



EUROPEAN COMMISSION

Brussels, 30.05.2023  
C(2023) 3645 final

PUBLIC VERSION

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**Subject: State Aid SA.104156 (2023/N) – Italy  
Sea Modal Shift incentive**

Excellency,

## **1. PROCEDURE**

- (1) On 17 March 2023, following pre-notification contacts, the Italian authorities notified to the European Commission ('Commission') an aid scheme providing financial incentives to road hauliers to use intermodal road–short-sea shipping transport instead of road-only alternatives ('measure'), in accordance with Article 108(3) of the Treaty on the Functioning of the European Union ('TFEU').
- (2) Italy exceptionally agreed to waive its rights deriving from Article 342 TFEU, in conjunction with Article 3 of Council Regulation (EEC) 1/1958 of 15 April 1958 determining the languages to be used by the European Economic Community <sup>(1)</sup>, and to have this Decision adopted and notified in English.

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<sup>(1)</sup> OJ 17/1958.

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## 2. DESCRIPTION OF THE MEASURE

### 2.1. Objective and scope of the measure

- (3) The measure aims at promoting intermodal road–short-sea shipping transport to shift freight traffic off the roads, thereby reducing the environmental, health and social impact of road traffic and the congestion of road infrastructures. To pursue these objectives, the measure partially covers the higher costs of short-sea shipping ('SSS') legs vis-à-vis the road-only alternatives in the context of road-SSS intermodal transport. The subsidised intermodal services are roll-on/roll-off<sup>(2)</sup> transport services, i.e. intermodal services for the transport of wheeled cargo (lorries, trailers, semi-trailers etc.) on dedicated vessels and ferries (Ro-Ro, Ro-Pax).
- (4) The Italian authorities explained that road freight traffic is predominant in Italy and amounted to more than 85 % of total freight traffic in 2019. This is mainly due to its lower cost compared to other transport options, but also to the morphology of the Italian territory and the existing infrastructural connections between production and distribution hubs. SSS, on the other hand, covered less than 10 % of overall freight transported within Italy in 2019<sup>(3)</sup>.
- (5) The Italian authorities also explained that freight transport operators generally prefer road-only transport to road-SSS alternatives, even when the distance to be covered on the road is considerably longer than the one using intermodal alternatives, such as roll-on/roll-off transport. Indeed, according to the Italian authorities, in addition to lower costs, road transport also offers more flexibility and efficiency, as it allows road hauliers to arrange multiple deliveries by making intermediate stops between the place of departure and the final destination.
- (6) Furthermore, the Italian authorities pointed out that, given that SSS is offered at fixed times of the day or of the week, it is often not possible for road hauliers to use it, especially when goods need to be delivered within specified times<sup>(4)</sup>. Moreover, SSS imposes waiting time to embark and disembark vehicles on and off cargo ships and ferries, thus limiting the flexibility of the distribution systems, in particular for quickly perishable goods.
- (7) Road traffic, however, produces negative externalities that affect society as a whole. The Italian authorities stressed that, due to climate change, the environmental externalities of road transport presently have a stronger impact

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<sup>(2)</sup> Roll-on/roll-off is defined in the OECD's Glossary for transport statistics (5th edition - 2019) as '*the loading/unloading through the vessel's doors/ramps by a wheeled means of conveyance*'.

<sup>(3)</sup> These data are presented in the study *Mobilità e logistica sostenibili. Analisi e indirizzi strategici per il futuro* (the so-called 'MOVEO' study), published on 21 October 2022 by the Italian Ministry of Infrastructures and Transport ('Ministry of Transport'). The data only refer to national SSS (i.e. SSS between two Italian ports), as the total account of freight transported in Italy is only marginally influenced by international SSS.

<sup>(4)</sup> Freight transport within Italy relies mainly on road and to a much lesser extent on rail. This is especially true in the case of perishable goods such as fruits, vegetables and fresh dairy products that represent the main share of the freight road traffic from Southern Italy, where they are produced, to Northern Italy, and whose transport needs refrigerated vehicles. Less than 10% of the freight traffic within Italy relies on SSS.

than in the past. They submitted that recent studies have shown that for each tonne moved by Ro-Ro, 44 kg of CO<sub>2</sub> are avoided <sup>(5)</sup>.

- (8) Against this background, the Italian authorities explained that the measure is needed to encourage multimodal transport solutions and boost the modal shift towards modes of transport that entail less negative externalities, such as SSS.
- (9) According to the Italian authorities, the measure is part of a holistic strategy put in place by Italy in recent years to complement the existing public incentives to support intermodal infrastructure <sup>(6)</sup> and to shift freight traffic from road to transport modes that entail less negative externalities, such as rail or waterborne transport (SSS and inland waterways) <sup>(7)</sup>.
- (10) The measure also contributes to pursuing the objectives of the Italian ‘National Strategic Plan for Port and Logistics Activities’ <sup>(8)</sup>, which aims at promoting the intermodal transport chain and developing waterborne transport.
- (11) The Italian authorities highlighted the complementarity between the measure and the ‘Marebonus’ aid scheme, initially approved by the Commission in 2016 <sup>(9)</sup> to encourage the modal shift towards SSS. The ‘Marebonus’ scheme supported the launch of new coastal and short-sea services by providing grants to the SSS carriers, i.e. the shipowners, to create the conditions necessary to make road-SSS intermodal transport possible.
- (12) The measure notified by the Italian authorities aims at incentivising road hauliers to choose intermodal roll-on/roll-off transport by reducing the price they pay to embark their vehicles on ferries. Therefore, by reducing the higher cost of intermodal transport as compared to road-only transport, the notified measure will directly encourage the beneficiaries to switch from road-only to an intermodal alternative that entails less negative externalities, therefore ultimately supporting the modal shift.
- (13) The Italian authorities also stressed the coherence of the measure with the Union’s transport policies and, more specifically, with the Commission’s Communication ‘Sustainable and Smart Mobility Strategy – putting European

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<sup>(5)</sup> Source: Italian Maritime Economy – 8<sup>th</sup> annual report 2021, SRM Centro Studi e Ricerche.

<sup>(6)</sup> See the block-exempted case SA.59921 (2020/X), Interventi per il completamento della rete nazionale degli interporti con particolare riferimento al mezzogiorno, published on 2 December 2020.

<sup>(7)</sup> For rail transport, the Italian authorities referred to the Commission decision of 24 November 2016 in case SA.44627 (2016/N), Italy – ‘Ferrobonus’ - incentive for rail transport, OJ C 83 17.03.2017. The ‘Ferrobonus’ scheme was most recently prolonged by Commission Decision of 19 December 2022 in case SA.103856 (2022/N) – Italy – ‘Ferrobonus’ – Incentives for rail transport, OJ C 110 24.03.2023. For waterborne transport, the Italian authorities made reference to the Commission Decision of 19 December 2016 in case SA.44628 (2016/N) – Italy, ‘Marebonus’ - scheme to incentivise the highways of the sea, OJ C 68 03.03.2017. A budget increase of the scheme was approved by Commission Decision of 19 December 2021 in case SA.59183 (2020/N), Italy - Budget increase for the ‘Marebonus’ scheme SA.44628 (2016/N) to incentivise highways of the sea, OJ C 94 19.03.2021.

<sup>(8)</sup> Piano Strategico Nazionale della Portualità e della Logistica. Available online at <https://www.mit.gov.it/node/95>.

<sup>(9)</sup> See footnote 7.

transport on track for the future’ (‘Sustainable and Smart Mobility Strategy’) <sup>(10)</sup>, which sets the goal of shifting road freight transport to inland waterways and SSS by 25 % by 2030, and by 50 % by 2050.

## **2.2. Legal basis of the measure**

- (14) The legal basis of the measure are Article 1(672) of Law 178 of 30 December 2020 (budget law for year 2021), in conjunction with Article 1(647) of Law 208 of 28 December 2015 (budget law for year 2016), which allow the granting of contributions in support of road hauliers that use SSS to transport their vehicles from an Italian port to a different port in Italy or within the European Economic Area (‘EEA’).
- (15) The Italian Ministry of Transport and the Italian Ministry of Economy and Finance (‘Ministry of Economy’) will issue a decree defining the essential elements of the measure (‘decree’).
- (16) The Italian authorities submitted a draft of the decree to the Commission. The draft decree contains a standstill clause pursuant to Article 108(3) TFEU.
- (17) The Italian authorities confirmed that no grant has been awarded and no grant will be awarded under the measure until the notification of the Commission’s decision approving the measure.

## **2.3. Duration and budget of the measure**

- (18) The grants under the measure may be awarded as of the notification of the Commission’s approval until 31 December 2027.
- (19) The overall budget of the measure amounts to EUR 125 million. The measure is financed directly from the budget of the Italian State.

## **2.4. Granting authority, administration and form of the measure**

- (20) The granting authority will be the Italian Ministry of Transport through RAM Logistica Infrastrutture e Trasporti S.p.A. (‘RAM’), a company whose shares are fully owned by the Italian Ministry of Economy and that will be responsible for the concrete administration of the measure and the relations with beneficiaries.
- (21) The measure will take the form of direct grants.

## **2.5. Beneficiaries of the measure**

- (22) The beneficiaries of the measure will be road hauliers established in the EEA using SSS to transport their cargo vehicles on eligible routes.
- (23) To be eligible for support under the measure, road hauliers will have to be fully compliant with the national and Union environmental, competition, labour, and safety rules applicable to their activities.

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<sup>(10)</sup> COM (2020) 789 final of 09.12.2020. Available online at: [https://ec.europa.eu/transport/themes/mobilitystrategy\\_en](https://ec.europa.eu/transport/themes/mobilitystrategy_en).

- (24) Furthermore, undertakings in difficulty as defined in the Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty <sup>(11)</sup>, and undertakings subject to an outstanding recovery order following a previous decision of the Commission declaring an aid unlawful and incompatible with the internal market, are excluded from the scope of the measure.
- (25) The estimated number of beneficiaries is between 100 and 500.

## 2.6. Eligible routes

- (26) As explained in recital (22), the support under the measure will be granted for cargo vehicles transported on eligible SSS routes.
- (27) The Italian authorities identified a number of eligible routes based on the availability of roll-on/roll-off services. Following the evolution of the market for roll-on/roll-off services, the Italian Ministry of Transport may identify additional eligible routes. For each eligible route, the avoided road kilometres, which cover the distance, through road connections, between the port of departure and the port of destination, are calculated. The decree provides that only the avoided road kilometres on the Italian road infrastructure are taken into account <sup>(12)</sup>. Moreover, the Italian authorities explained that a reduction coefficient is applied to Adriatic routes (i.e. routes connecting eastern Italy to Croatian and Greek ports), in consideration of the longer time required to drive from one side of the Adriatic basin to the other vis-à-vis the comparably shorter duration of the waterway journey. The Italian authorities indicated that those criteria will be applied for calculating avoided road kilometres to each eligible route.

## 2.7. Eligible costs and intensity of the measure

- (28) The costs eligible for support under the measure will be the external costs that SSS makes it possible to avoid compared to road-only transport.
- (29) When considering eligible costs, the Italian authorities have conformed to the values of the latest version of the Commission’s Handbook on the external costs of transport (the ‘Handbook’) <sup>(13)</sup>. Both environmental and socio-economic external costs were considered and are expressed in EUR-cent per tonne-kilometre (‘tkm’):

Table 1 - Average external costs of road freight transport and short-sea shipping

Average external cost element	Road freight transport	Short-sea shipping
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<sup>(11)</sup> Communication from the Commission — Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty, OJ C 249 31.07.2014, p. 1.

<sup>(12)</sup> Therefore, for international destinations to Western Europe, the avoided road kilometres have been calculated taking as a point of destination the city of Ventimiglia, which lies at the border with France. For international destinations to the eastward, the avoided road kilometres have been calculated taking as a point of destination the city of Gorizia, on the Slovenian border.

<sup>(13)</sup> Version 1.1 (2019). Available at <https://op.europa.eu/en/publication-detail/-/publication/9781f65f-8448-11ea-bf12-01aa75ed71a1>.

Accident <sup>(14)</sup>	1.30	/
Air pollution <sup>(15)</sup>	0.76	0.44
Climate change <sup>(16)</sup>	0.53	0.16
Noise <sup>(17)</sup>	0.40	/
Congestion <sup>(18)</sup>	0.79	/
Well-to-tank <sup>(19)</sup>	0.20	0.06
Habitat <sup>(20)</sup>	0.19	/
<b>Total</b>	<b>4.17</b>	<b>0.66</b>

- (30) The support under the measure will take the form of a grant for each vehicle transported through SSS, i.e. it will be calculated in EUR-cent per vehicle-kilometre ('vkm'). The grants will be calculated on the basis of the kilometres on the Italian road network avoided by using a substitute SSS connection. Such grants will cover up to 50 % of the eligible costs. To calculate the maximum support that may be granted per vehicle, the Italian authorities considered a 17.1 tonne unit heavy goods vehicle ('HGV') <sup>(21)</sup>.
- (31) Accordingly, on the basis of the average external costs presented in recital (29), the eligible costs for support under the measure amount to EUR-cent 60 vkm <sup>(22)</sup> and the maximum grantable support will amount to EUR-cent 30 vkm <sup>(23)</sup>. Appropriate reductions will be made for lighter vehicles, in order to ensure proportionality and avoid overcompensation <sup>(24)</sup>.
- (32) In addition, the support granted under the measure will not in any case exceed 30 % of the total costs incurred by each beneficiary for the SSS of each vehicle on

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<sup>(14)</sup> See Handbook, table 8.

<sup>(15)</sup> See Handbook, tables 16 and 18.

<sup>(16)</sup> See Handbook, tables 25 and 27.

<sup>(17)</sup> See Handbook, table 35.

<sup>(18)</sup> See Handbook, table 41.

<sup>(19)</sup> See Handbook, tables 50 and 52.

<sup>(20)</sup> See Handbook, table 61.

<sup>(21)</sup> The Italian authorities explained that this was the average weight of HGVs circulating on Italian highways in 2019, according to data monitored and collected by the Ministry of Transport.

<sup>(22)</sup> I.e. (EUR-cent 4.17 tkm – EUR-cent 0.66 tkm = EUR-cent 3.51 tkm) \* 17.1 tonnes = EUR-cent 60 vkm.

<sup>(23)</sup> I.e. EUR-cent 60 vkm \* 0.5 = EUR-cent 30 vkm.

<sup>(24)</sup> A conversion table attached to the decree will allow to calculate the support for lighter vehicles.

each eligible route, as attested by the documents submitted when requesting support under the measure (see recital (36) below).

## **2.8. Granting procedure**

- (33) In order to receive support under the measure, road hauliers will have to submit yearly applications.
- (34) The application will have to be submitted through an electronic portal designed and managed by RAM on behalf of the Italian Ministry of Transport and will have to contain a provisional plan for the transport of cargo vehicles on eligible routes during the following year.
- (35) RAM will review the applications and identify the undertakings eligible for support under the measure. The final decision will be taken by an ad hoc commission formed by representatives of the Italian Ministry of Transport.
- (36) Before 31 January of the following year, eligible undertakings will have to submit to the Italian Ministry of Transport a report on the vehicles transported during the previous year. Such report will have to specify: a) the eligible SSS route(s) concerned, b) the price paid for each shipment, excluding VAT, and c) the number of shipments made on each route. Documents attesting payments for the transport services for which a grant under the measure is demanded will have to be attached as well.
- (37) In addition, eligible undertakings will have to submit a declaration stating any other EU, national or regional support covering the costs borne for the transport services for which support under the measure is sought. The beneficiaries will have to declare that all support received will not amount to more than 30 % of the costs actually borne for each shipment eligible for contribution under the measure.
- (38) The Italian Ministry of Transport will award grants under the measure within the limits of the allocated budget (see recital (19)). In case of insufficient resources, the contribution granted to each beneficiary will be proportionally reduced.

## **2.9. Rules on cumulation**

- (39) The grants under the measure may be cumulated with other Union, State, regional or local support aimed at covering the same eligible costs only if such cumulation will not result in a total support exceeding 30 % of the total costs incurred by each beneficiary for the SSS of its vehicles on each eligible route.
- (40) The Italian authorities will put in place an appropriate clawback mechanism and will recover from the beneficiaries the part of the grants awarded under the measure exceeding the allowed thresholds.

## **2.10. Monitoring of the measure**

- (41) The Italian authorities will exercise control over the implementation of the measure. To this end, they are empowered to conduct inspections on all or a sample of the beneficiaries to ensure that all conditions for benefitting from support are met. The Italian authorities are also entitled to ask for documents and

information from SSS carriers, i.e. the shipowners, in order to monitor the application of the measure and verify the truthfulness of the beneficiaries' submissions.

- (42) In case of untruthful submissions from the beneficiaries or failure to comply with the eligibility criteria, the Italian authorities will proceed to recover the relevant grants.
- (43) In order to allow the Commission to monitor the implementation of the measure, the Italian authorities will also submit to the Commission annual reports pursuant to Article 26 of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union <sup>(25)</sup>.

### 3. ASSESSMENT OF THE MEASURE

#### 3.1. Existence of aid

- (44) Pursuant to Article 107(1) TFEU, *'any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market'*.
- (45) The criteria laid down in Article 107(1) TFEU are cumulative. Therefore, in order to determine whether a measure constitutes State aid within the meaning of Article 107(1) TFEU, all of the following conditions need to be fulfilled. The measure must:
  - (a) be granted by the State or through State resources,
  - (b) favour certain undertakings or the production of certain goods,
  - (c) distort or threaten to distort competition, and
  - (d) affect trade between Member States.
- (46) The measure notified by the Italian authorities fulfils all four cumulative conditions for the following reasons.
- (47) State resources and imputability: since the measure involves financing granted by the Italian authorities (see recitals (19) to (21)), it involves the use of State resources. Moreover, the legal basis of the measure are laws voted by the Italian parliament, and a decree issued by the Italian Ministry of Transport and the Italian Ministry of Economy (see recitals (14) and (15)). The Commission therefore concludes that the measure is imputable to the State.
- (48) Economic advantage: the measure relieves the beneficiaries of part of the operating costs that they would normally incur (see recitals (3) and (12)). The

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<sup>(25)</sup> OJ L 248 24.09.2015.

Commission therefore concludes that the measure confers an economic advantage.

- (49) Selectivity: the measure is addressed only to undertakings operating in the freight road transport sector and in particular to road hauliers (see recitals (22) to (25)). The Commission therefore concludes that the measure is selective.
- (50) Distortion of competition and effect on trade: when a measure strengthens the position of an undertaking compared to other undertakings competing in intra-Union trade, the latter must be regarded as affected by that measure. It is sufficient that the beneficiary of the measure competes with other undertakings in a market that is open to competition. In the present case, the measure strengthens the position of the beneficiaries in relation to other undertakings active in the freight transport market, which has been liberalised. The Commission therefore concludes that the measure is liable to distort competition and to affect trade between Member States.
- (51) The Commission therefore concludes that the measure constitutes State aid within the meaning of Article 107(1) TFEU.

### **3.2. Lawfulness of the aid**

- (52) By notifying the aid scheme before putting it into effect (recital (16)), the Italian authorities have fulfilled their obligations under Article 108(3) TFEU.

### **3.3. Compatibility of the aid**

- (53) Article 93 TFEU provides that ‘*aids shall be compatible with the Treaties if they meet the needs of coordination of transport [...]*’. The concept of coordination of transport used in the TFEU has a significance which goes beyond the simple fact of facilitating the development of an economic activity. It implies an intervention by public authorities that is aimed at guiding the development of the transport sector in line with EU policy priorities <sup>(26)</sup>. In this regard, the Commission notes that measures to favour coordination of transport can be needed when certain modes of transport produce negative externalities that affect society as a whole.
- (54) The measure aims at encouraging road hauliers to use intermodal road-SSS transport as an alternative to road-only options, thereby increasing the modal shift to SSS and reducing the environmental, health and social impact of road traffic and the congestion of road infrastructures. In line with the Union case-law, intermodal transport is regarded as a single operation from the point of departure to the point of destination <sup>(27)</sup>. The Commission therefore considers that measures supporting intermodal road-SSS transport can be considered to meet the needs of transport coordination, if they fulfil the conditions set out in recital (56) below.

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<sup>(26)</sup> See Commission Decision of 9 November 2011 in case SA.32632 (2011/N), Belgium - ETGE – Intermodale Container Terminal Genk, OJ C 82 21.03.2012; and Commission Decision of 15 June 2011 in case SA.32224 (2011/N), Netherlands - Development of the Alblasserdam Container Transferium, OJ C 215 21.07.2011.

<sup>(27)</sup> See Case 2/84, *Commission v Italian Republic*, EU:C:1985:151, paragraph 16; and Case C-45/89 *Commission v Italian Republic*, EU:C:1991:185, paragraph 7.

- (55) The Commission therefore concludes that Article 93 TFEU is the appropriate legal basis to assess the compatibility of the measure with the internal market.
- (56) For an aid to meet the needs of coordination of transport pursuant to Article 93 TFEU, that measure must be necessary and proportionate to the intended objective. Moreover, it must be transparent, non-discriminatory and avoid undue negative effects on competition.

*3.3.1. Development of the transport sector and contribution to the coordination of transport.*

- (57) As explained in recital (3), the objective of the aid scheme is to promote intermodal road-SSS transport to shift freight traffic off the road, thereby reducing the environmental, health and social impact of road traffic and the congestion of road infrastructures.
- (58) In its Communication ‘The European Green Deal’<sup>(28)</sup>, the Commission stresses the importance of shifting a substantial part of the 75 % of inland freight carried today by road to more sustainable modes of transport. In light of this objective, the Commission encourages a balanced intermodal transport system, and fostering the competitiveness of intermodal transport vis-à-vis road-only transport is essential to this policy<sup>(29)</sup>.
- (59) In the Sustainable and Smart Mobility Strategy, the Commission notes the need for ‘*decisive action to shift more activity towards more sustainable transport modes (notably shifting a substantial amount of freight onto rail, inland waterways, and short sea shipping)*’, stressing on the need to foster the Union ability to make the ‘*transport system as a whole sustainable*’, and to support the use of intermodal transport.
- (60) The Commission notes that the measure is aligned with the Union overarching policy goal to make the Union transport system achieve its green and digital transformation and reach the climate targets set in the European Green Deal. The Commission also notes that the measure supports a specific type of intermodal transport involving wheeled cargo. Therefore, the measure contributes to decongest roads, with quantified environmental as well as health and social benefits (see recital (7)).
- (61) The Commission therefore concludes that the notified measure pursues the objective of promoting transport efficiency as part of the intermodal approach, by guiding the development of the transport sector. The measure therefore contributes to the coordination of transport.

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<sup>(28)</sup> COM (2019) 640 final of 11.12.2019. Available online at [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en).

<sup>(29)</sup> In section 2.1.5. ‘Accelerating the shift to sustainable and smart mobility’, the Commission notes that ‘*as a matter of priority, a substantial part of the 75% of inland freight carried today by road should shift onto rail and inland waterways*’. Moreover, the Commission states that it ‘*will also consider withdrawing and presenting a new proposal to revise the Combined Transport Directive to turn it into an effective tool to support multimodal freight operations involving rail and waterborne transport, including short-sea shipping*’.

### 3.3.2. *The aid is necessary and has an incentive effect*

- (62) As explained by the Italian authorities (see recitals (4) to (7)), while road freight traffic remains the predominant form of freight traffic in Italy, it produces negative externalities that affect society as a whole (see recital (3)). SSS, on the other hand, covered less than 10 % of freight transported in Italy in 2019.
- (63) Given the persisting difference between the cost of road-only transport and the cost of the intermodal solutions, public intervention is needed to encourage road hauliers to embark their vehicles on ferries, and therefore encourage the use of more sustainable freight transport solutions such as intermodal roll-on/roll-off transport.
- (64) The Commission notes that the measure is part of a national strategy carried out by the Italian authorities in recent years to promote intermodal transport and the modal shift to more sustainable modes of freight transport (see recital (9)).
- (65) As explained in recitals (5) and (6), road hauliers consider road-only transport as a preferable alternative to SSS, as it involves lower costs and allows for more flexibility and time optimisation, even in the case of routes where the distance to be covered on the road is considerably longer than the waterborne alternative (see recital (27)).
- (66) Therefore, by covering part of the costs related to waterway transport, the measure will effectively encourage road hauliers to use intermodal road-SSS transport instead of the road-only alternatives.
- (67) Moreover, the beneficiaries may receive aid only if they demonstrate that they used waterborne transport services on an eligible route, i.e. only for services actually rendered.
- (68) Therefore, the Commission concludes that the aid is necessary and has an incentive effect on the demand for road-SSS intermodal transport, as it will effectively encourage road hauliers to favour such services instead of the road-only alternatives.

### 3.3.3. *The aid is proportionate*

- (69) The aid granted under the measure will not exceed 50 % of the socio-economic and environmental external costs avoided by favouring road-SSS intermodal transport over the road-only transport alternative on eligible routes. The Italian authorities submitted a transparent, reasoned and quantified comparative cost analysis between SSS and road freight transport (see recitals (28) to (30)). The Commission notes that the eligible costs are calculated on the basis of the data set out in the Commission's Handbook.
- (70) The aid granted under the measure will not exceed 50 % of the eligible costs, i.e. the external costs that SSS makes it possible to avoid compared to road transport on eligible routes.
- (71) In addition, the Commission notes that the aid granted under the measure will not exceed 30 % of the total costs of SSS transport incurred by beneficiaries on each eligible route. The total costs of waterborne transport borne by beneficiaries will

be calculated on the basis of the documents submitted in the course of the administrative procedure for granting the aid (see recitals (32) and (36)).

- (72) The Commission notes that in similar cases it has considered aid for intermodal transport of up to 50% of the eligible costs and up to 30% of the total SSS transport costs to be compatible with the internal market <sup>(30)</sup>.
- (73) The Commission therefore concludes that the aid is proportionate to its intended objective.

#### *3.3.4. Non-discriminatory and transparent nature of the measure*

- (74) The Commission observes that the measure is open to all road hauliers established in the EEA using SSS to transport their cargo vehicles on eligible routes.
- (75) Moreover, the conditions for granting the aid are clearly established in the draft decree submitted by the Italian authorities to the Commission (see recitals (15) and (16)), which will be published, in its definitive form, in the Official Journal of the Italian Republic.
- (76) Furthermore, the Italian authorities will make available on the website of the Ministry of Transport and of RAM the information and documents concerning the administration of the measure, including those related to the granting procedure described in recitals (33) to (38).
- (77) The Commission therefore concludes that the measure is non-discriminatory and transparent.

#### *3.3.5. The aid is non-discriminatory and does not have undue negative effects on competition*

- (78) The Commission notes that the aid under the measure is open to all road hauliers established in the EEA on a non-discriminatory basis (see recital (22)). The aid is therefore non-discriminatory.
- (79) Furthermore, the Commission observes that the aid is designed to reduce the cost imbalances between SSS and road freight transport in order to promote road-SSS intermodal transport. More specifically, the aid aims at partially covering the higher costs related to short-sea transport services, in line with the Commission's Sustainable and Smart Mobility Strategy, which sets the goal of consistently increasing the share of SSS. Moreover, the aid contributes to the coordination of transport by promoting an intermodal transport mode that produces less negative externalities compared to transport by road-only.

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<sup>(30)</sup> See Decision of 24 October 2022 in case SA.100463 (2022/N), Netherlands – Aid scheme to promote modal shift from road to rail and inland waterways, OJ C 461 02.12.2022; Commission Decision of 3 March 2022 in case SA.100286 (2021/N), Italy – Friuli Venezia Giulia Region's measures to develop intermodal freight transport as reviewed in 2022, OJ C 169 22.04.2022; and Commission Decision of 20 September 2021 in case SA.58817 (2020/N), Italy - State aid scheme to support freight transport by inland waterways, OJ C 500 10.12.2021.

- (80) The Commission also notes that the aid supports intermodal roll-on/roll-off transport, i.e. intermodal services for the transport of wheeled cargo such as lorries, trailers and semi-trailers that congest roads.
- (81) Additionally, as explained in recital (18), the aid scheme will have a duration of less than five years. Moreover, the aid is necessary and proportionate.
- (82) The Commission therefore concludes that the distortion of competition caused by the aid scheme is limited.

### *3.3.6. Conclusion on the compatibility of the aid*

- (83) In view of the above (see recitals (53) to (82)), the Commission considers that the aid scheme meets the needs of coordination of transport and is therefore compatible with the internal market pursuant to Article 93 TFEU.

## **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 93 of the Treaty on the Functioning of the European Union.

The Commission reminds the Italian authorities of their commitment to annually submit a report on the implementation and effects of the aid scheme.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,  
Directorate-General Competition  
State Aid Greffe  
B-1049 Brussels  
[Stateaidgreffe@ec.europa.eu](mailto:Stateaidgreffe@ec.europa.eu)

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President

**CERTIFIED COPY**  
For the Secretary-General

**Martine DEPREZ**  
Director  
Decision-making & Collegiality  
EUROPEAN COMMISSION