

SUMMARY INFORMATION SHEET ON AID MEASURES IN FORCE ON 1ST MAY 2004 (EXISTING AID)

1. GENERAL ASPECTS

Country: POLAND

Title of the aid measure (English):

Organising and subsidising regional rail passenger transport services, inherent in the concept of a public service and purchase of rolling stock.

Title of the aid measure (Original language):

Organizowanie i dotowanie regionalnych kolejowych przewozów pasażerskich wykonywanych w ramach obowiązku służby publicznej oraz nabywanie kolejowych pojazdów szynowych.

Legal basis (precise reference):

Art. 22 of the Law of 27 June 1997 on railway transport (*Journal of Laws of 1997 No 96, item 591, as amended*), replaced by Article 40 of the Law of 28 March 2003 on railway transport (*Journal of Laws of 2003 No 86, item 789, as amended*);

The Ordinance of the Council of Ministers of 5 December 2000 on detailed rules of organising and subsidising regional and interregional rail passenger transport and on the procedure of carrier selection (*Journal of Laws of 2000 No 107, item 1131, as amended*), replaced by the Ordinance of the Council of Ministers of 21 April 2004 on organising regional rail passenger transport (*Journal of Laws of 2004 No 95, item 953*);

Ministry or other administrative body responsible for the measure and its implementation:

Ministry of Infrastructure, regional government;

Person(s) to contact:

Agata Mazurkiewicz,
telephone number: 48 22 55 60 144
e-mail: amazurkiewicz@uokik.gov.pl

Level at which the measure is administered (central government, regional, other)?

Regional government;

When did the measure enter into effect?

27/10/2000 – the date of entry into force of the amendment of the Law of 27 June 1997 on railway transport, introducing the aid measure;

1/06/2003 – the date of entry into force of the Law of 28 March 2003 on railway transport;

What is the duration of the measure (expiry date)?

Unlimited duration;

2. DESCRIPTION OF THE MEASURE

Which transport sector is eligible (rail, aviation, maritime, etc.)?

Rail;

What are the main aim(s) and objectives of the aid?

The main objective of the measure is to ensure the provision of adequate transport services inherent in the concept of public service obligation, taking into account the demand of the region and the supply provided by transport undertakings;

Form of the measure (scheme, ad hoc, individual)

Aid scheme;

What are the instruments (or forms) of aid:

Direct grant – compensation in respect of financial burdens devolving upon rail undertakings resulting from public service obligation to carry imposed on them;

For each instrument of aid please give a short description of the conditions applying to the instrument.

Organising and subsidising regional rail passenger transport services inherent in the concept of a public service and purchase of rolling stock belong to the own tasks of regional governments. These tasks are financed from regional governments' own resources and are executed on the basis of the agreement concluded between regional authorities and railway undertakings. Railway undertakings, engaged in other economic activity apart from the provision of services inherent in the concept of public service obligation, are obliged to conduct separate accounting for services inherent in the concept of public service obligation. These undertakings are not allowed to transfer State aid resources to activity other than services inherent in the concept of public service obligation.

Railway undertaking providing services inherent in the concept of public service obligation is obliged to inform regional authorities about his intention to terminate provision of these services at the latest 6 months before the new timetable takes effect. The regional government may forbid the termination of aforementioned services, provided that it compensates testified financial burdens, which may thereby be devolved on transport undertaking.

The procedure of undertakings' selection is set on the basis of the public procurement provisions. The Ordinance of the Council of Ministers of 21 April 2004 on organising regional rail passenger transport introduced the exception from this rule for services provided by undertakings in which regional authorities have majority of voices on the general meeting of shareholders or are in the right to appoint the majority of the Supervisory Board.

Budget: give the overall budget made available for the measure (in local currency and Euro).

Available budget depends on regional authorities and is adopted in accordance with regional demand for passenger transport services;

Is the budget adopted annually? If yes, what is the average annual budget?

Yes. Estimated budget available for the measure in years 2003 – 2006:

Year	PLN thousands		EUR thousands (net grant equivalent of aid)*
	Nominal value of aid	Net grant equivalent of aid	
2003	300 000,0	219 000,0	48 965,9
2004	538 000,0	435 780,0	97 435,4
2005	550 000,0	445 500,0	99 608,7
2006	600 000,0	486 000,0	108 664,0

* average foreign exchange rate announced by the National Bank of Poland prevailing as at the 20th August 2004 (Tabela kursów nr 163/A/NBP/2004 z dnia 2004-08-20) – 1 EUR = 4.4725 PLN

Specify the eligible beneficiaries (i.a. their character and estimated number).

Railway undertakings providing passenger transport services

Is the aid available on non-discriminatory basis, open to all potential beneficiaries, irrespective of nationality?

Yes

What are the eligible costs?

The costs of providing and organising regional rail passenger transport services and costs of purchase of rolling stock. The significant part of the aid granted under the measure constitutes compensation in respect of financial burdens devolving upon rail undertakings resulting from imposed on them public service obligation (obligation to carry). In this case eligible costs are equal to the difference between costs of providing these services and revenues from tickets;

What is the maximum aid intensity?

As far as organising regional rail passenger transport services is concerned the prevailing part of aid is granted in respect of public service obligation imposed on railway undertakings. The compensation granted in respect of financial burdens, that result from public service obligation is equal to the difference between costs incurred by railway undertaking due to a.m. obligation and revenues from tickets. In case of purchase of the rolling stock the maximum aid intensity does not exceed the eligible costs.

Specify the criteria according to which the amount of aid and/or the aid intensity has been calculated.

As above;

Does the measure provide “operating aid”? If “Yes”, please provide details.

No;

If the measure relates to services of general economic interest or public service obligations, please specify by what means this task has been entrusted to the undertaking and how compensation is calculated.

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- the amount of grant, undertaking is applying for,
- offers, which satisfy demand for transport services,
- offered punctuality and frequency of trains' runs,
- offered travelling comfort,
- costs of providing transport services,
- planned transport rates to be quoted to users ,
- planned to usage of rolling stock owned by the regional government setting order,
- passengers' safety;

The public service contract should contain at least:

- detailed description of task, including indices for services quality assessment and assessment procedures,
- the amount of grant for services provided inherent in concept of public service obligation,
- the procedure of tasks accomplishment control,
- rules concerning grant calculation, return of not used grant and the way of calculation of carriages' deficit,
- consequences of non-completion or inadequate completion of agreement,
- scope and conditions of usage of rolling stock owned by the regional government;

The agreement should be concluded not later than 6 months before timetable entry into force;

May the aid in question be cumulated with any other aid measures in operation and if so, does the measure contain provisions limiting the cumulation of aid?

No;

Does the aid measure fall within existing exemption regulations or guidelines? If so, please specify.