 1 020 per truck and is on average 45% higher than road costs for the same route.
- (33) In case of aid for reducing external costs the eligible costs are those parts of the external costs which are avoided by using rail transport instead of a different, more polluting form of transport. Point 105 of the Railway Guidelines require a transparent, reasoned and quantified cost analysis between rail transport and the alternative options based on other modes of transport.
- (34) The eligible costs regarding the reduction of external costs submitted by the Romanian authorities were calculated using the methodology of the European Union's Marco Polo Programme¹¹. Those costs are represented as the difference between the total external costs of road freight transport and the total external costs of rail freight transport. Those costs include:

¹¹ http://ec.europa.eu/transport/marcopolo/files/calls/docs/2011/guidance_note_calculator_en.pdf

- The costs incurred with accidents and accounting for the value of accidents prevented by the removal of trucks from roads. They include physical costs, e.g. deterioration of the road, healthcare, and costs chargeable to the company in the event of a disaster/accident.
- The costs for noise pollution accounting for the value attributed to the company for the reduction of the noise caused by trucks on roads.
- Pollution is represented by the reduction of mortality and the effects of non-fatal diseases by the reduction of road traffic.
- Climate change represented by the reduction of CO2 emissions.

Table 3 Reductions in external costs

Route	Ro-La route	Reductions of external costs			
		EUR/ route	EUR / train	EUR / truck	EUR/tkm
Bucuresti Arad	București Progresu – Glogovăț	1690.47	5489.81	338.09	0.0325
Bucuresti - Timisoara		1414.87		282.97	0.0302
Bucuresti - Oradea		579.52		289.76	0.0286
Giurgiu - Nădlac		1804.95		360.99	0.0296
Bucuresti - Suceava	București Progresu - Dornești	1183.56	3095.78	236.71	0.0306
Bucuresti - Botosani		427.63		213.82	0.0288
Bucuresti - Siret		1484.60		296.92	0.0324
Giurgiu - Siret		1603.32		320.66	0.0298
Bucuresti - Constanta	București Progresu - Constanța Ferry Boat	2208.06	2208.06	129.89	0.0286
Constanta - Arad	Constanța Ferry Boat - Glogovăț	2728.81	8700.46	545.76	0.0344
Constanta - Timisoara		2372.65		474.53	0.0318

Constanta - Nadlac		2639.77		527.95	0.0325
Constanta - Oradea		959.24		479.62	0.0305
Constanta - Suceava	Constanța Ferry Boat - Dornești	2135.22	5480.64	305.03	0.0317
Constanta - Botosani		818.42		272.81	0.0300
Constanta- Siret		2527.00		361.00	0.0330

(35) As shown in Table 3 the reductions of external costs amount on average to EUR 340 per truck, EUR 5000 per train and EUR 0.03 per tkm.

(36) The Commission is of the opinion that the Romanian authorities notified a transparent, reasoned and quantified comparative cost analysis between rail transport and the alternative options based on other modes of transport. Hence the requirements of point 105 of the Railway Guidelines are fulfilled.

(37) The studies submitted by the Romanian authorities¹² have shown that hauliers can be attracted to Ro-La transport services only if lower prices and shorter transport periods are offered to them compared to the costs and periods of the actual transport by road. From this viewpoint, the conditions on the Romanian market are currently unfavourable. The Romanian authorities provided evidence of the existence of structural, technical, operational and systemic problems faced by the freight railway operators in Romania, which in turn result in high costs. As shown in Table 2, the total costs of accompanied combined transports, i.e. Ro-La transports, exceed the costs of the actual transport by road by 45%. The large difference between the total cost of combined transport and the total cost of road transport is not only due to the difference between the costs for the use of the infrastructure and the absence of alternative public support measures, but also to other cost items (such as the cost of the small-diameter wheel Ro-La flatcar, the cost of terminal operations, the cost of other railway technological processes required by railway regulations.). In addition to the increased costs, Ro-La services in Romania are less attractive to road carriers because of the longer transport times than "door to door" road transport services.

(38) The Romanian authorities submit that after Romania's accession to the Union, on 1 January 2007, the transport demand related to Ro-La trains disappeared entirely. It was caused by the disappearance of the following favourable factors: i) the requirement to undergo customs procedures and the long waiting periods related to the performance of such procedures, which were eliminated subsequent to the accession; and ii) the absence of transit authorisations for Union Member States. After 1 January 2007, road transport was liberalised for Romanian and Bulgarian carriers in all other Member States, as a result of which they no longer needed transit authorisations for performing road transport services to these countries.

¹² Studies prepared by the Service of Studies in the area of Transport, Roads and Roads Planning (SETRA) attached to the Ministry of Ecology, Sustainable Development, Transport and Housing in France and the University in Trieste, Italy.

- (39) In order to reactivate Ro-La transport, the Romanian authorities argue that subsidies with higher aid intensities are needed than those laid down in point 107 of the Railway Guidelines. Point 108 of the Railway Guidelines provides that for aid for the reduction of external costs the thresholds of 30% and 50% may be exceeded provided that the necessity and proportionality of the measures has been proved.
- (40) The Romanian authorities consider that attracting road carriers to Ro-La services can only be achieved by setting Ro-La railway service transport tariffs at a comparable level to road transport costs and compensate for the increase in transport times resulting from the use of Ro-La trains. In addition, the significant reductions of external costs attained by rail transport and accompanied combined transport compared to road freight transport can only be achieved with increased aid intensities.
- (41) The Romanian authorities provided calculations comparing the permitted aid intensities under point 107 of the Railway Guidelines and the subsidy required to ensure a modal shift from road to rail transport under the notified scheme.. The analysis shows that the aid intensities allowed under point 107 of the Guidelines, i.e. 30% of the total cost of rail transport and up to 50% of the eligible costs, would be insufficient to render the scheme attractive for railway operators as they will not be able to set tariffs acceptable to road hauliers. As shown in Table 4, the costs for transporting goods by road are significantly lower than the costs for Ro-La combined transport (i.e. cost of Ro-La train and first and last road leg costs). In order to attract road hauliers to using a Ro-La combined transport instead of road transport the price for Ro-La transport would have to be at least equal or lower than the difference between total road costs and costs of first and last road leg of the Ro-La combined transport. Consequently, the aid intensity needed to cover that difference amounts to 60% of Ro-La transport costs.

Table 4 : Necessary aid intensity

Ro-La route	Road cost EUR/truck	Cost Ro-La train EUR/truck	First and last leg road cost EUR/truck	Necessary subsidy¹³ EUR/truck	Reduction in external costs	Necessary aid intensity¹⁴
Bucuresti Progresu - Glogovat	[...]	[...]	[...]	[...]	[...]	56,3%
Bucuresti Progresu - Dornesti	[...]	[...]	[...]	[...]	[...]	58,8%
Bucuresti Progresu -	[...]	[...]	[...]	[...]	[...]	59,98%

13 Weighted accepted price by road hauliers calculated as a difference between total road cost and first and last road leg if Ro-La combined option is used.

14 Weighted accepted price as percentage of Ro-La transport costs.

Constanta Ferry Boat						
Constanta Ferry Boat - Glogovăț	[...]	[...]	[...]	[...]	[...]	45,0%
Constanta Ferry Boat - Dornești	[...]	[...]	[...]	[...]	[...]	52,8%

- (42) It should also be noted that the amount of subsidy needed will always be below the reduction in external costs achieved on each Ro-La route, as show in Table 4.
- (43) Consequently, the Commission considers that the aid intensity for Ro-La transport proposed by the Romanian authorities (60% of total costs of the Ro-La railway transport operator) under the notified scheme are necessary to incentivise a shift from road to rail transport and reduce external costs. At the same time, the common interest objective of the scheme will only be met if external costs can be avoided by reducing pollution and accidents generated by road traffic.
- (44) Therefore, based on the calculations presented in Table 4 and the arguments mentioned in recitals (37) to (43), the Commission concludes that the notified scheme is necessary and proportionate to achieve the intended objective of the scheme, which is to bring about a modal shift from road to rail transport.
- (45) The Commission further observes that for aid for reducing external costs the amount must be strictly limited to compensation for the opportunity costs connected with the use of rail transport rather than with the use of a more polluting mode of transport, as laid down in point 109 of the Railway Guidelines.
- (46) Point 110 of the Railway Guidelines stipulates that "*where the aid recipient is a railway undertaking it must be proved that the aid really does have the effect of encouraging the modal shift to rail. In principle this will mean that the aid has to be reflected in the price demanded from the passenger or from the shipper, since it is they who make the choice between rail and the more polluting transport modes such as road.*" The Commission notes, in this regard, that the notified aid scheme does not foresee an explicit obligation for the beneficiaries to pass on the aid to the final users. However, the Romanian authorities submit that during the awarding procedure the granting authority will verify if the projects comply with the following requirements: i) beneficiaries must provide proof of real perspectives for the maintenance of the traffic transferred to rail; and ii) they must prove that the aid actually leads to the modal shift from road to rail transport. Finally, given the fact that the Romanian rail freight market is open to competition and that road transport exercises competitive pressures on Ro-La transport services, the choice between road transport and Ro-La combined transport will ultimately depend on the prices charged by the beneficiaries to road hauliers, which will have to factor in the full amount of the aid if those prices are to attract road hauliers to Ro-La combined transport. For all these reasons, the Commission concludes, taking into account the observations of the Romanian government, that point 110 of the Railway Guidelines is met.

- (47) Point 111 of the Railway Guidelines specifies that as regards aid for reducing external costs, there must be realistic prospects of keeping the traffic transferred to rail so that it leads to a sustainable transfer of traffic. According to the Romanian authorities, in the absence of aid, the demand for freight transport would remain on the road. This development would be against the objectives of Romanian and Union transport and environmental policy. The notified aid scheme aims to improve this situation and incentivise a modal shift to rail freight transport. The Commission observes that with the notified aid scheme there are realistic prospects of increasing the traffic transferred to rail. Hence, the notified scheme complies with point 111 of the Railway Guidelines.
- (48) The Railway Guidelines do not prohibit cumulation of aid for the use of infrastructure and aid for reducing external costs. In that regard, the Romanian authorities ensure by a requirement laid down in the applicable national laws that the applicable maximum aid intensities will be respected for each beneficiary of the notified scheme.
- (49) The scheme is transparent - the conditions for benefiting from the aid will clearly be stipulated in the underlying legal basis. In addition, the text of the aid scheme, and the text of the legislative act approving this scheme, shall be published in full on the website of the granting authority, i.e. Environmental Fund Administration¹⁵.
- (50) As explained in recital (11), the aid scheme is time limited – it will be put in place for three calendar years from 2015 to 2017 following the approval of the Commission. This is in line with the time limitation imposed by point 97 of the Railway Guidelines.
- (51) Finally, as regards the scheme's impact on competition between different transport modes in Romania, the measure is limited to reducing imbalances between railway transport on one hand and road transport on the other hand. The Commission therefore concludes that the aid scheme in question does not give rise to a distortion of competition to an extent contrary to the common interest according to point 96 of the Railway Guidelines.

4. CONCLUSION

The Commission has accordingly decided:

- not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 93 of the Treaty on the Functioning of the European Union

If any parts of this letter are covered by the obligation of professional secrecy according to the Commission communication on professional secrecy and should not be published, please inform the Commission within fifteen working days of notification of this letter. If the Commission does not receive a reasoned request by that deadline Romania will be deemed to agree to the publication of the full text of this letter. If Romania wishes certain

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information to be covered by the obligation of professional secrecy please indicate the parts and provide a justification in respect of each part for which non-disclosure is requested.

Your request should be sent electronically in accordance with Article 3(4) of Commission Regulation (EC) No 794/2004, to the following address European Commission

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Yours faithfully
For the Commission

Margrethe VESTAGER
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