



EUROPEAN COMMISSION

Brussels, 17.06.2011
C(2011)4318 final

**Subject: State aid SA.32737 (2011/N) – Greece
Aid for the renovation and upgrading of the Parnassos ski resort**

Sir,

1. SUMMARY

- (1) I am pleased to be able to inform you that the European Commission has assessed the measure "Aid for the renovation and upgrading of the Parnassos ski resort" (hereafter "the measure") and decided not to raise objections as the measure does not constitute aid.

2. PROCEDURE

- (2) By letter of 16 March 2011, registered on the same day, the Greek authorities notified to the Commission, pursuant to Article 108(3) of the Treaty on the Functioning of the European Union (hereinafter 'TFEU'), public financial support for the renovation and upgrading of the ski lifts in the Parnassos' ski centre (hereafter "PSC"). On 7 April 2011 the Commission sent a request for information to the Greek authorities who replied on 20 April 2011.

3. DESCRIPTION OF THE MEASURE

3.1. Objective of the measure

- (3) The measure is intended to provide public financial support of EUR 29.52 million for the renovation and upgrading of the Parnassos' ski lifts in the Sterea Ellada region. The PSC is for the local users and should sustain the local tourism in this area.

• • • • •

Grèce - 10671 • • • • •

3.2. Budget of the measure and eligible expenses

- (4) The public support measure consists in a non-repayable direct grant of EUR 29.52 million, which corresponds to 100 % of the project costs. The grant is awarded by the Specific Secretariat of the Operational Program "Competitiveness and Entrepreneurship".
- (5) The Greek authorities consider that the project is eligible for financial support under the Operational Programme in the framework of NSRF 2007-2013 of the European Regional Development Fund (ERDF). Accordingly, they have informed the Commission that they envisage a financial contribution from the ERDF of 85 % of the eligible public expenditure.
- (6) According to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999¹, Member States draw up operational programmes, which set out inter alia the programmed use of the contribution from the Structural Funds to priority axes and specific targets in a given region or area. These programmes are adopted by the Commission. However, the selection of operations eligible for financial support under the operational programmes is the task of the managing authority of the Member State.

3.3. The existing cableway

- (7) The existing cableway has been in operation since 1976 and has not undergone any major reconstruction works since then. The ski centre is located in the Parnassos Mountain area of 1160 hectares and counts altogether 13 lifts and 18 km of ski slopes.
- (8) The Parnassos Ski Centre (PSC) is part of the Parnassos National Park in the region of Sterea Ellada and lies between three prefectures (Fokida, Voiotia and Fthiotida). It neighbours with three municipalities: Arachova, Amfikleia and Parnassos². There is no public transport that connects the abovementioned villages to the PSC, forcing thus the visitors to use private transport means. PSC may be reached by plane mainly through Athens International Airport (AIA) which is the nearest international airport, (205 km). However, there is no direct connection between AIA and PSC other than car or taxi.
- (9) The site is a NATURA 2000 protected area and thus subject to land use restrictions, such as winter sports hiking, sightseeing, forestry explicitly excluding overnight accommodation, resort housing and any additional commercial activity. The classification of PSC in NATURA zone allows only upgrading of existing infrastructures in terms of increasing capacity or efficiency of the lift network and does not permit any new constructions. Furthermore, there are additional environmental restrictions to the extension of the operating time since the PSC' s

¹ OJ L 210, 31.7.2006, p. 1.

² The distance between PSC and the nearest cities and villages is: 180 km from the north of Athens, 27 km from Arachova, 35 km from Delfi and 20 km from Amfikleia and Polydrossos

skiing area cannot be expanded within its 2.250m to 2.400m boundaries where snow falling is guaranteed and artificial snowmaking that provides better skiing quality is prohibited.

- (10) The ski centre is open only during the daylight and constitutes the sole winter activity of the area, since there are no hotels or restaurants that could prolong the operating time.
- (11) The ski centre serves only for local use. Indeed, 99% of the visitors are Greek citizens and the weekly passes sold represent only 1,5 % of the total number of passes sold.
- (12) The conditions under which the ski centre operates have been seriously altered since the beginning of its operation. In particular, the main lifts used for transportation of the skiers are not wind resistant and therefore seriously hinder the operation of the centre. Thus the operation (ski) period is reduced.³

3.4. Beneficiary of the measure

- (13) The beneficiary is the Tourism and Development Company (TDC), a private body who acts for the public interest in accordance with the private economy rules. The Greek State owns the total shares outstanding. The company's main scope of activity is to manage and administrate the tourism property, owned by the State via the National Tourism Organization (GNTO) aiming at the development of the above-mentioned real estate according to the objectives and the priorities of the state's tourist policy (article 5 § 1 of Law 3270/2004). TDC is a large enterprise with an annual turnover approximately of 50 million €

3.5. The reconstruction project

- (14) The project of Parnassos ski centre upgrading consists of the following:
 - 1. The construction of a more efficient lift network by upgrading some of the present lifts.
 - 2. Development of infrastructure aiming at the summer use of lifts (alteration of use of the lifts).
 - 3. Development of new pistes (red ones and beginners)- increase of the present capacity from 5.510 to 6.060 persons.
 - 4. Increase of parking spots and development of a reserved and protected location for a condensed beginner area and non-skiers.
 - 5. Construction of an Aeolian park for the production of power.
- (15) However, only upgrading of the ski lifts is the subject of financing under the notified measure.
- (16) In general, the reconstruction enables the use of a more advanced technology which will increase the security of the cableway and fulfil the environmental requirements of the NATURA zone.

³ PSC's operating period is 4 months (from December 23 until the end of April).

- (17) The reconstruction works are envisaged to start in December 2012 and are due to be completed by 31 December 2013.

4. ASSESSMENT

- (18) The notified measure concerns the reconstruction of cableway installations of a purely local character which is aimed for the winter sport activities.
- (19) In general, state support to cableway installations in tourism-resorts is considered to distort competition and affect trade between Member States. Nevertheless, according to the Commission's decision practice, in the case of cableway installations for purely local use, located in areas with little or no tourism capability and a limited number of winter sports facilities, users would mainly be residents and typically would not have a destination in another Member State as an alternative. It could then be accepted that in this case, State financing does not distort competition and affect trade between Member States and therefore does not constitute State aid within the meaning of Article 107(1) of the TFEU.
- (20) In its decisions of cases N 676/2002 *Cableways Valle d'Aosta*⁴ and N 731/2007 *Aid to local ski resorts in Veneto*⁵, the Commission specified the cableway installations of a local character as being installations in winter sports resorts including no more than three ski slopes whose total length is not exceeding three kilometres; or, those in which the number of hotel rooms is lower than or equal to 2000 and which sale of weekly passes does not exceed 15% of the total number of ski passes sold. In the case in hand, PSC does not include hotel facilities and the number of weekly passes sold represents 1.5% of the total number of passes sold. Hence, it can be concluded that the notified measure constitutes aid to an installation of a purely local interest and is therefore not likely to affect the trade between Member States. Therefore, the measure does not constitute State aid within the meaning of the article 107 (1) TFEU.

5. DECISION

- (21) The Commission has accordingly decided that the notified measure does not constitute State aid within the meaning of Article 107(1) TFEU.
- (22) The Commission reminds the Greek authorities that because the aid is to be co-financed by ERDF under the Operational Programme "Competitiveness and Entrepreneurship", the EU legislation applicable to the Structural Funds and the Cohesion Fund (including Regulations (EC) Nos 1083/2006⁶, 1080/2006⁷ and 1828/2006⁸) must be applied by the Greece.

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

⁴ Case N 676/2002 *Cableways Valle d'Aosta* (OJ C/131/2005, 7.5.2004).

⁵ Case N 731/2007 *Aid to local ski resorts in Veneto* (OJ C/106/2008, 27.2.2008).

⁶ OJ L 210, 31.7.2006, p. 25.

⁷ OJ L 201, 31.7.2006, p. 12.

⁸ OJ L 371, 27.12.2006, p. 1.

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/eu_law/state_aids/state_aids_texts_en.htm.

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

European Commission
Directorate-General for Competition
State Aid Registry
J-70 3/225
1049 Brussels
BELGIUM
Fax +32 22961242

Yours faithfully,
For the Commission

Joaquín ALMUNIA
Vice-President