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**Subject: State aid SA.43145 (2016/FC) – Germany.
Alleged non-tax aid measures to youth hostel Berlin Ostkreuz gGmbH**

Sir,

1. PROCEDURE

- (1) On 21 September 2015, (2015/093131) A & O Hotel and Hostel Friedrichshain GmbH (hereinafter: "the Complainant") submitted a complaint in which it alleges that the youth hostel Berlin Ostkreuz gGmbH (*Jugendherberge Berlin Ostkreuz gGmbH*; hereinafter: "youth hostel Berlin Ostkreuz") and the regional Association of German Youth Hostels Berlin-Brandenburg (hereinafter: "DJH-Landesverband Berlin-Brandenburg") have benefited from unlawful State aid in the form of tax exemptions ("*Begünstigungen im Bereich von Steuern und Abgaben*") and investment and operating aid in different forms ("*entgeltfreie Nutzungsüberlassung, direkte und indirekte Zuschüsse*"). The Complainant submitted further information on 26 January 2016 (2016/007987), 29 July 2016 (2016/075411) and 24 November 2016 (2016/115601).
- (2) The Commission decided to split the complaint and register it as two cases. The part of the complaint that refers to the alleged aid in the form of tax measures was registered as SA.43129 (2015/CP) – "Alleged unlawful State aid to youth hostel Berlin Ostkreuz gGmbH (and others) – Tax measures". The other part of the complaint, namely allegations concerning non-tax measures was registered as SA.43145 (2016/NN) – "Alleged unlawful aid to Youth Hostel Berlin Ostkreuz gGmbH and others – Non-tax measures". This decision covers exclusively the non-tax measures.

Seiner Exzellenz Herrn Sigmar GABRIEL
Bundesminister des Auswärtigen
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- (3) The part of the complaint concerning the tax measures referred to exemptions from VAT ("*Umsatzsteuer*"), local business tax ("*Gewerbesteuer*"), corporate tax ("*Körperschaftsteuer*") and real property tax ("*Grundsteuer*"). As the Commission had adopted already on 26 October 2015 a decision regarding State aid case SA.33206 (2015/NN) – "Alleged unlawful State aid to German Youth Hostel Association ("*Das deutsche Jugendherbergswerk*") – Tax measures" in which it concluded that (1) the exemptions from local business tax, corporate tax and real property tax of which the German Youth Hostel Association and its regional associations benefit are existing measures that were in force already before the creation of the EEC, and thus do not constitute new nor unlawful aid, and that (2) the exemption from VAT is not imputable to the Member State and hence does not constitute State aid in the meaning of Article 107 (1) TFEU. Since these measures cover also the tax exemptions in favour of DJH Landesverband Berlin-Brandenburg and the youth hostel Berlin Ostkreuz gGmbH, the Commission rejected the part of the complaint concerning the tax measures registered as SA.43129 (2015/CP) – "Alleged unlawful State aid to DJH Landesverband Berlin-Brandenburg/ youth hostel Berlin Ostkreuz GmbH (and others) – Tax measures" by an administrative letter dated 11 November 2015 (2015/107088) addressed to the complainant.
- (4) On 23 September 2015 (2015/093739), the Commission services invited the German authorities to comment on the complaint. The German authorities replied on 29 October 2015 (2015/107172) and 21 September 2016 (2016/091072). On 29 September 2016 (2016/095867) the German authorities submitted an independent expert opinion on the evaluation of the land and building. The further submissions of the complainant were forwarded to the German authorities for their comments. The German authorities replied for the last time on 5 January 2017 (2017/001034).
- (5) The complainant filed also a lawsuit with the *Verwaltungsgericht Berlin*. Following a corresponding request by this national court, the Commission submitted on 9 November 2015 (2015/107374) information pursuant to paragraph 3.1. and on 11 February 2016 respectively (sj.c(2016)53 8626) an opinion pursuant to paragraph 3.2. of the Commission notice on the enforcement of State aid law by national courts¹. According to the information available to the Commission, the national court proceedings are on-going.
- (6) The Commission informed the Complainant on 11 February 2016 (2016/014922) that it will suspend the assessment while the case is pending before the national court in Berlin. However, following a request by the Complainant of 29 July 2016 (2016/075411), inviting the Commission to take a decision, the Commission resumed its assessment.

2. DETAILED DESCRIPTION OF THE AID MEASURE

2.1. Objective

- (7) According to the German authorities the purpose of the aid measure is to contribute to youth welfare by supporting the creation of a new youth hostel with educational

¹ Commission notice on the enforcement of State aid law by national courts, (2009/C 85/01), OJ C 85/1, 9.4.2009; see also Art. 29 (1) of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (codification) (Text with EEA relevance), OJ L 248/9, 24.9.2015.

centre, which in line with the policy enshrined in Social Code, Eight book (*Sozialgesetzbuch Aches Buch*; hereinafter: "SGB VIII") aiming at assisting activities for support of child and youth welfare in Germany.

2.2. The aid beneficiary

2.2.1. The German Youth Hostel Organisation (*Deutsches Jugendherbergswerk*)

- (8) The German Youth Hostel Association is a non-profit association. It is comprised of a central organisation (*Deutsches Jugendherbergswerk - Hauptverband für Jugendwandern und Jugendherbergen e.V.*, hereinafter: the German Youth Hostel association or "DJH") and fourteen autonomous regional associations ("*Landesverbände*") which are members of the umbrella association, but otherwise legally and organisationally independent association.
- (9) In accordance with Article 5 of the DJH's statute, its objective is to promote youth welfare, intercultural understanding, environmental protection and nature conservation.
- (10) In order to achieve this objective, it supports the establishment and running of youth hostels, interaction between young people and families on hikes and trips, people's connection with nature and their environmental and health awareness, and leisure activities such as sports, games, discussions and group activities, school hikes, school trips and residential school trips to the DJH's own establishments, inter alia. In addition, it provides support for the further education and training of young people, youth welfare workers and those responsible for the in-school, extra-curricular and vocational education of young people by providing self-run courses and seminars and by offering its premises to third parties providing similar services.²
- (11) Both the central and the regional associations are exclusively non-profit organisations, and recognised providers of private youth welfare services in accordance with Articles 3, 74, 75 SGB VIII, carrying out important work in support of child and youth welfare in Germany as enshrined in the 'Guidelines for recognition of providers of private youth welfare services under Article 75 SGB VIII' of the Working Committee of the Supreme Federal State Youth Welfare Authorities of 14 April 1994 (*Arbeitsgemeinschaft der Obersten Landesjugendbehörden*). They act altruistically, do not primarily pursue goals serving their own economic interests, and their resources may only be used in support of their statutory objectives.
- (12) The pedagogical approach of the DJH was developed by Richard Schirrmann, the founder of the youth hostels movement. It focusses on the central components of "experience" and "community", and has made youth hostels unique spaces for learning and education outside of school, the home and other educational institutes. The DJH puts its approach into practice by, for example, providing, free of charge, school groups with a common room, so that they can also follow a pedagogical programme. In addition, guests at youth hostels have the support of staff with special pedagogical training and comprehensively trained hostel managers.

² Se e.g. Article 6 of the Statute of the DJH Central Association for Youth Hikes and Youth Hostels e.V.; Articles 2 and 3 of the Statute of the DJH Regional Association for Berlin-Brandenburg e.V.

- (13) So-called “Membership”³ of the German Youth Hostel Association is a prerequisite for an overnight stay in a hostel operated by DJH in Germany. In 2015, the Association had more than 2.4 million members, and run some 500 youth hostels.

2.2.2. *The youth hostel Berlin Ostkreuz*

- (14) The *Jugendherberge Berlin Ostkreuz gemeinnützige GmbH* was created on 12 February 2014. It started its operations in summer 2016, with a capacity of 445 beds plus seminar and conference rooms.
- (15) It is a joint venture of DJH and its nine regional associations. According to its statute (“*Gesellschaftervertrag*”), it is a non-profit limited liability company (*gemeinnützige Gesellschaft mit beschränkter Haftung* or *gGmbH*) recognised as a non-profit organisation within the meaning of Articles 51, 59, 60 and 61 of the German Tax Code (*Abgabenordnung*, “*AO*”). Its purpose is to promote youth welfare. According to those provisions, it may in particular not engage into commercial activities beyond a de minimis threshold of 35.000 EUR per year (Article 64 AO).
- (16) The youth hostel Berlin Ostkreuz focusses on strengthening civic, cultural, historical and political education. Its objective is to “go beyond a purely tourism-focused programme, and to help people live and experience Berlin in all its historical and political diversity”. Its educational programs are provided by the DJH's programme partner *Kulturschleiferei*, and are designed for class trips and similar groups (e.g. scouts), but are open also to other visitors. They cover topics like “Remembrance and past”, “Current politics”, “Experience today's culture”, “Discovery of the history of the city” and “Visit to the Synagogue and the Jewish Museum”. The youth hostel, which was only opened in June 2016, continuously updates and enhances the proposed pedagogical programmes.
- (17) Furthermore, the youth hostel Berlin Ostkreuz cooperates with the renowned children's and youth theatre ‘*Strahl*’, which is given use of the sports hall and other buildings on the leased site free of charge. In addition, the youth hostel will offer diverse workshops and training programmes, e.g. in the fields of production management, mask-work, beatboxing or acrobatics.

2.3. **The complainant**

- (18) The complainant, A & O Hotel and Hostel Friedrichshain GmbH, is part of the Group A & O HOTELS and HOSTELS Holding AG (the “A & O group”), an internationally active low cost accommodation provider which focuses on the youth, group and family travel segment and includes in its offer categories such as “Youth”, “Hostel”, “Hotel”, “group travel”, “Family”, “school trips”, “Business” and “meetings”. Currently, the A & O group operates a total of 26 houses with approximately 20,000 beds in 20 cities in Germany, Austria, Italy, the Czech Republic and the Netherlands. The A & O group operates in Berlin two other houses, “A & O Berlin Mitte” and “A & O Berlin Hauptbahnhof”. The capacity in Berlin of A & O houses amounts to a total of 2,000 beds.
- (19) The complainant qualifies as a direct competitor to the youth hostel Berlin Ostkreuz GmbH (insofar as it exercises an economic activity) and has therefore a legal standing in line with the Article 1(h) and Article 24(2) of the Procedural Regulation⁴.

³ The statutes allow for the membership of individuals and of organisations, e.g. clubs or schools.

2.4. The allegations of the complainant

- (20) The Complainant alleges that the youth hostel Berlin Ostkreuz benefitted from three different types of unlawful aid: a long-term lease contract with favourable conditions, lottery funding, and grants from a special program dedicated to Children and Youth.

2.4.1. Lease of a land and building

- (21) The Complainant alleges that the lease contract concluded between the Land Berlin and the youth hostel Berlin Ostkreuz on 24 February 2014 involves unlawful aid, of an annual amount initially quantified at 885 600 EUR per year until 2044. He supports his view that the lease contract involves aid by an expertise prepared by an publicly sworn expert (*öffentlich bestellte und vereidigte Sachverständige*) Dr.-Ing. Keunecke & Partner. A second expert valuation, submitted by the Complainant in July 2016, quantified a total present value of the aid resulting from the contract of EUR 17.223.680,00.⁵

- (22) The Complainant contests that this alleged aid could be declared compatible.

2.4.2. Subsidy from lottery funding

- (23) Furthermore, the complainant alleges that the youth hostel Berlin Ostkreuz gGmbH benefitted from a subsidy in the form of a direct grant (so-called "*Lotto-Mittel*") of EUR 1.25 million by the Land of Berlin from the lottery foundation ("*Lotto-Stiftung*").

2.4.3. Subsidy under the Children and Youth Plan

- (24) In addition, the complainant brings forward the allegation that youth hostel Berlin Ostkreuz - directly and / or through DJH internal association - received a seven-figure sum from federal funds and its program called "Children and Youth Plan" (*Kinder- und Jugendplan*, "KJP").

3. COMMENTS AND INFORMATION BY GERMANY

3.1. Arguments as to alleged aid stemming from the lease contract (*Pachtvertrag*)

3.1.1. The provisions of the contract

- (25) Germany confirms that the Land Berlin (hereinafter also: "Land Berlin"), represented by the Senate Administration for Youth, Education and Science, and the Jugendherberge Berlin Ostkreuz gGmbH (in the following: "youth hostel Berlin

⁴ Council Regulation (EC) No 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the TFEU, OJ L 248, 24.09.2015, p. 9.

⁵ The expert concluded that based on the standard market rates, the advantage conferred to youth hostel Berlin Ostkreuz arises from the fact that market price for the interests waived (*Gegenwartswert der üblichen Pachtzinsen*) amounts to EUR 27.379.800,00 whereby the market price for maintenance costs (*Gegenwartswert der laufenden Instandhaltung*) amounts to EUR 2.391.120,00 and the market value of the investment amounts (*Gegenwartswert der Investitionen*) to EUR 7.765.000,00. Calculation of the possible advantage by using the formula $B=P-(INV+IP+K)$, K being present value of taxes, charges and duties (*Gegenwartswert der auf dem Grundstück ruhenden Steuern, Abgaben und Gebühren*) which equals to zero), gives the following $B=27.379.800,00 - (2.391.120,00+7.765.000,00.+0)=17.223.680,00$.

Ostkreuz"), signed on 24 February 2014 a lease contract ("Pachtvertrag") which covers the period from February 2014 to December 2044, with a possibility of prolongation in five-year steps. The contract concerns a site with a total surface area of 14 696 m², of which only 6 561.92 m² (comprising one central building and several auxiliary facilities) are to be used by the youth hostel and its integrated youth education centre.

- (26) In accordance with Article 1(2) of that contract, the premises leased must be used exclusively for the purposes of youth welfare work in accordance with Articles 6–10 of the Act implementing the Berlin Child and Youth Welfare Act ("*Gesetz zur Ausführung des Kinder- und Jugendhilfegesetzes*", hereinafter: "AG KJHG") in conjunction with Article 11 of the German Social Code, Volume 8 ("*Sozialgesetzbuch – Achtes Buch*", "SGB VIII"). The lease conditions state that the land and accompanying buildings are transferred for use as a youth hostel and youth education centre. Article 3(1) of the lease contract requires the lessee to pursue an agreed pedagogical concept, which forms part of the contract.
- (27) According to Article 6(1) of the lease contract, the land is transferred to the lessee free of rental charges. The waiver of fees applies only to the waiving of rental payments, and not to the waiving of other forms of compensation such as the payment of other charges on behalf of the owner. Furthermore, the lessee is obliged to renovate the land and buildings for the intended purpose at their own expense as well as to invest in maintenance of the building (*Substanzerhaltung, Instandhaltung und Instandsetzung*) according to requirements set for preservation of buildings ("Denkmalschutz"). All taxes, fees, charges, and operating costs are at the charge of the lessee who has in addition to take over all investment costs, estimated to EUR 9.4 million, which are necessary to make the site ready for its intended use. In addition, the lessee has to maintain the facilities, with minimum maintenance expenditure per year of 10 EUR/m² of built surface.

3.1.2. Arguments as to the absence of aid under the contract

- (28) The German authorities argue that the lease contract does not involve State aid, as (1) the contract does not contain an advantage, (2) the contract does not lead to a distortion of competition, and (3) any advantage granted would in any event fall under the SGEI de minimis regulation⁶.

3.1.2.1 No advantage granted by way of the lease of land

- (29) The German authorities emphasize that the waiver of the compensation for the lease refers solely to the monthly rent, whereas all other fees, taxes, and duties are to be paid in full, and the lessor is obliged to renovate and prepare the facilities for their intended use with an investment of EUR 9.4 million and to maintain the facilities at his own costs. Therefore, the contract signed between the City and the youth hostel is not a "rent-free" lease of the land, but corresponds to normal market conditions: under normal market conditions, the lessees would owe rental fees of EUR 150 000 per

⁶ Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid granted to undertakings providing services of general economic interest (Text with EEA relevance, OJ L 114/8, 26.4.2012).

year⁷, but the costs they are currently bearing amount to EUR 250 000 per year. The contract is thus economically advantageous for the Land Berlin.

- (30) Germany, in its initial submission, argued that the rental fee of EUR 150 000 corresponds to a normal market rate. According to their calculations, the current market value of the parcel of land at Marktstraße 9–12, also taking into account the resale of certain areas to Deutsche Bahn AG and changes in land value, stood at EUR 4.7 million in 2003 and EUR 4.6 million in 2004.
- (31) On 29 September 2016, the German authorities submitted a new expert valuation which presents an updated calculation. The new valuation confirms that the lease contract includes no aid element, and concludes in fact, that – under different alternative scenarios for the use of the land – the lease contract is advantageous for Berlin.⁸

3.1.2.2. No distortion of competition

- (32) The German authorities suggest that the youth hostel Berlin Ostkreuz on the one hand and the complainant and similar low-budget accommodation providers on the other are not active on the same relevant market. To justify this position, they refer to the specific pedagogical approach of youth hostels, the free availability of common rooms for classes/groups, the support by staff with special pedagogical training and comprehensively trained hostel managers, and the high-quality educational programme with holistic packages for all target groups, offered in the education centre in cooperation with outside service providers and the youth theatre "Strahl".
- (33) By contrast, the complainant's facility in Berlin-Friedrichshain provides low-budget accommodation facilities without a particular pedagogical focus or pedagogically trained staff, and pursues a solely economic purpose. The complainant in no way provides services with a "special pedagogical focus". There is no evidence of an ambitious, standalone range of high-quality pedagogical services or even a mention of such a pedagogical philosophy.
- (34) Regardless of the partial overlapping of the activities of the youth hostel Berlin Ostkreuz and of the complainant and other accommodation providers of this kind when it comes to the "children and young people" customer segment, the German authorities therefore consider that the two entities are not active in the same relevant market. While the youth hostel Berlin Ostkreuz serves the relevant market for high-quality pedagogical trips for children and young people as well as accommodation for children, young people and families, the complainant and similar providers serve the market for low budget inner-city accommodation.

⁷ Germany derives this annual rent fee from a rental rate for assets specifically earmarked for social, cultural or sporting structures specified by the Berlin Senate Administration for Finances of 3 % of the market value, and an estimated market value of the land of EUR 4.7 million in 2003, and adjustments for inflation.

⁸ The evaluation came to the same result as put forward by the German authorities. It establishes that there is no advantage for the youth hostel based on the hypothetical premises for three possible kinds of building and land use. The supposed market price of the in case of use for economic use ("Gewerbenutzung") the "costs" would amount to approx. -387.228,00 EUR, in the case of the use of the premises as office space ("Büronutzung") the "market price" would amount to approx. -1.236.992,00 EUR and finally the "Market price" in case of the use of premises for accommodation ("Beherbergungsnutzung") the market price would amount to approx. -2.466.692,00.

3.1.2.3. Applicability of the de-minimis SGEI regulation

- (35) The German authorities claim that even if an advantage was present and the two entities were active on the same relevant market, there would be no state aid in the meaning of art. 107(1) TFEU as the measure would fall under the de minimis Regulation for SGEI⁹.
- (36) They argue that the youth hostel Berlin Ostkreuz is entrusted with a service of general economic interest, defined in line with the public welfare objective of youth welfare work in accordance with Articles 2 and 74 SGB VIII, and is recognised as a provider of private youth welfare services under Article 75 SGB VIII. They also hold that the applicable de minimis threshold of EUR 500 000 over any period of three fiscal years is not exceeded in the case in question: even if only the advantage resulting from the non-payment of the annual rental fee of EUR 150 000 per year was taken into account, the gross grant equivalent would equal a maximum of EUR 450 000 over three fiscal years.

3.1.3. Arguments as to the absence of unlawful aid

- (37) As subsidiary arguments, Germany suggests, that, if there was an advantage from the contract to the youth hotel, this aid was either exempted or existing aid.

3.1.3.1. Applicability of the SGEI Decision

- (38) Germany considers that the aid (quid non) would in any event be exempted in line with the provisions of the SGEI decision 2012/21/EU (hereinafter: SGEI Decision)¹⁰ (or the contract could be amended to bring it fully into line) as the contract qualified as entrustment act, and the Jugendherberge Berlin Ostkreuz gGmbH as non-profit organisation was prohibited from making profits; the aid (quid non) was thus lawful and compatible; Germany admits that the lease contract does not contain specific arrangements for avoiding and recovering any overcompensation within the meaning of Article 4(e) of the SGEI Decision, but takes the view that no such arrangements are required as the required recognition as a provider of private youth welfare services pursuant to Article 75 SGB VIII is a condition to obtain long-term funding in accordance with Article 74(1), second sentence SGB VIII in conjunction with Article 47(3) AG KJHG, and has thus equivalent effect to such specific arrangements. Germany also points out that overcompensation is avoided as both the DJH Regional Association for Berlin-Brandenburg e.V. and the youth hostel Berlin Ostkreuz are bound by Article 55(1) of the German Tax Code as a result of their non-profit status under tax legislation.

3.1.3.2. Existing aid

- (39) Germany takes the view that even if the measure was not exempted, it would not be unlawful: the measure which finds its national legal basis in § 74 of the Federal

⁹ Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest, OJ L 114, 2012, p. 8 ff.

¹⁰ Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (notified under document C(2011) 9380), (Text with EEA relevance), (2012/21/EU), OJ L 7/3, 11.1.2012.

Sozialgesetzbuch VIII – Kinder und Jugendhilfe of 1990¹¹, in combination with § 47 (1) of the Gesetz zur Ausführung des Kinder- und Jugendhilfegesetzes ("AG KJHG") of 1994¹² of the City of Berlin, and Berlin budgetary law, could be considered to constitute lawful existing aid in the meaning of Article 1(b)(i) of the Procedural Regulation¹³, as the relevant rules laid down in the Sozialgesetzbuch VIII could be derived from earlier rules ("Reichsjugendwohlfahrtsgesetz 1922") that were already in place before the creation of the EEC: in particular, the German authorities remind that Article 47(1) AG KJHG, which falls under the section "Financing youth welfare services", stipulates that providers of private youth welfare services are entitled to funding from the Land Berlin in accordance with Article 74 SGB VIII. They therefore take the view that the transfer of land constitutes a support measure for private youth welfare services in accordance with Article 74 SGB VIII. This provision however can be traced back to earlier rules that existed before the Treaties of Rome entered into force on 01/01/1958. For example, the content of Article 74(3) SGB VIII, which entered into force on 01/01/1991, is identical to that of its predecessor provision under Article 5 of the Youth Welfare Act (*Jugendwohlfahrtsgesetz*, "JWG") of 1961, which in turn is based on the National Youth Welfare Act (*Reichsjugendwohlfahrtsgesetz*, "RJWG") of 1922. The German authorities point out in particular that the support, and even the foundation of youth welfare institutes by the State was expressly provided for in Article 4 RJWG, and this provision was also taken up in Article 5 JWG: the explanation (*Begründung*) with regard to Article 4 RJWG expressly mentions that support for voluntary or private providers of youth welfare services should also and in particular include financial support. The obligation to provide financial support for voluntary services, which can now be found in Article 47 AG KJHG and Article 74 SGB VIII, was therefore already in place when the RJWG entered into force.

3.1.4. Arguments as to the compatibility of the aid under Article 107(3)(c) TFEU

- (40) Finally, the German authorities believe that the alleged aid could be considered compatible with the internal market under Article 107(3)(c) TFEU as the measure in question contributes to the fulfilment of an objective in the common interest¹⁴, and does not adversely affect trading conditions to an extent contrary to the common interest¹⁵.

¹¹ § 74 SGB VIII "Förderung der freien Jugendhilfe" requires public youth policy actors to support voluntary support measures within the limits of available budgetary resources, and lists minimum requirements for private actors to be supported. It confers full discretion to the responsible authorities as to as to type and amount of support, and as to the selection of projects (where several similar projects are offered).

¹² §47 AG KJHG ("Förderung der freien Jugendhilfe") expresses at the level of the City of Berlin the political will to support, pursuant to the provisions of § 74 of the Sozialgesetzbuch VIII, private actors that intend to implement youth-related measures, within the limits of the available budget and relevant youth support planning, and at full discretion of the responsible authorities as to type and amount of support.

¹³ Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (codification), (Text with EEA relevance), OJ L 248/9, 24.9.2015.

¹⁴ ECJ Case T-162/06 *Kronoply* [2009] ECR II-1, esp. paragraph 65), if it is necessary for the attainment of such objectives (ECJ Case T-187/99 *Agrana Zucker* [2001] ECR II-1587, paragraph 74.

¹⁵ See State Aid SA.33952 (2012/NN) – Germany - Climbing centres of Deutscher Alpenverein, C(2012) 8761 final of 05/12/2012, paragraph 66.

- (41) In view of the German authorities, the measure indisputably contributes to the fulfilment of a clearly defined objective of common interest, namely youth welfare, which is also listed in Article 165(2), fifth indent TFEU, and the lease of the land under the agreed conditions is appropriate and necessary for the attainment of the declared objective, since the Berlin Ostkreuz youth hostel project could not have been financed otherwise. Furthermore, the measure is proportionate as the youth hostel Berlin Ostkreuz is bound by Article 55(1) of the German Tax Code due to the non-profit character of its activities arising from its Articles of Association (gGmbH), and is prohibited from using its resources for other than its statutory purpose of youth welfare. Finally, the measure does not affect trade between Member States in such a way as to run counter to the common interest.

3.2. Alleged "lottery funding"

- (42) The German authorities deny that a subsidy from the *Klassenlotterie Berlin* lottery (hereafter: "lottery funding") was granted.

3.3. Alleged funding from "The Children and Youth Plan"

- (43) Finally, the German authorities reject the allegation that the youth hostel Berlin Ostkreuz received funding from the Federal Government's Children and Youth Plan; in fact, the necessary investment of about EUR 10 million was financed in full via a loan of EUR 7 million from the Kreissparkasse Altenkirchen bank (now "Sparkasse Westerwald-Sieg") and two loans of EUR 1.5 million, one from the DJH, the other from a regional association.

4. ASSESSMENT

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

- (44) According to Article 107(1) TFEU, State aid includes any measure granted by a Member State or through State resources in any form whatsoever which distorts, or threatens to distort, competition by favouring certain undertakings, in so far as it affects trade between Member States.

4.1.1. Presence of State resources

- (45) The alleged lease of public property below market prices would reduce public income, and would thus be financed from State resources within the meaning of Article 107 (1) of the TFEU.

4.1.2. The notions of a undertaking and selectivity

- (46) The measure is addressed to a single entity, the youth hostel Berlin Ostkreuz, and is thus selective.
- (47) The Complainant argues that the youth hostel Berlin Ostkreuz constitutes an undertaking performing economic activities. Germany holds that access to accommodation facilities of the youth hostel Berlin Ostkreuz is strictly limited to its members, and its services are thus not offered on the market, and its activity is thus non-economic in nature.

- (48) The Commission notes that everybody can become a member of DJH. There are four categories of membership: persons below 27 years acquire become so called "Junior" members for the price of 7 EUR per year; persons above 27 years become member in the so called "27 plus" category (22.50 EUR per year); the third category addresses families (22.50 EUR per year), and a corporate membership is available to schools, associations, institutions and educational facilities. The membership is easily available, either online or in any youth hostel. The membership is normally valid for one calendar year. The membership does not entail any voting rights in the assembly of the youth hostel Berlin Ostkreuz.
- (49) The Commission considers that the annual fees are rather negligible compared to the cost of accommodation, and the accommodation facilities of the youth hostel Berlin Ostkreuz – and all other DJH youth hostels are de facto offered to the general public against remuneration; they are thus comparable to commercial hostels that make accommodation available to everyone. For this reason, the Commission considers that the offer of accommodation facilities by the youth hostel Berlin Ostkreuz against payment constitutes an economic activity.

4.1.3. *Economic advantage*

- (50) If the lease contract involves the alleged aid element, it relieves the youth hostel from costs which it normally would have to bear itself under normal market conditions and, therefore, the youth hostel Berlin Ostkreuz would benefit from an economic advantage over its competitors.
- (51) The German authorities and the complainant disagree on whether the measure confers an aid element, and what would be its exact amount.
- (52) In view of the contradictory conclusions of the expert opinions submitted by Germany and the Complainant, the Commission decided to leave open the issue, and to consider, for the purposes of the further assessment that it cannot be excluded that an advantage exists. The Commission is aware that this issue is currently discussed in national Court proceedings. Given the particularities of the present case, the Commission considers that in case it becomes necessary to decide whether or not there is an advantage, it is preferable that the national courts carry out that analysis, for the following reason: in order to come to a definitive conclusion on this question, it would be necessary to open the formal investigation procedure. However, as the aid is obviously compatible with the internal market, carrying out such an investigation is not warranted in the present case. The Commission already provided an opinion as per Article 29(1) of Council Regulation (EU) 2015/1589.¹⁶ Should the national court deem that necessary, it could refer any particular legal problem it faces in assessing the presence of an advantage to the Court of Justice by means of a preliminary ruling.

4.1.4. *Distortion of competition*

- (53) As publicly-funded youth hostels may be – and, in the present case, are (see above recital 19) - in competition with other, privately funded, hostels and other providers of low-budget accommodation, the measure is liable to distort competition.

¹⁶ OJ L 248, 24.9.2015.

4.1.5. *Effect on trade between Member States*

- (54) The Commission notes that trade in accommodation and accommodation services is not restricted to German travelers and hotel guests, but on the demand side it also extends to the entire European single market. Similarly, low budget accommodation is also offered in other Member States than Germany.
- (55) The offer of low budget accommodation provided by the beneficiary at the location at the Ostkreuz in Berlin is aimed not only at the customers residing in Germany market, but also to customers from abroad. The DJH's own web pages are available on the Internet not only in German but also in English, and the DJH organization tries to attract customers from outside Germany in particular to its facilities in touristic hotspots like Berlin. About 45% of the 23.3 million overnight stays registered in the first nine months of 2016 in Berlin were booked by visitors from abroad.
- (56) Therefore the Commission takes the view that even if a substantial part of the youth hostel's accommodation services should be used by German school classes and groups, at least for a touristic hotspot like Berlin, which represents a particular focus for "city trip" tourism, the measure is liable to affect trade between Member States.

4.1.6. *Applicability of the SGEI de minimis Regulation*

- (57) Germany claims that the youth hostel Berlin Ostkreuz is entrusted with the provision of a service of general economic interest which is defined in the relevant legislation and the lease contract, in particular in the agreed pedagogical concept, and that the aid amount over three years does not exceed 500,000 EUR.
- (58) The Commission notes that in view of the apparent difficulties to establish a market fee and to forecast in particular future maintenance costs, it is neither possible to consider that the lease contract qualifies as a transparent form of aid, as is required by Article 3 (4) of the SGEI De minimis Regulation, not to exclude that the threshold of EUR 500.000 for any three year period, set by the Regulation, is respected.

4.1.7. *Conclusion with regard to existence of State aid*

- (59) The Commission notes the German affirmation that the youth hostel Berlin Ostkreuz did not benefit from State aid measures in the form of lottery funding and funding from Children and Youth Plan.

The Commission leaves open the question whether the measure in the form of the lease contract provides an advantage. That question, if necessary, should be assessed by the competent national court. All other conditions for the presence of State aid in favour of youth hostel Berlin Ostkreuz within the meaning of Article 107(1) TFEU are met for that measure.

4.2. **Lawfulness of the aid**

- (60) Germany did not notify the potential aid measure pursuant to Art. 108(3) TFEU, as it considers that the measure does not involve aid, or would alternatively be covered by

a block exemption, or would constitute existing aid in the definition of the Procedural Regulation¹⁷, and the aid, if any, would be therefore lawfully granted.

4.2.1. Existing aid measure

- (61) Germany argues that the (potential) aid contained in the lease contract was granted to the youth hostel Berlin Ostkreuz in application of an existing aid scheme, laid down actually in the SGB VIII, but originating from earlier law (see para 39 above) According to Art. 1 (b) (i) of the Procedural Regulation (...) "*all aid which existed prior to the entry into force of the TFEU in the respective Member States, that is to say, aid schemes and individual aid which were put into effect before, and are still applicable after, the entry into force of the TFEU in the respective Member States*" qualifies as existing aid.
- (62) The Commission considers that above requirements to qualify as existing aid are not fulfilled in the given case: according to Art. 1 (d) of the Procedural Regulation an aid scheme "*means any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be awarded to one or several undertakings for an indefinite period of time and/or for an indefinite amount*".
- (63) The claim put forward by Germany that SGB VIII 76 c constitutes an existing aid scheme must be rejected as not all the requirements for this legal act to represent a scheme in the meaning of the above provision are fulfilled. In particular, there have been the implementing measures necessary for aid to be effectively granted, namely the legislation of the Land Berlin in the form of youth planning (*Jugendplanung*), the Act implementing the Child and Youth Welfare Act (AG KJHG), and the budgetary law of the Land, which go beyond the act of granting and have also been enacted later than entry into force of the TFEU in Germany on 1 January 1958. 5.2.2 Aid covered by a block exemption

4.2.2. Exempted aid

4.2.2.1. General Block Exemption Regulation

- (64) An aid granted in form of reduced rental fees constitutes operating aid because it relieves the lessee of at least part of its operating costs (monthly rent). The GBER 2014 does not provide for the exemption of this kind of operating aid, for the purpose envisaged. In particular, the Commission excludes that the measure would be exempted under its Art. 56 "Investment aid for local business infrastructures" as – contrary to Art. 56(7) - the measure is clearly dedicated to one final user, and does not contribute – as required by Art. 56(1) – to improving the business and consumer environment, and to developing the industrial base. Similarly, the Commission considers that Art. 55 ("Aid for sport and multifunctional recreational infrastructures") is not applicable: for multifunctional recreational infrastructures, pursuant to Art. 55(7), only investment aid may be granted, and in addition, pursuant to Art. 55(3), recreational facilities offering hotel facilities are excluded.

¹⁷ Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (codification) (Text with EEA relevance), OJ L 248/9, 24.9.2015.

- (65) The Commission notes however that Art. 53 ("Aid for culture and heritage conservation") allows to grant investment aid, with regard of investment costs in tangible and intangible investments, including – pursuant to Art. 53(3)(e) - costs for cultural projects and activities, cooperation and exchange programs and grants ...", as well as operating aid (see Art. 53(4), for which the eligible costs shall be for example "the cultural institution's costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business, costs of cultural and artistic education activities, operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, costs of personal working for the cultural institution or for a project, and costs for advisory and support services provided for by outside consultants and service providers, incurred directly as a result of the project. The Commission does not *prima facie* exclude that aid with regard to the investment costs related to the "educational center" and its relevant operating costs could be exempted under the provisions of Art. 53, within the limits defined in Art. 53(6) and (7), if, first, the eligible investment and operating costs had been clearly identified and, as required by Art. 7, supported by clear, specific, and contemporary documentary evidence, and separated from the costs resulting from the accommodation activities, and, second, if the aid had been granted, as required by Art. 5, in a transparent form of aid. The Commission notes that aid granted in form of soft lease contracts does not fall under the categories of transparent forms of aid listed in Art. 5(2), and thus considers that none of the above conditions is met.
- (66) For the above reasons, the Commission considers that the aid is not exempted in application of the GBER 2014.

4.2.2.2. SGEI Decision

- (67) The SGEI Decision exempts aid to undertakings for the provision of *services of general economic interest* (SGEI) from the notification obligation under Art. 107(1) TFEU provided certain conditions are met. According to the case law of the Unions courts, services of general economic interest are "*services rendered by the undertaking for the fulfillment of public service obligations*"¹⁸ which provided for the benefit of citizens or in the interests of society as a whole¹⁹, and which would not be offered by the market.
- (68) Germany claims that the youth hostel Berlin Ostkreuz is entrusted with the provision of a service of general economic interest which is defined in the relevant legislation and the lease contract, in particular in the agreed pedagogical concept. In fact, according to § 3.1 of the lease agreement, the lease object serves the purposes of youth work and is to be operated for groups of young people and families, taking into consideration conceptual educational and educational pedagogy-oriented offers. Pursuant to section 10.2.3 of the lease contract, the Land Berlin is entitled to terminate the lease if the tenant is loses its recognition under §§ 75 SGB VIII.
- (69) The Commission notes that Member States have a wide margin of discretion in the definition of SGEIs; the European Courts limited the Commission's powers regarding

¹⁸ See decision of ECJ. 24. July 2003, Altmark, C-280/00, ECLI:EU:C:2003:415, Rn.87.

¹⁹ See the Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest, (Text with EEA relevance), (2012/C 8/02), OJ C 8/4, 11. January 2012, para. 50.

the definition of SGEI to examining whether the Member State has committed a manifest error in the definition of the SGEI.

- (70) The Commission is unable to conclude on the basis of information available whether, and to what extent the services offered by the youth hostel Berlin Ostkreuz qualify as SGEI, and leaves open in particular the question of whether the "low budget accommodation" component of the services offered qualifies as SGEI, as these services seem to be provided in the Berlin area appropriately by the market; the Commission does not exclude, however, that the accommodation services could be intrinsically linked with the pedagogical program pursued, and could in combination with the educational effort qualify as a SGEI. The Commission therefore does not exclude in principle that interest-free land lease could be made as compensation for the provision of a SGEI.
- (71) The Commission notes that the aid beneficiary has to be entrusted with the provision of SGEI, and that Article 4 of the SGEI Decision does not require a specific form for the act of entrustment, so that entrustment to SGEI may also take the form of a lease contract if it contains all the elements referred to in Article 4a) - (f) SGEI Decision.
- (72) However, the result of the Commission's assessment has shown that the lease contract of 24 February 2014, in its current version, does not contain any description of the compensation mechanism and parameters for the calculation, monitoring and alteration of compensatory payments (Article 4 (d) SGEI Decision) as well as no measures for the prevention and recovery of overcompensation payments (Article 4 e)) and no reference to the SGEI exemption decision (Article 4 f) SGEI Decision).
- (73) For the reasons set out above, the Commission considers that the measure, if it constitutes state aid, is not exempted from notification in application of the SGEI decision.

4.2.3. *Conclusion*

- (74) In view of the above, the Commission considers that the measure does not constitute existing aid, and is not exempted from notification. If the measure involves an advantage – a question to be assessed by the national court -, it would have been granted unlawfully.

4.3. Compatibility assessment of the possible aid

- (75) As the Commission (1) could not exclude the presence of aid within the meaning of Art. 107 (1) TFEU, (2) rejected the possibility that the aid constitutes existing aid in the meaning of Art. 1 of the Procedural Regulation, and (3) excluded that the (potential) measure qualifies for exemption and compatibility under the GBER or the SGEI decision, the Commission concludes that the measure, if it constitutes an advantage, constitutes unlawful aid, The Commission therefore decided to assess the compatibility of the potential aid.
- (76) Article 107 (3) (c) TFEU states that "aid to facilitate the development of certain economic activities ... , 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. According to the case-law, the Commission may declare State aid compatible with the internal market if the aid contributes to the attainment of an

objective of common interest²⁰, is necessary for the attainment of this objective²¹, and does not adversely affect trading conditions to an extent contrary to the common interest.

(77) Therefore, the Commission has to assess the following questions:

1. Is the aid measure aimed at a well-defined objective of common interest?
2. Is the aid well designed to deliver the objective of common interest? In particular:
 - (a) is the aid measure an appropriate and necessary instrument, or are there other, more suitable instruments?
 - (b) is there an incentive effect, or in other words does the aid change the behaviour of undertakings?
 - (c) is the aid measure proportional, or in other words could the same change in behaviour be obtained with less aid?
3. Are the distortions of competition and the effect on trade limited, so that the overall balance is positive?

4.3.1. *Measure aimed at a well-defined objective of common interest*

- (78) According to Article 165 (1) TFEU the development and promotion of youth welfare is an objective of the Union. The Union shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.
- (79) The current framework for European cooperation in the youth field (2010-2018)²² has two overarching objectives, namely creation more and equal opportunities for young people in education and in the labour market and promotion the active citizenship, social inclusion and solidarity of young people.
- (80) The measure clearly aims at supporting active participation of youth in the society, exchange among young as well as improving the cultural and historical awareness of young people. The purpose of providing the funding to the youth hostel Berlin Ostkreuz is indeed to promote youth welfare, related education and social life of young people including youth in associations based on voluntary activity of their members.
- (81) The Commission concludes the measure can therefore be considered to aim at supporting youth welfare as common interest.

²⁰ Case T-162/06 *Kronoply v Commission* [2009] ECR II-1, especially paragraphs 65, 66, 74 and 75.

²¹ Case T-187/99 *Agrana Zucker und Stärke v Commission* [2001] ECR II-1587, paragraph 74; Case T- 126/99 *Graphischer Maschinenbau v Commission* [2002] ECR II-2427, paragraphs 41-43; Case C- 390/06 *Nuova Agricast* [2008] ECR I-2577, paragraphs 68-69.

²² http://ec.europa.eu/youth/policy/youth-strategy_en

4.3.2. *Aid well designed to deliver the objective of common interest*

- (82) The youth hostel Berlin Ostkreuz offers an integrated youth education center which is based on the values and the educational mission of the German Youth Hostel Association. Its pedagogical concept provides a special opportunity to make a visit to Berlin more than a purely touristic program in its historical and political diversity. This educational concept is tailored to the needs of children, adolescents, young adults, clubs, associations and organizations as well as non-public youth assistance.
- (83) The staff of the youth hostel plays a central role in the educational work of the institution. The qualified and trained employees formulate the implementation of the pedagogical concept and ensure that the spirit of the institution is reflected in practical work. The process of training and qualification of the employees is accompanied by a pedagogical specialist from the Pädagogische Hochschule Freiburg.
- (84) The youth hostel Berlin Ostkreuz has been cooperating with various social institutions and institutions since its opening in the context of its educational concept.²³ In the field of political education, the focus is on areas such as memory and past: memorial work on the subject of national socialism, the East-West conflict, the history of German division, or the promotion of democracy. In the area of cultural education, the offers include contemporary culture, everyday culture, cultural history and Jewish culture.
- (85) The support to the youth hostel at stake is an instrument to the achievement of objectives arising from specific youth initiatives, targeted at young people to encourage participation, support to voluntary activities, social integration, creative expression, raising culture and history awareness as well as mobility and exchange among young people from different backgrounds.²⁴
- (86) At the same time, the positive social impact of the work undertaken by the youth hostel is reflected in the goal to promote social learning and the development of the personality of young people. This role of the youth hostel Berlin Ostkreuz also manifests itself in the fact that it pursues exclusively and directly non-profit purposes in the sense of youth welfare and in accordance with the section entitled "Tax Beneficiaries" („*steuerbegünstigte Zwecke*“) of the Tax Code (*Abgabenordnung*). It is selflessly active according to its statutes and is also acknowledged as a promoter (*Träger*) of free youth welfare.
- (87) The measure supports the non-profit limited liability company youth hostel Berlin Ostkreuz by promoting cultural and social exchange among young people while offering pedagogically proven programs provided by specially educated staff and thus contributes to improvement of the civic society.

²³ The event partners of the youth hostel are, for example, the Arbeitskreis Musik, the Arbeitsgemeinschaft Kinder- und Jugendhilfe, Naturfreunde Deutschland, the Bundesforum Kinder- und Jugendhilfe, the Association of German Amateurs, the self-help group of hearing-impaired people, the association of lonely mothers and fathers, Jugendstiftung, the German Sports Youth or the German Youth Red Cross.

²⁴ In July 2016, immediately after the opening of the house, the "International German Olympiad" organized by the Goethe-Institut took place in the youth hostel Berlin Ostkreuz, where 125 young, German-speaking participants from more than 60 countries measured their knowledge of German language.

- (88) In view of the above, the Commission concludes that the measure is well designed to contribute to above described objective of common interest.

4.3.3. *Incentive effect of the alleged aid*

- (89) The Commission notes that the project, and in particular its education centre components, could not have been implemented without Berlin making available the site under the given provisions of the lease contract. Without the aid the beneficiary would not carry out the activities at all, or the activity would be carried out in a reduced extent and quality, and would thus not be able to achieve the objectives of the State policy in the field of the promotion of youth welfare. Therefore, the measure has incentive effect.

4.3.4. *Proportionality (non-profit, public interest)*

- (90) Over time, the administrative authority of the *Land* Berlin in charge of public funding for purposes of youth welfare (*Jugendhilfe*) and operations of a youth hostel has acquired detailed knowledge of the local funding needs and capabilities of the youth hostels. In particular, they ensure – not least through their local knowledge and rules on eligibility arising from the SGB – that the aid is proportionate. There is no indication, that the conditions of the lease contract would lead to excessive profits, - which would indicate that the aid is not proportionate – and in an event, in view of the specific non-profit status of DJH and the youth hostel Ostkreuz, any profits would have to be reinvested for their statutory purpose of youth welfare.
- (91) For these reasons, the Commission considers that the measure is proportionate.

4.3.5. *Limited effect on trade and competition between Member States*

- (92) Despite the fact that DJH is running some 500 youth hostels in Germany, DJH is far from reaching a dominant market position on the market for low budget accommodation in Germany. The setting up of the youth hostel Ostkreuz with some 450 beds is not changing the situation. Even on the local Berlin market which registers some 100.000 overnight stays per day, the market share of DJH is very limited, and the additional capacity stemming from the Ostkreuz youth hostel lies significantly below 0.5% of the overall Berlin accommodation capacity.
- (93) The Berlin tourism is also not a sector in decline, but has been growing quickly over the last ten years, mainly thanks to visitors from abroad that represented for example in the first 9 months of 2016 some 45% of all overnight stays, and showed an increase compared to the same period in 2015 of 3.9%²⁵. Overall overnight stays grew in the same period by 2.4%. With some 60%, Berlin shows also the highest capacity utilisation rate of all German *Länder*, some 70% above the German average.
- (94) In view of the above, the Commission considers that the creation of the youth hostel Ostkreuz does neither lead to the creation or reinforcement a dominant market position, nor to the maintenance of insufficient market, that its effect on the conditions of competition on the market concerned are insignificant, and that any advantage resulting from the lease contract does not affect trade between Member States to an extent contrary to the common market.

²⁵ Amt für Statistik Berlin-Brandenburg, Pressemitteilung Nr. 293 vom 10. November 2016

- (95) Finally, the Commission observes that any commercial revenues are limited to 35,000 EUR per year.

4.3.6. *Résumé: compatibility of the measure*

- (96) The Commission concludes that the measure, insofar as it constitutes State aid, is necessary and proportionate, and that the contribution of the creation of the youth hostel Ostkreuz with its educational centre, for the achievement of the targeted common objective, outweighs its negative effects on competition and trade. The measure, notwithstanding whether it constitutes State aid, can therefore be declared compatible with the internal market on the basis of Article 107 (3) (c) TFEU.

5. CONCLUSION

- (97) The Commission has accordingly decided not to raise objections to the measure on the grounds that it is compatible with the internal market pursuant to Article 107(3)(c) of the Treaty on the Functioning of the European Union.
- (98) The Commission recalls that, pursuant to Article 288 TFEU, this decision is binding for the Member State to which it is addressed, including its national courts. Therefore, insofar as the national court proceedings are concerned, only the question of the presence of an advantage is to be assessed by the competent national court. Should the national court proceedings confirm that the Youth hostel Berlin Ostkreuz receives an advantage, the aid would be unlawful, and the national judge would have to draw the consequences of that unlawfulness, as foreseen in the case-law of the Court of Justice.

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 electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Registry
B-1049 Brussels
Stateaidgreffe@ec.europa.eu

Yours faithfully
For the Commission

Margrethe VESTAGER
Member of the Commission