



**European Regional
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REVIEW OF THE COMMUNITY GUIDELINES ON FINANCING OF AIRPORTS AND START-UP AID TO AIRLINES DEPARTING FROM REGIONAL AIRPORTS

Dear Madam,
Dear Sir,

ERAC (EUROPEAN REGIONAL AERODROMES COMMUNITY), also acting on behalf of its members IDRF-Interessengemeinschaft der regionalen Flugplätze e.V., Swiss Aerodromes Association SAA and European Air Link, takes this opportunity to deliver some general comments on the Revision of the Community Guidelines on financing of airports and start-up aids to airlines departing from regional airports. ERAC would appreciate to be invited to a discussion about the specific role and needs of regional aerodromes, in order to contribute to the Commission's work on the Revision of the Guidelines. The questions raised are quite substantial.

Airports play a vital role in the European economy. They ensure the connectivity of regions and their citizens, contribute extensively to economic growth and support jobs at local, regional and national level. Consequently, in light of their positive economic impact, airports are a key priority in the framework of national and regional economic policies.

Unfortunately airports below a certain threshold are normally not commercially viable and may need public funding. In addition, these small airports often ensure the territorial connectivity of regions and conurbations and usually do not adversely affect competition in the EU given their limited traffic volume. As elements of a pan-European decentralized air traffic infrastructure, regional aerodromes have to provide access to the air traffic network wherever it is needed. With the focus on traffic not on business, the aerodromes are part of the state remits and the regional aerodrome's profitability cannot be questioned by a pure business economic-approach. Therefore the use of public funds for these infrastructures should be allowed without prior notification.

Regional aerodromes have the same function but they also help to solve the capacity constraints at major airports. They offer space and capacity to aeronautical activities. Business aviation, training, maintenance etc... are mainly located at regional aerodromes. These aircraft operations are of importance for the global economy although the revenue they generate for the airport is lower than in the airline business. The need for additional financing from third parties on regional airports has increased.

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Passenger traffic development of regional airports as well as a partly delocalisation of business aviation operations require appropriate funding. Public funding is motivated by the public interest in providing equitable and efficient access to the aviation system and to the aviation network by all citizens, wherever they live and work.

A single glance at the amount of new regulatory material in the security relevant issues shows an uneven accrual of the requirements to the airports compared to other branches of the transportation system (road, rail, etc.). As these requirements are related to State responsibility areas (terrorism addresses the States, not the transportation means) the need for a more flexible and permissive approach of State Aids in the Aviation sector is made evident.

According to the EU Treaty (Art. 107), aid granted for the development of certain regions and the execution of certain important projects of common economic interest may be considered compatible with the internal market. This must of course also apply to airports and in a general and wide manner to regional airports.

As a general principle, the public financing of airport infrastructure, management and operations for airports in category D should as before be allowed without restrictions. In the light of increased operating costs due to new regulations, the question of a higher volume limit than the present one of 1 Mio passengers should be discussed.

The current guidelines allow public financing of Public Service Obligations (PSO) at airports of all categories carried out in compliance with the Altmark judgment. The scope of these PSOs should be extended up to the management of the airport.

Public financing of activities under State responsibility such as security, air traffic control, police, rescue and fire fighting must be allowed without restrictions.

These are some general comments. Please find enclosed the questionnaire with our answers to specific questions raised in this context and one study (german language).

With best regards

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