

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):

Compensation in respect of financial burdens devolving upon passenger rail transport by reason of the application of reduced prices of tickets imposed in the interest of particular categories of persons.

Title of the aid measure (Original language):

Rekompensata dla przedsiębiorstw świadczących kolejowe przewozy pasażerskie z tytułu stosowania ulgowych biletów na przejazdy środkami publicznego transportu zbiorowego dla określonych kategorii pasażerów.

Legal basis (precise reference):

The Act of 20 June 1992 on rights to reduced tickets prizes in public mass transport means (Journal of Laws of 2002 No. 175, item 1440, as amended);

Article 39 of the Act of 28 march 2003 on rail transport (Journal of Laws No. 86, item 789, as amended);

Act of 26 November 1998 on public finances (Journal of Laws of 2003 No. 15, item 148, as amended);

Act of 23 January 2004 the Budget Law (Journal of Laws No. 17, item 167);

Ordinance of the Minister of Finance of 12 February 2004 on grants designed for railway passenger services (Journal of Laws No. 23, item 201).

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

Ministry of Infrastructure

Person(s) to contact:

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

Central government

When did the measure enter into effect?

01/01/1993 – entry into force of the Act on rights to reduced tickets prices in public mass transport means;

31/05/2003 – entry into force of the Act on rail 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?

Compensation for railway undertakings for implementation of public service obligation (tariff obligation), which is application of rights to reduced prices of tickets, for certain categories of passengers on public mass transport means in regular passenger services.

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

Scheme

What are the instruments (or forms) of aid, ex.:

Direct grant

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

In accordance with the Act on rights to reduced prices of tickets in public mass transport means certain categories of persons, such as children and young people, students, disabled persons or pensioners have the right to concession tickets. Due to this Act, as well as the Act on rail transport, railway undertakings, carrying out passenger transport services have the right to compensation for lost revenues. The maximum level of compensation is determined each year in the budget law. The Ordinance of Minister of Finance on grants designed for railway passenger services sets the scope, conditions and procedure of granting compensation for railway undertakings. The amount of compensation should be equal to the lost revenues, decreased by the Value Added Tax. The calculation should be based on the actual, documented and recorded sales of tickets with discounts. The beneficiary should take into account unused and cancelled tickets returned to railway undertaking.

Conditions:

- Submitting the application (in the form enclosed to the a.m. Ordinance) for a grant supported by one original copy of the grant calculation, checked and endorsed by the tax office, including an account number for the purpose of transferring the grant.

- Final calculation of lost revenues for a given year should be submitted by 28 February of the following year.

- Beneficiaries receiving grants are required to keep records (by means of accounting system or off such accounting system) for the purpose of the grant calculation. Such records must enable identification of the value and volume of products sold, separately for each grant rate applicable, and the level of grant.

-If the above mentioned records are not kept, the grants received by the beneficiary during a fiscal year shall be returned in whole, including the interests.

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

The budget is adopted annually

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

For the year 2004 the annual budget accounts to PLN 370 Million (EUR 81.01 Million). The amount of grant for the following years will be determined by subsequent budget.

In 2003 the annual budget of the aid accounted to PLN 200 Million (EUR 43.79 Million).

In 2002 the annual budget of the aid accounted to PLN 300 Million (EUR 65.69 Million).

The equivalent of the aid in EUR is determined in accordance with the average foreign exchange rate announced by the National Bank of Poland prevailing as at the 25th June 2004 (Tabela kursów nr 123/A/NBP/2004 z dnia 2004-06-25) – 1 EUR = 4.5671 PLN.

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

Railway undertakings for passenger services. Currently – 4

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

Aid is granted on non-discriminatory basis to all railway operators of passenger services, irrespective of nationality.

What are the eligible costs?

Amount of revenues lost due to the application of discounted prices of tickets, reduced by Value Added Tax, taking into consideration actual, evidenced and documented sale of tickets.

What is the maximum aid intensity?

The aid may cover at most 100 per cent of the eligible costs, but not exceeding amount foreseen under the Budget Law. The Budget Law for the year 2004 envisaged the reserve, which may be used when a. m. amounts will not cover 100 % of lost revenues.

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

The amount of aid is equal to the value of tariff revenues lost as a result of the executing of rights to reduced tickets, decreased by the Value Added Tax, on the basis of actual, documented and recorded sales of the of tickets with discounts. The beneficiary should take into account unused and cancelled tickets returned to railway undertaking.

The basis for the calculation of compensation excludes the value of:

- 1) surcharges for change of train class or type by passengers,*
- 2) one-time surcharges for particular types of trains,*
- 3) other receivables related to passenger services collected by ticket collectors on trains,*

collected by the railway operator.

The intensity of the aid and the maximum amount of aid are set each year by Ordinance of the Minister of Finance, adopted on the basis of art. 72 of the Act on state finances.

In 2004 the intensity of the aid and the maximum amount of aid are set by the Ordinance of the Minister of Finance of 12 February 2004 on grants designed for railway passenger services.

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.

The aid is granted in the form of a compensation for railway-undertakings in respect of financial burdens devolving upon passenger transport by reason of application of reduced prices imposed in the interest of particular categories of passengers.

The obligation was imposed on railway undertakings by the Polish authorities in the Act on rights to reduced tickets prices in public mass transport means.

The method of calculating the compensation is explained in the answer specifying the criteria according to which the amount of aid is calculated.

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?

The aid may be granted also to beneficiaries receiving assistance under other aid schemes, e. g. under article 40 of the Act of 28 March 2003 on rail transport (Journal of Laws No. 86, item 789, as amended).

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

The aid measure exercises the provisions set in article 1 item. 6 of Regulation (EEC) No 1191/69 of the Council of 26 June 1969 on action by Member States concerning the obligations inherent in the concept of public service in transport by rail, road and inland waterway (OJ L 156, 28/06/1969, p. 1, as amended).