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# The Application of State Aid Measures to the Aviation Sector

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## **From a state aid point of view**

Public funding of airports is subject to state aid rules

The Commission has applied the 2005 Aviation Guidelines:

- Investment aid to airports: no thresholds (up to 100%)
- Operating aid to airports: not possible; only as compensation for a service of general economic interest
- Start-up aid to airlines: for marketing costs of launching of a new route

## **Member States' and Stakeholders' view on the application of the 2005 Aviation Guidelines**

The majority of the stakeholders supports a revision of the 2005 Aviation Guidelines. They asked for:

- Simplification and transparency
- More enforcement
- Special rules for small airports and remote areas
- More predictable rules for investment aid
- Rules to avoid distortion of competition between airports located in the same catchment area

## Where we want to go: A "steady state" regime for airports and airlines:

### Investment aid to airports

- ✓ Aid intensities depending on the size (passengers)
- ✓ Necessity and proportionality demonstrated
- ✓ Additional capacity created based on market demand

### Operating aid to airports

- ✓ Not necessary as airports cover their costs (exception small airports → service of general economic interest)

### Start-up aid to airlines

- ✓ Simplified to market demand

## How can we reach the steady state?



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graph LR; A[Current situation] --> B[Transitional period]; B --> C[Steady state regime];
```

Current  
situation

Transitional  
period

Steady  
state  
regime

## How can a transitional period be designed?

### Investment aid

No phasing-in needed



Immediate introduction of the "steady stage"

### Operating aid

Operating aid to airports under certain conditions allowed

## How to assess whether there is aid to airlines by publicly funded airports? → Use market price in the steady state

But now: Appropriate market price benchmarks not available

*In absence of an appropriate market benchmark*

Assessment based on a cost approach

Airlines pay charges corresponding to the costs in accordance with their use of the airport services.

*Thank you for your attention.*