

## Brussels close to approving motorways aid

BRUSSELS competition authorities will give the greenlight to Europe's first motorway of the sea within days, according to the joint venture behind the ferry link.

Italy's Grimaldi Naples and France's Louis Dreyfus Armateurs are confident their application for a €34m (\$48.2m) subsidy will be approved, perhaps as early as this week.

"We are confident that [the European Commission competition directorate] will approve the subsidy and we want to get started," said a source close to the joint venture. As GLD Line, the two companies plan to operate between France and Spain.

While the commission's directorate-general for transport was originally in charge of state aid, responsibility is being shifted to the directorate-general for competition. Both ministries are understood to have had their say in the latest decision. There has been industry concern DG Competition would take a harder line on taxpayer-funded cash injections.

According to the application, operating aid of €30m will come from the French and Spanish Governments. A further €4m has been earmarked by the European Union's Marco Polo programme managers.

"If a service like this cannot work with this kind of money then the Marco Polo guidelines need changing," said the company source. This is the first serious attempt by European governments to fund a new ferry service for freight. Opponents say regular sailings between Nantes and Gijon will distort the market for competitors, though participants deny this.

There has been industry debate about the cost of such an operation. EU subsidies can only support a minority of eligible operating costs. Joint venture participants say state aid falls within these limits. In response to critics who say funding is too large, they point out they will be using passenger-carrying ro-pax ships that are more expensive to operate than freight-only vessels.

If Brussels approval is forthcoming, ratification is still required by France. Lines have six months to launch after the bureaucratic formalities have been completed. The latest estimate for the first sailing is the beginning of March.

The tender has been designed to run for seven years with public support for the first five.

Spain-based Acciona-Trasmediterranea has also applied for state subsidies to operate between the same countries.

