



Assemblée des Régions d'Europe
Assembly of European Regions
Versammlung der Regionen Europas
Asamblea de las Regiones de Europa
Assemblea delle Regioni d'Europa

**Position of the Assembly of European Regions (AER)
on the European Commission proposals
for State aid in the form of public service compensation**
Annex to the AER initial reaction on the State Aid Action Plan

Adopted by the AER Presidium on 12 September in Trieste, Friuli Venezia Giulia (I)

The Assembly of European Regions, gathered in Trieste, Friuli Venezia Giulia, on 12 September 2005,

- *Having regard to the Draft Commission Decision on the application of Article 86(2) of the Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general interest (July 2005),*
- *Having regard to the Community Framework for state aid in the form of public service compensation (July 2005)*
- *Having regard to the amendment to the Commission transparency directive (80/723/EEC) (July 2005)¹*

These 3 documents being mentioned as 'package' in the following Position

- *Having regard to the revised proposal for a regulation on public transport services (July 2005)*
- *Having above all regards to Article 87 of the Treaty, which underlines the compatibility of state aid in the field of regional policies, culture, heritage, employment and such aid being of social character*

Adopted the following statement:

The Assembly of European Regions:

- shares completely the Commission's approach towards aid for SGEI and welcomes the recent adoption of the 3 Commission texts in this area, which contribute to increase legal certainty regarding the financing of services of economic general interest and also indicates to recognise the autonomy of national, regional and local authorities in the definition and arrangements of their public services
- Regrets however the modus operandi of the European Commission, which has decided to adopt these documents before the end of the consultation procedure started with the Member States in 2004
- Underlines also that the decision does not seem to be coherent with the provisions of the Treaty concerning interventions that are not subject to the prior notification requirement: it is not clear why the Commission is referring to the judicial basis of services of general interest (art. 86.3 of the Treaty) to reform State Aid rules, while the proper procedure would be to refer to art. 88 of the Treaty.
- Notes, in addition, that much uncertainty remains, even after the Commission's Decision to grant an exemption from notification for several types of aid. Clarification of how the Commission intends to interpret the "Altmark" test is still needed, especially as regards the

¹ See also the reaction of Friuli Venezia Giulia for additional comments on the Amendments to the transparency directive. Reaction available under

<http://www.a-e-r.org/main-issues/cohesion-regional-policy/state-aid/> (See comment 3 in particular)

