



Commission invites comments on draft revised State aid rules for land and multimodal transport

Brussels, 18 June 2024

The European Commission has launched today a public consultation inviting all interested parties to comment on its draft rules for land and multimodal transport replacing the [Guidelines on State aid for railway undertakings](#) ('Railway Guidelines') as well as on its new Transport Block-Exemption Regulation ('TBER').

Interested parties can respond to the public consultation until 20 September 2024.

The rules laid down in the TBER will be complementary to those set out in the **new Land and Multimodal Transport Guidelines** ('LMT Guidelines') which will replace the Railway Guidelines. In the LMT Guidelines, the Commission sets out the conditions under which it will assess notified public support to sustainable land transport that is not block-exempted. Together, these two sets of rules will form an **up-to date and comprehensive rulebook** for the granting of State aid in the sustainable land transport sector.

The proposals under consultation and all details about the public consultations are available [here](#).

LMT Guidelines

The Railway Guidelines set out the conditions under which aid to railway companies may be considered compatible with the internal market and State aid rules on the basis of Article 93 of the Treaty on the Functioning of the European Union ('TFEU'). The proposed changes aim to:

- **Broaden the scope of the Guidelines** to cover all land transport modes that are less polluting than road-only transport, such as rail, inland waterway transport, and sustainable multimodal transport. Therefore, replacing the current Railway Guidelines by the LMT Guidelines.
- **Consolidate and streamline the Commission's case practice** under the Railway Guidelines and Article 93 TFEU. This would include for example introducing new categories of operating and investment aid, such as aid for the construction of multimodal facilities, aid to launch new commercial connections, and aid that represents reimbursement for the discharge of public service obligations in the rail freight sector.
- **Provide for more flexible rules** for aid that directly contributes to the green and digital transitions, including aid to reduce external costs of transport and to promote interoperability (e.g. easier and safer operation across national rail systems) to boost modal shift from road to more sustainable modes of transport;
- Introduce safeguards to support the **entry and growth of new operators** in the sustainable land transport market, for example by easing their access to finance to purchase rolling stock and inland waterway vessels.

Transport Block Exemption Regulation

The new TBER will declare certain categories of State aid compatible with the internal market and exempt them from the requirement of prior notification to and approval by the Commission, provided that they fulfil certain conditions. These categories of aid to more sustainable modes of transport include certain types of aid in favour of rail, inland waterway and multimodal transport, in particular aid supporting the coordination of transport, that have a limited potential of distorting competition.

This exemption will be a major simplification, which will enable Member States to quickly provide aid where conditions limiting the distortion of competition in the Single Market are met. As a result, a high proportion of currently notifiable State aid measures will in the future be implemented by Member States without the need for prior approval by the Commission. This is in line with the Commission's approach to focus on delivering more and faster, while reducing undue administrative burdens.

Next steps

In addition to the consultation launched today, the draft text of TBER will be discussed in two meetings between the Commission and the Member States. The draft LMT Guidelines will also be discussed in a multilateral meeting with the Member States.

This will ensure that both Member States and other interested parties will have sufficient opportunities to comment on the draft Commission proposals.

The adoption of the revised Guidelines and the new TBER is planned for the end of 2025.

Background

The proposals under consultation follow the conclusions of the [Fitness Check](#) on the existing rules applicable to the land and multimodal transport sector. The [Fitness Check](#) showed that the Railway Guidelines made an important contribution to encouraging a modal shift to rail, which generates lower external costs than other modes of transport such as road, and to promoting interoperability to ensure that the different technical systems of the EU's railways work together. At the same time, the evaluation revealed that adjustments were needed to reflect market and technological developments and the current EU's strategic priorities, including, notably, the [European Green Deal](#) and the [Sustainable and Smart Mobility Strategy](#).

On 1 October 2021, the Commission published an [inception impact assessment](#) concerning the revision of the Railway Guidelines. On the same date, the Commission published a [roadmap](#) concerning an initiative aiming to enable the Commission to adopt a new block exemption regulation for railway, inland waterway and intermodal transport, and to facilitate the granting of aid to promote less polluting transport solutions. On 19 December 2022, the Council adopted an [Enabling Regulation](#) authorising the Commission to adopt a new block exemption regulation for railway, inland waterway and intermodal transport. On 6 March 2024, the Commission published a [call for evidence](#) on the TBER.

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Quotes:

"Today's proposals aim to ensure that our rules on State aid to land and multimodal transport are fit for the green and digital transitions and reflect market developments. The revised rules and the proposed new Regulation will make it easier and faster for Member States to provide funding, without causing undue distortions of competition in the Single Market. We encourage all interested parties to share their views."

Margrethe Vestager, Executive Vice-President in charge of competition policy - 18/06/2024

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