EUROPEAN COMMISSION



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PUBLIC VERSION

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Subject: State Aid SA. 45606 – Italy

Prolongation of Measures for the development of intermodality in

the Friuli-Venezia Giulia region

Sir,

1. PROCEDURE

- (1) On 30 May 2016 the Italian authorities notified to the Commission, in accordance with Article 108(3) of the Treaty on the Functioning of the European Union (TFEU), their intention to prolong an aid scheme aiming to encourage the modal shift of freight from road to rail and water. The initial aid scheme was authorised by the Commission in March 2006 for the period 01.01.2007-31.12.2009¹ and prolonged in June 2010 for the period 01.01.2010-31.12.2015 ("the Prolongation Decision")². The notification has been registered under case number SA. 45606 and does not contain modifications other than the duration of the scheme.
- (2) The Italian authorities provided additional information on 9 June 2016.

¹ Commission Decision of 22.03.2006 in State aid case N 436/2004, OJ C 272 of 9.11.2006. p. 12.

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² Commission Decision of 10.06.2010 in case N 643/2009. OJ C 194 of 17.07.2010, p. 1.

2. DESCRIPTION OF THE MEASURE

2.1. Objective of the scheme

(3) The measure provides for the prolongation of the State aid scheme mentioned in recital 1 which aims at supporting the modal shift of freight from road to rail and water in the Friuli-Venezia Giulia region by means of granting aid to intermodal rail and short sea shipping services. The aid is intended to off-set the various additional external infrastructure costs of combined rail transport and maritime transport vis-à-vis road transport.

2.2. Beneficiaries

- (4) As regards combined rail transport any private or public logistic company registered in a Member State which organises combined transport involving rail and at least one other mode of transport may apply for the aid.
- (5) As regards short-sea shipping services for combined transport eligible beneficiaries are ship-owners, shipping companies and shipping operators that manage the operation of a ship, whether as owners or charterers, which have their registered office in a Member State and which set up scheduled connections using specialised ships to carry intermodal and non-intermodal loading units, in respect of shipping routes for which there is a road-based alternative.
- (6) The aid for any individual project will be available for three years.
- (7) A detailed description on beneficiaires and eligible services is contained in sections 2.8.1., 2.9.1 and 2.9.2 of the Prolongation Decision.

2.3. Form of the aid

- (8) Aid will be paid as a direct grant. It may be paid in two instalments, i.e. an advance payment of 40% and the balance.
- (9) The balance will be disbursed for each individual year after verification that the service complies with the terms and conditions for the granting of the aid.
- (10) A detailed description is contained in recitals 33 35 of the Prolongation Decision.

2.4. Aid intensity

(11) A detailed description is contained in recitals 2.8.4 and 2.9.3 of the Prolongation Decision.

2.5. Implementation results of the preceeding scheme

(12) According to the annual report submitted to the Commission in December 2015 the evaluation of the scheme for the period 2010-2015 showed that the scheme accomplished a significant shift of road transport to combined transport.

2.6. National legal basis

- (13) The aid scheme is based on:
 - (a) Regional Law No 15 of 24 May 2004, providing for aid for the setting up of intermodal rail transport services and new shipping services for combined transport of goods.
 - (b) Decision No 1970/2004 the Executive of FVG Region, adopting an implementing regulation for aforementioned law, which lays down the terms and conditions of implementation of the notified aid scheme (hereinafter the *Implementing Regulation*).

2.7. Budget

(14) The overall budget of the notified prolonged scheme amounts to EUR 12 million, i.e EUR 2 million per year. The budget is not increased compared to the budget authorised for the period 2009 – 2015.

2.8. Duration

- (15) The duration of the scheme is six years, from 01.01.2016 to 31.12.2021. The aid scheme will be implemented only following authorisation by the Commission.
- (16) Before the end of this period, an evaluation report on the operation of the scheme will be submitted to the Commission.

2.9. Cumulation

(17) The Italian authorities have confirmed that the aid cannot be cumulated with public service compensation or aid received from other local, regional, national or EU schemes to cover the same eligible costs.

2.10. Penalties

(18) If the beneficiary fails to use the entire amount of aid to reduce the tariffs actually charged or fails to honour any other commitments or alters the tariff plan, it will forfeit its eligibility under the aid scheme and any advance payments must be repaid.

3. ASSESSMENT OF THE NOTIFIED PROLONGATION

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

- (19) The Commission notes that the only modifications to the previous scheme concern the prolongation in time. All other elements have remained unchanged compared to the scheme assessed by the Commission in its decision of 22.03.2006 in case N 436/2004 and the Prolongation Decision of 11.06.2010.
- (20) In the mentioned Decisions the Commission concluded that the scheme constitutes State aid in the sense of Article 107(1) TFEU. Nothing in the notification alters that assessment.

3.2. Compatibility of the aid

- (21) In the mentioned decisions, having assessed the appropriateness, necessity and proportionality of the schemes, the Commission found the schemes compatible with the internal market under Articles 93 and 107(3)(c) TFEU.
- (22) Aid for any selected project will still be available for a maximum of three years.
- (23) For the reasons set out in points 37 to 57 of its decision of 22.03.2006 in case N 436/2004, which remain relevant to the assessment of the notified prolongation, the Commission considers that the present aid scheme is compatible with the internal market based on Article 93 TFEU, as implemented by Article 9(2)(a) of Regulation 1370/07, and based on Article 107(3)(c) TFEU, as implemented by the Community Guidelines on State aid to maritime transport³.

4. CONCLUSION

(24) The Commission has come to the conclusion that the scheme is compatible with the internal market and has accordingly decided not to raise objections to the notified measure.

³ Commission Communication C(2004) 43, OJ C 13 of 17.1.2004. p. 3.

- (25) The Commission reminds the Italian authorities that, in accordance with Article 108(3) TFEU, all plans to refinance, alter or change this aid scheme have to be notified to the Commission.
- (26) 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/index.cfm. Your request should be sent by registered letter or fax to:

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Yours faithfully For the Commission

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Member of the Commission