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PUBLIC VERSION

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Subject: State Aid SA.48759 (2017/N) – Italy – Prolongation of rail freight transport support scheme

Sir,

1. PROCEDURE

- (1) On 25 July 2017, 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 existing aid scheme, registered under case number SA.45482¹, authorised by the Commission in 19 December 2016, aimed at strengthening the shift of freight from road to rail transport.
- (2) The Italian authorities have provided a language waiver and agree that the decision will be adopted in English as the authentic language.

2. DESCRIPTION

- (3) The notified aid scheme ("*Prolongation of rail freight transport scheme*") is part of a global logistic plan launched by Italy to support inter-modality. It aims at preserving the position of rail transport through the introduction of subsidies.
- (4) As the share of rail transport in the overall transport of goods in Italy remains constantly below the EU average², the vast majority of them continue to be transported by road. This results in harmful effects for the environment as well as other negative externalities such as congestion and accidents.

¹ http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_45482

² http://ec.europa.eu/eurostat/statistics-explained/index.php/Freight_transport_statistics

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- (5) The present prolongation concerns the scheme referred to as "definitive scheme" in recital 6 of Commission decision in case SA.45482³. This part had been approved up to 31 December 2017, which is hereby prolonged for the period from 1 January 2018 until 31 December 2019.
- (6) The annual budget of the present prolongation follows at the same levels as in the previous years, as covered by the scheme approved by the Commission in 2016⁴, and stated in recital 12 of the Commission decision in case SA.45482.
- (7) Apart from the extension of the duration, the notified measure does not introduce any other changes of substance.⁵ All the existing conditions attached to the operation of the scheme are carried forward to the period under consideration, namely the years 2018 and 2019.

3. ASSESSMENT

- (8) The notified measure constitutes State aid within the meaning of Article 107(1) TFEU for the reasons set out in section 3.1 the decision of the Commission authorising the scheme in the case SA.45482.
- (9) In its decision in case SA.45482, the Commission assessed the scheme under the Community guidelines on State aid for railway undertakings⁶, hereafter "the guidelines". For the reasons stated in section 3.3 of the Commission decision in case SA.45482, the Commission concluded that the scheme was in line with these guidelines, which remain in force today.
- (10) Apart from extending its duration and respective budget, the notified measure does not introduce any other substantive changes to the scheme last approved by the Commission on 19 December 2016. In addition, the prolonged duration of the scheme still complies with the requirement of point 97 of the Railway Guidelines given that the maximum 5 years period is not reached following the prolongation. As regards the remaining points, the compatibility assessment carried out by the Commission in case SA.45482 is unchanged.
- (11) Therefore the Commission considers the notified scheme to be compatible with the internal market in accordance with Article 93 of the TFEU.

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.

³ See also recitals 4,5,7 and 8 of the reference Decision.

⁴ Standing at EUR 100 million per year.

⁵ The only changes to the definitive scheme approved in case SA.45482 concern the duration (prolonging the scheme for 2018 and 2019) and the budget (total budget EUR 200 million in the years 2018 and 2019 - i.e. EUR 100 million per year, same as the previous scheme already approved by the Commission under case SA.45482).

⁶ OJ C 184 of 22.7.2008, p.13.

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Your request should be sent electronically to the following address:

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

Yours faithfully,
For the Commission

Margrethe VESTAGER
Member of the Commission

CERTIFIED COPY
For the Secretary-General,

Jordi AYET PUIGARNAU
Director of the Registry
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