

**Question for written answer E-008620/2016
to the Commission**

Rule 130

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Subject: New rules governing payments to offset the cost of reduced-rate local public transport passes for schoolchildren

On 26 October 2016, the *Land* Assembly of Lower Saxony, Germany, adopted new rules governing payments to offset the cost of reduced-rate local public transport passes for schoolchildren. The *Land* Government ignored insistent calls from the transport undertakings concerned and the CDU and FDP parliamentary groups in the assembly to notify the Commission of the new rules.

The renowned constitutional lawyer Professor Jörn Ipsen has drawn up an expert report confirming that the new rules are not consistent with the German Basic Law or with EU law on subsidies. With a view to clarifying the legal situation, the association of private bus undertakings has lodged a complaint with the Commission claiming that the payments constitute illegal subsidies.

Given that the law in question is due to enter into force on 1 July 2017, the undertakings concerned need to know by that date whether they can continue to offer the passes in question at a 25% discount and receive payments to offset the cost under arrangements which are consistent with EU law on subsidies.

If the law does not enter into force on 1 July 2017, because the Commission has initiated a state aid procedure, paragraph 45a of the federal German law on passenger transport services will apply.

1. Can the Commission take a decision quickly?
2. Should the Commission conclude that the new rules breach Union law, will the transport undertakings concerned be able to keep payments made from 1 July 2017 onwards?
3. What other consequences would a breach of the EU law on subsidies have?