

## **HT.2635 Dutch response to the public consultation on the European Commission's draft Guidelines on State aid to the air transport sector**

*This response reflects the views of the Dutch 'Interdepartementaal Staatssteun Overleg (hereafter: ISO)'. The ISO is a central State aid coordination body composed of all Dutch ministries and representatives of the regional and local authorities. The Minister of Economic Affairs is responsible for competition policy in the Netherlands and in that context chairs the ISO. The Minister of Infrastructure and Water Management is responsible for aviation policy in the Netherlands.*

This is the response of the Netherlands to the Commission's draft revised Guidelines on State aid to the air transport sector. Robust State aid control is essential to ensure a level playing field and a well-functioning, competitive internal market. At the same time, intervention with State aid may be necessary to address certain market failures and/or to accomplish the goals of European Union interests. This is also true in the context of aviation.

In general, the Netherlands welcomes the revision of the Guidelines on State aid to the air transport sector, one of the State aid frameworks that can be used for State aid in the aviation sector. Although the Netherlands does not often use the current Guidelines, it considers it important to periodically review whether this State aid framework remains fit for purpose. It is important that the European Commission conducted a public consultation in the form of a questionnaire on the review of the current guidelines in 2024/25, as well as an external evaluation study. However, the deadline for the responses to the public consultation on the draft Guidelines on State aid to the air transport sector is very short (only one month). The Netherlands regrets this, as it is important that due care is taken at all stages of the revision process. It should also be noted that these Guidelines are relevant to several granting authorities within the Netherlands, such as regional authorities. Therefore, the Netherlands may send further comments to the European Commission in addition to this response.

Alongside the revision of the Guidelines on State aid to the air transport sector, the Netherlands welcomes the announced guidance paper by the European Commission on the various State aid rules applicable to the air transport sector. This is particularly relevant for the decarbonization of the air transport sector, as the possibilities for such type of aid are laid down in the various State aid frameworks, such as the General Block Exemption Regulation (GBER), the Climate, Environmental and Energy Aid Guidelines (CEEAG) and the Clean Industrial Deal State Aid Framework (CISAF). The Netherlands would appreciate it if the EU Member States were given the opportunity to comment on a draft version of this guidance paper.

Regarding the draft Guidelines on State aid to the air transport sector, the Netherlands welcomes the fact that aid can be granted on the basis of both aid schemes and ad hoc aid measures.

Furthermore, the Netherlands considers it is important that a level playing field within the aviation sector continues to be safeguarded, while ensuring that EU Member States are still able to grant operating aid to regional airports if necessary. In this regard, the Netherlands considers a more restrictive approach to granting operating aid to airports handling fewer than 3 million passengers per year to be broadly in line with these objectives. According to the Netherlands, the current draft Guidelines appropriately addresses this issue.

The Netherlands would also like to draw the European Commission's attention to the definition of 'catchment area' (Section 2.2, paragraph 30) in the draft Guidelines, which, according to the Netherlands, should be the focus. The Netherlands considers that extending the catchment area could potentially disadvantage regional airports that require operating aid, especially if the specific characteristics and circumstances of individual airports are not properly taken into account. The draft Guidelines does not, in the Netherlands' view, provide sufficient clarity regarding the exceptional circumstances in which operating aid may still be granted in light of the extended catchment area. Therefore, additional guidance is required on the rationale behind the amended definition, the expected consequences for airports and Member States, and how the revised catchment area concept should be applied in practice. More detailed information could help to ensure legal certainty and consistent implementation.

Lastly, the Netherlands considers the current draft of the Guidelines to be too narrow in scope in the context decarbonization. To effectively incentivise airlines to deploy battery-electric or hydrogen-powered aircraft on new routes, the State aid rules must allow for greater flexibility in targeted policy mechanisms. Specifically, the Guidelines should allow for partial exemptions from

airport and air navigation service charges, as well as administrative slot charges. This type of aid could help bridge the price gap with kerosene. Also, while the Netherlands welcomes the proposed increased possibilities for granting aid for decarbonisation in the upcoming GBER revision, it is essential that Front-End Engineering Design (FEED) studies, for example for Sustainable Aviation Fuel (SAF) projects and innovative projects not solely involving electric or hydrogen propulsion, remain eligible under the 2026 GBER.