

NOTICE

concerning the opening of the call for requests for the state aid based on the State Aid Scheme for supporting the airlines activity from Arad Airport in the context of the economic crisis generated by the COVID – 19 pandemic

Arad County, through Arad County Council, as a Provider/Administrator of State aid scheme for supporting the airlines activity from Arad Airport in the context of the economic crisis generated by the COVID – 19 pandemic, hereby announces the opening of the call for requests for granting of State aid in the total amount of 1.000.000 euro.

1. SCHEME'S GOAL

The measure's goal is to support the activity of airlines whose activity was disturbed by the COVID – 19 pandemic and who start to operate internal and international flights from/ to International Airport Arad.

2. LEGAL GROUND

- The Treaty concerning the Functioning of the European Union (TFEU), Art. 107, Paragraph (3), Letter b);
- The Notification of the European Committee (2020/C9II/01), "Temporary Framework for state aid measures of supporting the economy in the context of the current COVID-19 outbreak", published in the Official Journal of the European Union from the 20th of March 2020, including subsequent amendments and additions;
- The Government's Emergency Ordinance no. 77/2014 concerning the national procedures in the field of state aid, as well as for the modification and completion of the Law of competition no. 21/ 1996, including subsequent amendments and additions;
- The Decision of the European Commission no. C(2020) 2233 final/04.04.2022;
- The Decision of Arad County Council no. _____/_____2022 regarding the approval of the state aid scheme for the support of the activity of airline operators from Arad airport in the context of the economic crisis generated by the COVID – 19 and of the documents to be submitted for the request of State aid.

3. ELIGIBILITY CONDITIONS

May benefit for state aid the airlines that undertake to operate scheduled flights from/to Arad Airport and meet the following eligibility criteria:

- a) The candidate airline must have an air operating license issued in accordance with (EC) Regulation 1008/2008 of Council on common rules for the operation of air services in Community;
- b) The candidate airline must have compulsory accident insurance covering passengers, cargo, mail, and civil liability in accordance with the conditions of the (EC) Regulations No. 785/2004 on insurance requirements for air transport operators and aircraft operators;
- c) The candidate airline is not on the European Commission's blacklist of airlines that fail to meet safety standards; (*Form 2*)

- d) The candidate airline must have a European Air Operator Certificate (“AOC”) or other similar document issued by a competent authority from their country of origin;
- e) The candidate airline must not have received any another aid in Romania under section 3.1 of the Temporary Framework, or if it has received it, the sum of the support received under this measure and the aid received in addition to this measure must not exceed 2.300.000 EUR; (*Form 3*);
- f) No decisions to recover State aid have been issued against the candidate airline or, if such decisions have been issued, they have been enforced in accordance with the legal provisions in force; (*Form 4*)
- g) The candidate airline was not already in difficulty, as defined within the meaning of the General Block Exemption Regulation (the “GBER”) on 31 December 2019, but it faced difficulties or had to deal with further difficulties due to COVID-19 pandemic; (*Form 5* – to which shall attach the financial situations closed on 31.12.2019 and the proof of registration before state authorities will be added, according to the legislation of the state where the airline operator is registered);
- h) The candidate airline that faced difficulties due to COVID-19 pandemic submits a business plan by which it commits to operate scheduled flights to/from Arad airport for at least four destinations with a minimum frequency of 2 times per week, for the period of at least 12 months. The aid will help the airlines addressing the need for liquidity prompted by the COVID-19 related crisis, so that it can start operating on new routes; (*Form 6*)
- i) To deposit a written commitment of performing regular flights from/ to International Airport in Arad, which should mention the weekly routes and frequencies proposed for the flight operations from/ to this airport; (*Form 7*)

4. THE BUDGET

The budget of the scheme is of maximum 1.000.000 EURO, the equivalent in LEI at the National Bank of Romania exchange rate valid on the date of payment of the state aid.

The aid per company may not exceed the LEI equivalent of EUR 600 000.

The State aid will be paid to the air operators by the Arad County through Arad County Council, in 2 instalments, by 30 June 2023 at the latest, in accordance with the State aid contract and the confirmation of the service provision, as follows:

- the first instalment in the amount of 40 % of the total amount of State aid in the first month of operation;
- the second instalment of 60 % of the total amount of State aid in the 7th month of operation.

5. BENEFICIARY SELECTION

Interested airlines must submit a request for State aid to the Provider/Administrator of the Scheme – (*Form 1*) and demonstrate, by means of the attached documentation, that they undertake to operate scheduled flights from/to Arad International Airport and to take all necessary measures to ensure their viability by promoting them with the aim of remedying the difficulties as soon as possible.

Airlines will have to submit to the Scheme Provider/Administrator, service proposals, business plans, specifying the proposed routes to be operated and the frequencies of operation, the aircraft to be used and their capacity, expected traffic levels, the period of operation of the route and how the aid affects the resumption of air traffic at Arad International Airport.

The following will be used as assessment factors for the selection of beneficiaries for the allocation of State aid:

- number of destinations proposed to be operated,
- number of flights/week (flights / week x proposed operating frequencies),

The score for each factor of evaluation will be the following one:

Evaluation factor	Maximum point
The number of destinations proposed to be operated	50
The number of flights / week (flights / week x proposed frequency of operation)	50

Method of calculation

- For each of the evaluation factors, the best offer will receive the maximum score. For example: for the biggest number of routes proposed to be operated, the maximum score allocated for the evaluation score will be awarded, namely 50 points.
- For other offers under the maximum score, the score will be calculated proportionally as follows:

$$S (\text{score}) = (\text{offer} \times \text{maximum score}) / \text{the best offer.}$$

The way in which the amounts/Beneficiary will be distributed will be proportional to the scores obtained.

The minimum condition to be met for the submission of the offer is that the business plan must include a minimum of 4 new routes and a minimum of 2 weekly operating frequencies per destination.

If the offer of the air operators ranked below the first place in the ranking list includes the same destinations proposed to be operated by the operator ranked first, they will have the possibility to modify the destinations.

5. DATE, PLACE AND MANNER OF SUBMISSION OF THE REQUESTS

The starting date for accepting requests - the date of publication of the Arad County Council Decision on the approval of the State aid scheme to support the activity of Arad Airport airlines in the context of the economic crisis generated by the Covid-19 pandemic and of the documents to be submitted in order to apply for State aid, date on which this Notice is published on the website of Arad County Council at <https://www.cjarad.ro/info-utile/societati-comerciale/13-ajutor-de-stat.html> and on the website of S.C. Aeroportul Arad S.A. at www.aeroportularad.ro.

Closing date for accepting requests requests - 30 days from the date of publishing of Arad County Council Decision of the Scheme on the approval of the State aid scheme to support the activity of airlines at Arad Airport in the context of the economic crisis generated by the Covid-19 pandemic.

The aid applicant must submit to Arad County Council a request for aid - Form No 1, signed by an authorised person, accompanied by the documents referred to in point 3 letter a-i of this Notice.

All documents will be submitted in Romanian or English language and will be signed by the persons entitled. Confirmation of receipt is required for the application to be taken into account.

CONTACT DETAILS OF THE PROVIDER/ADMINISTRATOR OF THE STATE AID SCHEME:

The Provider/Administrator of the Scheme: Arad County, through Arad County Council, headquarter in Arad, Corneliu Coposu street, no. 22, postal code 310003, Arad County, Email: consiliul@cjarad.ro

Any questions concerning the call for requests must be sent within the time frame of the call at the following e-mail address: consiliul@cjrad.ro

7. REQUIRED DOCUMENTS

1. Form 1 - Request for state aid;
2. Form 2 - "Personal statement concerning the compliance with the safety standards";
3. Form 3 - "Personal statement concerning the state aids granted to airline companies in Romania";
4. Form 4 - "Personal statement concerning the decisions of the European Commission for the recovery of a state aid";
5. Form 5 "Personal statement concerning the lack of compliance with the category of company in a difficult situation";
6. Form 6 – Business plan structure
7. Form 7 "Commitment concerning the performance of regular flights to and from Arad International Airport for a period of 12 months".