Subject: State Aid SA.50165 (2018/N) – Germany
Aid scheme for the promotion of energy efficiency in electrical rail transport

Sir,

1. Procedure

(1) On 22 January 2018, pursuant to Article 108 (3) of the Treaty on the Functioning of the European Union (hereinafter the “TFEU”), the German authorities notified an aid scheme in support of electrical rail transport in Germany.

(2) By letter of 23 March 2018, the Commission requested further information, which was provided by the German authorities by letter of 17 May 2018.

2. Description of the Measure

2.1. Objective and main characteristics

(3) The main objective of the aid scheme is to make electrical rail transport more competitive compared with other, more emission-intensive modes of transport and, consequently, to contribute to a modal shift from road to rail. The secondary objective is the improvement of energy efficiency of transport performance which is at the same time a condition for undertakings to benefit from the scheme. Therefore, the aim is to strengthen electrical rail transport as a whole against
transport modes that are comparatively more emission intensive by introducing more efficient technologies and techniques.

(4) Germany expects that the measure will contribute to a traffic shift towards rail transport as well as a reduction of CO2 emissions by at least 1 million tonnes by 2020 and therefore considers that the scheme will contribute to achieving the national and international emission reduction goals under the Action Programme for Climate protection 2020 of the German Federal Government and the Paris Agreement adopted on 12 December 2015.

(5) These objectives should be obtained by supporting energy efficiency improvements in electrical rail transport by partially compensating undertakings providing electrical rail transport in Germany for investment in measures improving energy efficiency. The investment will pay off through lower electricity consumption and therefore lower costs.

(6) The scheme covers rail freight transport as well as interurban passenger rail transport on the German territory. Only energy efficiency measures which are implemented after the publication of the national legal basis will be eligible for aid.

2.2. Legal basis

(7) The legal basis of the notified aid scheme is the Guideline on state aid concerning energy efficiency in electrical rail transport. 

2.3. Beneficiaries

(8) Beneficiaries are railway undertakings providing electric-powered rail transport, excluding undertakings providing tram transport.

(9) Railway undertakings from other EU Member States that operate railway services in Germany are eligible to the same extent as German undertakings.

(10) Germany confirms that undertakings in financial difficulties will not be considered eligible under the scheme.

2.4. Duration

(11) The scheme will cover the period 2018 to 2022. The scheme will only be implemented after the adoption of the decision by the Commission.

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1 Richtlinie über die Förderung der Energieeffizienz des elektrischen Eisenbahnverkehrs which is based on paragraphs 23 and 44 of the German Federal Budget Code (Bundeshaushaltsordnung).

2 The notion of "tram" is defined in the German law on passenger transport (Personenbeförderungsgesetz, BGBL. I S. 1690), paragraph 4 sections 1 and 2, as railways which are adapted to the characteristics of road traffic and are targeted to local, metropolitan and suburban passenger transport.

2.5. Budget

(12) The maximum total budget over the period is EUR 500 million with a yearly budget of EUR 100 million.

(13) The scheme will be financed from the German Federal Energy and Climate Fund (Energie- und Klimafonds).4

2.6. Eligible costs

(14) According to Germany, the aid will be granted for reducing the negative externalities related to freight transportation. Therefore, the eligible costs correspond to the part of the external costs which rail transport makes it possible to avoid in comparison with transport by road. Therefore the quantification of the eligible costs under the notified scheme is based on the results of the calculation of the external cost differential between rail and road transport modes.

(15) Germany provided two studies to calculate the eligible costs: The first study conducted in 20075 compares average external costs of the various transport modes for passenger and freight transport in Germany in 2005: costs for passenger rail transport (EUR 21.2 per 1 000 passenger-kilometre ('pkm')) are around three times less than costs for passenger road transport (EUR 64.5 per 1 000 pkm) and the difference is even higher for freight transport, as costs for freight rail transport (EUR 9.5 per 1 000 tonne-kilometre ('tkm')) are around four times less than costs for freight road transport (EUR 38.9 per 1 000 tkm).

Table 1: Average costs in Germany in 2005 regarding cost categories and transport mode6

<table>
<thead>
<tr>
<th>Unit</th>
<th>Passenger transport</th>
<th>Freight transport</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Road/€1000 pkm</td>
<td>Rail/€1000 pkm</td>
</tr>
<tr>
<td>Accidents</td>
<td>40.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Noise</td>
<td>5.0</td>
<td>6.8</td>
</tr>
<tr>
<td>Air pollution</td>
<td>3.9</td>
<td>2.6</td>
</tr>
<tr>
<td>Climate costs</td>
<td>8.1</td>
<td>0.8</td>
</tr>
<tr>
<td>Environment</td>
<td>2.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Pre- and post-transport processes</td>
<td>3.4</td>
<td>6.7</td>
</tr>
<tr>
<td>Additional costs for urban areas</td>
<td>0.9</td>
<td>3.0</td>
</tr>
<tr>
<td>Total</td>
<td>64.5</td>
<td>21.2</td>
</tr>
</tbody>
</table>

5 INFRAS, Externe Kosten des Verkehrs in Deutschland, Update 2005, Schlussbericht, Zürich, 2007. See https://www.infras.ch/media/filer_public/e0/9d/e09d6897-1e68-4359-b559-d62b90890ee0/070300_externe-kosten_management_summary.pdf.
6 See INFRAS study, page 7, table S-2 - average costs 2005.
(16) The second study provides data on average external costs (excluding congestion)\(^7\) for European countries in 2008 by country and transport mode: In Germany average costs for passenger rail transport amount to EUR 21.5 per 1 000 pkm whereas average costs for road transport is EUR 87 per 1 000 pkm. Average costs for freight rail transport amount to EUR 9.3 per 1 000 tkm whereas average costs for road transport are EUR 52.9 per 1 000 tkm.

2.7. Eligibility criteria and calculation of the aid amount

(17) The aid is granted as a non-repayable grant paid directly to undertakings.

(18) Only measures which are commenced and implemented after entry into force of the national legal basis are eligible for the aid. Mandatory measures are excluded from the scope of the scheme.

(19) The aid is limited to cover 50 % of the costs of the measures taken to improve energy efficiency.

(20) Undertakings are only eligible for support under the scheme in a given year if they demonstrate an improvement of energy efficiency in their electrical transport performance of at least 1.75 % compared to the previous calendar year. From 2020 onwards an improvement of at least 2.0 % year on year is mandatory in order to benefit from the aid measure. The reference for assessing the improvement of energy efficiency is the undertaking’s traction electricity consumption (after energy recuperation\(^8\)) per passenger or tonne-kilometre.

(21) The calculation of the annual aid amount per beneficiary is based on the transport performance provided by the beneficiary railway undertaking in Germany during the calendar year for which the aid is granted. That performance is measured on the basis of passenger kilometres respectively on the basis of tonne-kilometres.

(22) The calculation of the aid amount per beneficiary follows a two-step approach:
As a first step, the yearly rate of support per km is calculated as the quotient of the total annual aid budget (EUR 100 million) and the total transport performance (i.e. the sum of passenger and tonne-kilometres) provided in Germany by all eligible beneficiaries in the respective year. This calculation does not depend on the costs for the investment in energy efficiency measures for which support is sought. As a second step, the maximum aid amount for the individual beneficiaries is calculated: It is the product of the rate of support per km (as calculated in step 1) and the transport performance (i.e. the sum of passenger and/or tonne-kilometres) provided by the individual beneficiary.\(^9\)

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\(^8\) “Recuperation” means in particular the electricity which is generated when braking and which is transferred back into the system.

\(^9\) Example: the total transport performance in the respective year by all eligible railway undertakings who submit an application for support amounts to 100.000.000. Beneficiary A has run a total of 50.000 pkm and tkm. 
Step 1 – calculation of the rate of support which is to be applied to all beneficiaries: 
EUR 100.000.000 (the scheme’s budget per annum) / 100.000.000 (total of pkm and tkm run in that
The actual aid amount for each beneficiary to be paid out depends on the costs for the energy improvement measures taken by that beneficiary. As mentioned in recital 19 the aid is limited to 50% of the actual costs of the energy efficiency measure.  

If an undertaking achieves an improvement in energy efficiency of more than 3% compared to the previous calendar year, its transport performance (pkm or tkm run) is counted double both in the calculation of the rate of support (step 1) and in the calculation of the maximum aid amount at individual level (step 2).

2.8. Procedure for granting the aid

(23) Granting authority is the Federal Ministry of Transport and Digital Infrastructure.

(24) Grant applications can be submitted until 30 June of the year following the year for which aid is sought. Any application has to demonstrate i) the electrical transport performance provided by the applicant in the calendar year preceding the application, ii) the cost incurred for eligible measures, iii) the improvement on energy efficiency.

(25) Additionally, according to the auditing standards of the Institute of Public Auditors in Germany and commercial law, an external auditor has to confirm the data concerning the electrical transport performance in the respective calendar year, the achieved average energy efficiency improvement as well as the expenses incurred for the eligible measures in the respective year.

(26) The Guideline to the scheme together with the yearly funding rate will be published on the website of the Federal Ministry of Transport and Digital Infrastructure.  

2.9. Cumulation

(27) The aid may be cumulated with other subsidies or de minimis aid from local, regional or national resources concerning the same eligible costs provided the cumulation rules are respected. In this respect, the granting authority will ensure avoidance of overcompensation in the course of the application procedure.

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10 It is not planned to allocate remaining funds pro rata should after applying the described method the budget not be used in its entirety.

11 Publication will be available at: 
https://webgate.ec.europa.eu/competition/transparency/public/search/chooseLanguage and 
http://bmvi.de/SharedDocs/DE/Artikel/K/eu-transparenzdatenbank.html
(28) On 27 March 2018 the Commission approved an aid scheme\(^{12}\) to the benefit of railway undertakings which operate vehicles as set out in paragraph 3 point 40 of the Renewable Energy Act (Erneuerbare-Energien-Gesetz)\(^{13}\). That scheme (“the offshore surcharge scheme”) provides for reductions from the offshore surcharge which is to be paid by electricity consumers to the benefit of energy intensive users including railway undertakings which operate railway rail transport\(^{14}\). The offshore surcharge scheme aims at containing the electricity costs of energy intensive users and thereby maintaining the intermodal competitiveness of railway undertakings\(^{15}\).

(29) The offshore surcharge scheme covers partially the same eligible costs as the present scheme, i.e. the part of the external costs which rail transport makes it possible to avoid compared with competing transport modes\(^{16}\). In the context of the offshore surcharge scheme Germany has committed that should the aid under that scheme be cumulated with other means of public funding, the total aid amount will stay within the limits set by the Railway Guidelines\(^{17}\).

2.10. Repayment mechanism and monitoring

(30) The German authorities will proceed with an examination of proper use of the funds. A use in contrast to the objective of the scheme may lead to recovery of the aid which will follow the rules set out in general administrative law.\(^{18}\)

(31) The German authorities commit to transmit annual reports on the implementation of the scheme to the Commission.

3. ASSESSMENT OF THE MEASURE

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

(32) Pursuant to Article 107 (1) TFEU "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".

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\(^{14}\) See recitals 16 and 17 of the offshore surcharge scheme.

\(^{15}\) See recital 20 of the offshore surcharge scheme.

\(^{16}\) See recitals 46ff of the offshore surcharge scheme.

\(^{17}\) See recital 21 of the offshore surcharge scheme.

\(^{18}\) Procedure of recovery is set out in paragraphs 48, 49a VwVfG (Verwaltungsverfahrensgesetz) and paragraphs 23, 44 BHO.
The criteria laid down in Article 107(1) TFEU are cumulative. Therefore, for a measure to constitute State aid within the meaning of Article 107(1) TFEU all of the following conditions need to be fulfilled. The aid must:

- be granted by the State or through State resources,
- favour certain undertakings or the production of certain goods,
- distort or threaten to distort competition, and
- affect trade between Member States.

3.1.1. Economic activity and notion of an undertaking

The concept of an undertaking covers any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed. Any activity consisting in offering goods and services on a given market is an economic activity.

As the scheme is aimed at undertakings which provide electric-powered railway transport of passengers or freight on a given market, the beneficiaries in question are undertakings according to this definition.

3.1.2. Selective advantage

The notified scheme contains an advantage for railway undertakings compared to undertakings providing other modes of transport which do not receive aid for improving their technologies and techniques. Furthermore, the advantage is granted only to electric-powered rail transport and not to rail transport using diesel. External costs of the supported undertakings will be reduced compared to non-aided undertakings.

As the advantage is confined to certain segments of the transportation market (electrical rail transport) it is of a selective nature.

3.1.3. State resources and imputability

The aid is granted through State resources as it is financed out of the German Federal Energy- and Climate Fund and is imputable to the State, as it is granted by law through the Federal Ministry of Transport and Digital Infrastructure.

3.1.4. Distortion of competition and effect on trade between the Member States

In accordance with settled case law, for a measure to distort competition, it is sufficient that the recipient of the aid competes with other undertakings on liberalised markets.

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The Commission notes that when aid granted by a Member State strengthens the position of an undertaking compared with other undertakings competing in intra-Union trade, the latter must be regarded as affected by that aid.

Since the above-mentioned scheme concerns markets which have been liberalised, the Commission considers that the measure is liable to distort competition and to have an effect on intra-EU trade.

3.1.5. Conclusion on the existence of aid

For the reasons stated above, the Commission considers that the notified aid scheme constitutes State aid.

3.2. Lawfulness of the aid

Germany has not yet put the planned aid measures into effect. Thus Germany complied with the standstill clause set out in Article 108(3) TFEU.

3.3. Compatibility of the aid

Article 93 TFEU states that "aids shall be compatible with the Treaties if they meet the needs of coordination of transport or if they represent reimbursement of the discharge of certain obligations inherent in the concept of a public service".

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

This approach reflects also the fact that, in view of Articles 3 TEU\(^{22}\) and Articles 6 and 191 TFEU, the environmental objectives of the Treaty have to be pursued inter alia through the Common Transport Policy. Rail transport generates lower negative externalities than road transport in terms of accident and pollution costs, noise, climate or congestion costs. In general this transport mode also has considerable spare capacity and can therefore play a role in shifting traffic away from the congested parts of the road networks.

Footnote 10 of the Guidelines on State aid for environmental protection and energy 2014-2020\(^{23}\), stipulates that those Guidelines are without prejudice to the Community Guidelines on State aid for railway undertakings (the "Railway Guidelines")\(^{24}\) and refer explicitly to aid for reducing external costs of rail transport and section 6.3 of the Railway Guidelines. It is further set out in the quoted footnote that provided all the conditions of Section 6.3 of the Railway Guidelines are fulfilled and provided the aid is granted without discrimination, Member States may grant aid for reducing external costs.

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Thus, the Commission has assessed the notified aid scheme on the basis of section 6 of the Railway Guidelines (points 85 to 117 - Aid for the coordination of transport) and its sub-section 6.3. (points 101 to 112 - Criteria for aid for rail infrastructure use, reducing external costs and interoperability).

According to Point 95 of the Railway Guidelines, aid that 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 the aid must not jeopardise the general interests of the European Union.

According to Point 98 of the Railway Guidelines, aid for the needs of transport coordination can take several forms including aid for reducing external costs that is designed to encourage a modal shift to rail because it generates lower external costs than other modes such as road transport.

3.3.1. Eligible costs

The Railway Guidelines state in Point 103 that, "as regards aid for reducing external costs, the eligible costs are the part of the external costs which rail transport makes it possible to avoid compared with competing transport modes".

Point 105 of the Railway Guidelines provides that Member States have to provide a transparent, reasoned and quantified comparative cost analysis between rail transport and the alternative options based on other modes of transport. The methodology used and calculations performed must be made publicly available.

To assess the eligible costs for the measure at stake, Germany provided the Commission with two studies as mentioned in recitals (15) and 16.

Germany concluded that as the main competitor of both, electrical passenger and freight railway transport is road transport, the external costs generated by the rail sector have to be compared to those generated by road transport.

Firstly, the Commission notes that the choice of whether rail transport is powered from an electricity supply or by using diesel is in principle prescribed depending whether a route is electrified or not. Therefore, the Commission considers that electrical rail transport does not compete directly against rail transport by diesel and that therefore rail transport powered from diesel does not constitute the correct benchmark. Consequently, the Commission concurs with Germany that the main competitor of rail transport is road transport. As road transport represents the highest cost differential with rail, the Commission finds that the external costs generated by rail transport have to be compared with those generated by road transport.
The Commission notes that both studies mentioned in recitals 15 and 16 are public and can be accessed via the internet. They are based on data on external costs which the Commission finds methodologically sound. Both studies explicitly explain the methodology and calculations used.

The Commission compared the methodology of the two studies with the methodology used in the Commission’s Handbook on External Costs of Transport by Ricardo-AEA\textsuperscript{25} and reaches the conclusion that the methodology of the two studies is very similar to that of the Commission’s handbook. In addition, the figures and values of the two studies and the handbook are in the same range of magnitude.

The Commission is therefore of the opinion that the comparative cost analysis in the two studies provided by Germany is, in line with point 103 of the Railway Guidelines, fully transparent, reasoned and quantified.

A study by the Joint Research Centre (JRC) analysed the average external costs for railway and for road transport in Germany on the basis of the following cost elements: accidents, noise, pollutants, climate costs, infrastructure and congestion\textsuperscript{26}. This study estimates that total costs for Germany for rail transport amount to EUR 7.3 per 1 000 tkm, whereas the same data for road transport result in an amount of EUR 30.6 per 1 000 tkm.

The Commission notes that the calculation of external costs in the transport sector implies complex calculations and long term data investigations. This results in a significant delay between the period studied and the establishment of the final results. The two studies submitted by Germany show a very similar result, although a three year period has passed in-between the studies. Furthermore, the results are similar to the more recent study of 2016 by the JRC. Based on the trend observed in the time span between the studies provided by Germany and the JRC study the Commission is confident that this trend has continued until today and that therefore no significant deviations in the external costs caused by the different modes of transport have taken place.

The Commission therefore considers that the data presented by Germany remain valid and that the resulting conclusions can be taken into consideration for the compatibility assessment. The JRC study confirms the finding of the studies presented by Germany. The Commission concludes that the eligible costs of the scheme correspond to the part of the external costs which rail transport makes possible to avoid compared with road transport.

The eligible costs are the part of the external costs which electric rail transport makes it possible to avoid compared with road transport. Taking into consideration the significant difference between external costs from rail transport and external costs from road transport, external costs generated by rail passenger


and freight transport constituting less than 25% of the external costs caused by road transport, the yearly budget of the scheme which is limited to EUR 100 million and the yearly number of passenger km of ca. 95 billion respectively ca. 116 billion tonnes km (both 2016 data), the Commission finds it unlikely that, even if more recent data would slightly differ from the above mentioned studies, the aid amount which is limited to 50% of the investment costs would exceed the eligible costs set out by the Railway Guidelines.

3.3.2. Necessity and proportionality of the aid

(62) The Railway Guidelines in sub-section 6.3.2. (points 107 to 111) state that for aid to reduce external costs, the aid has to be strictly limited to compensating the opportunity costs connected with the use of rail transport rather than with the use of a more polluting mode of transport. There is a presumption of necessity and proportionality of the aid when the intensity of the aid for reducing external costs stays below 30% of the total costs of rail transport, and does not exceed 50% of the eligible costs (point 107 b of the Railway Guidelines).

(63) Where there are several competing options which cause higher levels of pollution then rail transport, in line with point 109 of the Railway Guidelines the aid has to be limited to the highest cost differential among the various options. As stated in recital (14), the Commission deems it appropriate to assume that road transport represents the highest cost differential with rail.

(64) The Commission notes that the intensity of the aid stays below 50% of the eligible costs. According to the studies submitted by Germany the difference between overall external costs for rail (EUR 2.5 billion) and road transport (EUR 76.9 billion) amounts to around EUR 74.4 billion per year. 50% of this are 37.2 billion per year. The total eligible costs for which the presumption of necessity and proportionality applies therefore amount to EUR 37.2 billion per year whilst the total yearly budget of the scheme only amounts to EUR 100 million which is far below the limit of EUR 37.2 billion until which the presumption of necessity and proportionality would apply.

(65) The Commission also finds that the aid intensity does not exceed the maximum of 30% of the total costs of rail transport. Energy costs in railway transport constitute just a small part of the total costs generated by rail: energy costs for passenger transport amount roughly to 10% of total costs and to 16% for freight transport. As the maximum aid amount is limited to 50% of investment cost in energy efficiency measures there is no risk that the limit 50% of total costs will be exceeded.

(66) The Railway Guidelines stipulate in Point 110 that: "At any rate, 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

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shipper, since it is they who make the choice between rail and the more polluting transport modes such as road”.

(67) The Commission notes that the notified aid scheme does not provide for an explicit obligation for the beneficiaries to pass on the aid to the final users. However, as mentioned in recital (26), the Guideline and the yearly aid amount will be publicly accessible. In addition, as the scheme is in the public domain, the attention of the business partners of the beneficiaries will be drawn to the aid measure. It can therefore be expected that business partners of the beneficiaries will demand to participate in the advantage granted to the railway companies in their price negotiations.

(68) Finally, according to Point 111 of the Railway Guidelines, there must be realistic prospects of keeping the traffic transferred to rail so that the aid leads to a sustainable transfer of traffic.

(69) The Commission notes, based on an assessment of the market situation provided by Germany, that beneficiary railway undertakings are in a highly competitive situation. Therefore, financial benefits will be passed on to customers/consumers. The reduced electricity consumption will lead to reduced electricity costs. Reduced electricity costs - at least after the investment has paid off - should lead to lower prices for customers/consumers which will contribute to maintaining a sustainable transfer of traffic from road to electrically powered rail transport where this mode of transport is available.

(70) Hence, the Commission concludes that the aid is proportionate and necessary and that there are realistic prospects that the aid leads to a sustainable transfer of traffic.

3.3.3. The aid is granted on non-discriminatory terms and the aid scheme is transparent

(71) Germany confirms that access to aid will be granted in a non-discriminatory manner. Any eligible beneficiary who applies for aid under the present scheme will have access to the aid provided all the eligibility conditions set out in section 2.7 above are satisfied and will be granted the aid applying the mechanism set out in recitals 20 to 22. The Commission furthermore takes note that the conditions for benefiting from the aid are clearly stipulated in the relevant legal acts which are publicly accessible.

(72) The German authorities confirmed that they will ensure the publication of the relevant information on the notified scheme.

(73) Germany commits to submit annual reports on the implementation of the scheme which will allow the Commission to assess the impact of the scheme.

3.3.4. No effects on competition contrary to the common interest

(74) As regards competition between different transport modes, the measure is limited to reducing imbalances between electrical railway transport on one hand and other, more polluting, modes of 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.
3.3.5. *Cumulation*

(75) As described in recital (27), the aid received under this aid scheme may be cumulated with aid received from other local, regional or national schemes to cover the same eligible expenses as long as the individually applicable maximum aid intensities are respected. Germany commits that additional funding will be deducted from the aid granted under the notified aid scheme and thus overcompensation will be avoided.

(76) The Commission notes that, as described in recitals 28 and 29, Germany operates another aid scheme, the offshore surcharge scheme, to the benefit of railway undertakings operating electrical rail transport. That scheme covers the same eligible costs as the present scheme, i.e. the part of the external costs which rail transport makes it possible to avoid compared with competing transport modes. The Commission further notes that the objectives of the offshore surcharge scheme and the present scheme partially overlap, namely to maintain and promote the competitiveness of the railway sector.

(77) As mentioned in recital 28 the estimated total aid amount from the offshore surcharge scheme is EUR 35 million per year. Adding the aid amount of EUR 100 million to the EUR 35 million emanating from the offshore surcharge scheme leads to a total aid amount for railway undertakings of EUR 135 million. Also that amount does not exceed the maximum allowed aid amount of EUR 37,2 billion (50% of eligible costs).

(78) The Commission therefore concludes that the cumulation rules as laid down in point 124 of the Railway Guidelines are respected.

3.3.6. *Conclusion on the compatibility of the aid*

(79) The present aid scheme fulfils the criteria of section 6 of the Railway Guidelines and can therefore be considered to meet the needs of coordination of transport.
4. **Decision**

(80) 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 TFEU.

(81) 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](http://ec.europa.eu/competition/elojade/isef/index.cfm).

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European Commission,  
Directorate-General Competition  
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[Stateaidgreffe@ec.europa.eu](mailto:Stateaidgreffe@ec.europa.eu)

Yours faithfully  
For the Commission  
Margrethe VESTAGER  
Member of the Commission