Basic information

2022/0209(NLE) NLE - Non-legislative enactments	Awaiting final decision
Application of Articles 93, 107 and 108 of the TFEU to certain categories of State aid in the rail, inland waterway and multimodal transport sector **Subject** 2.60.03 State aids and interventions 3.20.02 Rail transport: passengers and freight 3.20.04 Inland waterway transport 3.20.07 Combined transport, multimodal transport	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs		
	Shadow rapporteur ROOKMAKER Dorien (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
TRAN Transport and Tourism	DELLI Karima (Greens/EFA)	10/10/2022

Council of the European Union

European Commission

Commission DG	Commissioner
Competition	VESTAGER Margrethe

Key events

Date	Event	Reference	Summary
06/07/2022	Legislative proposal published	COM(2022)0327	Summary
12/09/2022	Committee referral announced in Parliament		
30/11/2022	Vote in committee		
01/12/2022	Committee report tabled for plenary, 1st reading/single reading	A9-0285/2022	Summary

13/12/2022	Decision by Parliament	T9-0432/2022	Summary
13/12/2022	Results of vote in Parliament		

Technical information	
Procedure reference	2022/0209(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consultation of Parliament
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Awaiting final decision
Committee dossier	ECON/9/09557

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE738.741	22/11/2022	
Specific opinion	TRAN	PE739.516	29/11/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0285/2022	01/12/2022	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0432/2022	13/12/2022	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2022)0327	06/07/2022	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Application of Articles 93, 107 and 108 of the TFEU to certain categories of State aid in the rail, inland waterway and multimodal transport sector

2022/0209(NLE) - 06/07/2022 - Legislative proposal

PURPOSE: to adopt a transport enabling regulation allowing the Commission to adopt block exemption regulations for aid to rail, inland waterway and multimodal transport involving a limited risk of competition and trade distortions.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Regulation (EU) 2015/1588 (the 2015 Enabling Regulation) empowers the Commission to declare, by way of regulations, that certain specific categories of aid are compatible with the internal market and are exempt from the notification requirement of Article 108(3) of the Treaty.

While the 2015 Enabling Regulation covers certain categories of aid to undertakings

categories of aid to undertakings operating in different sectors, such as aid in favour of environmental protection, it does not cover, among others, aid to support transport by rail and inland waterway, including multimodal transport.

The rail, inland waterway and multimodal transport sectors have become increasingly relevant at Union level, in the context of the European Green Deal, and the Commission's Sustainable and Smart Mobility Strategy. The strengthening of rail and inland waterway transport, as well as multimodal transport, is an essential component of the green and digital transformation of European transport, which is in turn key to reach the Union's goal of climate neutrality by 2050.

Those objectives cannot be reached without major investments by the Member States. This calls for State aid rules that allow those investments where such public support is necessary while preserving and enhancing competition in rail, inland waterway and multimodal transport.

Pursuant to Article 93 of the Treaty, aid in relation to rail, inland waterway and multimodal transport, meeting the needs of coordination of transport or representing reimbursement for the discharge of certain obligations inherent in the concept of a public service, is to be compatible with the Treaties.

The Commission has applied Article 93, Article 107(1) and Article 108 of the Treaty in numerous decisions concerning certain categories of State aid to undertakings active in the rail, inland waterway and intermodal transport sectors and has developed guidelines for the purpose of assessing certain categories of State aid that are deemed to meet the needs of transport coordination. In the Commission's experience, such aid does not give rise to any significant distortion to competition, provided that it is granted based on open, transparent and non-discriminatory procedures and clear compatibility conditions can be defined on the basis of the experience acquired.

CONTENT: the proposed transport enabling regulation for transport would allow the Commission to **adopt block exemption regulations** for aid to rail and inland waterway transport and to multimodal transport.

The proposed enabling regulation identifies two categories of aid exempted from the notification requirement of Article 108(3) TFEU: (i) **aid for the coordination of transport**; and (ii) **aid for the reimbursement for the discharge of certain obligations inherent in the concept of a public service**. These categories reflect the scope of Article 93 TFEU.

In addition, the proposed Regulation:

- indicates the elements that the Commission will specify in its subsequent regulations to block-exempt from notification under Article 108(3) TFEU the above categories of aid;

- indicates the type of conditions that, in its subsequent block exemption regulations, the Commission may specify in order to ensure the compatibility with the internal market of aid covered by the present proposal. In particular, it should allow the Commission to exclude certain sectors from the scope of the block exemption regulations;

- contains provisions on transparency and monitoring, the period of validity and the amendment of regulations, the hearing of interested parties, the Advisory Committee on State aid and its consultation, and the evaluation report to be drawn up every five years.

The relevant articles of the proposed transport enabling Regulation take account of the provisions of the 2015 Enabling Regulation.

Application of Articles 93, 107 and 108 of the TFEU to certain categories of State aid in the rail, inland waterway and multimodal transport sector

2022/0209(NLE) - 01/12/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Eva Maria POPTCHEVA (Renew, ES) on the proposal for a Council regulation on the application of Articles 93, 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of State aid in the rail, inland waterway and multimodal transport sector.

The committee recommended that the European Parliament approve, unamended, the Commission proposal.

The Transport Enabling Regulation allows the Commission to adopt block exemption regulations for aid to rail and inland waterway transport and to multimodal transport with the objective of promoting green transport. It was adopted by the European Commission on 6 July 2022, in the context of the revision of the State aid Railway Guidelines.

This proposal identifies two categories of aid exempted from the notification requirement of Article 108(3) TFEU: the first category concerns aid for the coordination of transport and, secondly, aid for the reimbursement for the discharge of certain obligations inherent in the concept of a public service. These categories fall under the scope of Article 93 TFEU.

Furthermore, the proposed Regulation indicates the elements (such as the purpose of the aid) that the Commission will specify in its subsequent Regulations to block-exempt from notification under Article 108(3) TFEU on the above referred to categories of aid.

Application of Articles 93, 107 and 108 of the TFEU to certain categories of State aid in the rail, inland waterway and multimodal transport sector

2022/0209(NLE) - 13/12/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 600 votes to 21 with 10 abstentions, following the consultation procedure, a legislative resolution on the proposal for a Council regulation on the application of Articles 93, 107 and 108 of the Treaty on the Functioning of the European Union to certain categories of State aid in the rail, inland waterway and multimodal transport sectors.

Parliament **approved the Commission's proposal** without amendments.

Council Regulation (EU) 2015/1588 (the 2015 Enabling Regulation) empowers the Commission to declare, by way of regulations, that certain specific categories of aid are compatible with the internal market and are exempt from the notification requirement of Article 108(3) of the Treaty.

The proposed Enabling Regulation for transport will allow the Commission to adopt block exemption regulations for aid to rail and inland waterway transport and to multimodal transport.

The Enabling Regulation identifies two categories of aid exempted from the notification requirement of Article 108(3) TFEU: (i) aid for transport coordination; and (ii) aid corresponding to the reimbursement of certain obligations inherent in the concept of a public service. These categories fall under the scope of Article 93 TFEU.

In addition, the proposed Regulation indicates the elements (such as the purpose of the aid) that the Commission will specify in its subsequent regulations to block-exempt from notification under Article 108(3) TFEU on the above referred to categories of aid.