In recent years, the European Commission has conducted an almost complete overhaul of State aid control in the European Union (EU). The State Aid Modernization (SAM) initiative has engendered new secondary legislation, as well as new guidelines covering practically all areas of State aid control, including both horizontal and sector-specific rules. Notable in these developments is an increasingly refined economic approach, both in the design of the rules and in the assessment of individual cases. This book, first of a kind in its in-depth analysis of the current legal and economic principles of EU State aid control, thoroughly explores the main rationales of State aid, the main concerns and the various trade-offs that underlie the rules and the decisions ultimately taken by the Commission and the Courts.

The first part of the book covers the various elements of the notion of State aid, including the hotly disputed conditions of economic advantage and selectivity. Its second part covers the compatibility of aid measures under horizontal rules across industry sectors, including an assessment of the efficiency of the General Block Exemption Regulation and of the new rules on ex post evaluation. The third part deals with the application of State aid rules in specific sectors such as infrastructure, broadband, energy and banking.

Distinguished experts – including lawyers, economists, academics, and officials of the European Commission and of Member State authorities – share their legal and economic experience, insight, and critique of EU State aid control as it stands.

As a critical assessment of the current status of EU State aid control from both legal and economic perspectives, and as an authoritative guide through its complexities and pitfalls, this book will be of immeasurable value, now and in the coming years, to all stakeholders required to understand, interpret and apply the rules under the new regime of State aid control.

Philipp Werner is a Partner in Jones Day’s Brussels office. He has extensive experience in the area of State aid and advises public and private companies on privatization, restructuring, and investment aid. Vincent Verouden is a Director in E.CA Economics’ Brussels office and a former Deputy Chief Economist at the European Commission. In this previous capacity, he was deeply involved in the various reform proposals in the context of the SAM programme.
Table of Contents

About the Editors
About the Authors
Editorial

Philipp Werner and Vincent Verouden
Chapter 1: Introduction – The Law and Economics of EU State Aid Control

Vincent Verouden and Philipp Werner
PART I – THE NOTION OF STATE AID

Giuseppe Conte and James Kavanagh
Chapter 2: Advantage

Rein Wesseling and Marieke Bredenoord-Spoek
Chapter 3: State Measure

Michael Honoré
Chapter 4: Selectivity

Jacques Derenne and Vincent Verouden
PART II – COMPATIBILITY OF STATE AID

Leigh Hancher and Phedon Nicolaides
Chapter 6: Compatibility of Aid – General Introduction

Koert van Buiren and Alexander Rose
Chapter 7: General Block Exemption Regulation

Xavier Boutin and Inkalotta Nuotio-Osazee
Chapter 8: Ex Post Evaluation of Aid

Pascal Belmin and Hans Zenger
Chapter 9: Research, Development and Innovation Aid

Hans W. Friederiszick and Massimo Merola
Chapter 10: Regional Aid

Isabel Taylor and Albert Bravo-Biosca
Chapter 11: Risk Finance Aid

Ulrich Soltész and Bruce Lyons
Chapter 12: Rescue and Restructuring Aid

Philipp Werner and Vincent Verouden
PART III – STATE AID IN SPECIFIC SECTORS

Penelope Papandropoulos and Elisabetta Righini
Chapter 14: Infrastructure Aid

Hein Hobbelen and Oliver Stehmann
Chapter 15: State Aid in the Broadband Sector

Alessandra Fratini and Khaled Diaw
Chapter 16: State Aid in the Postal Services Sector

Christine Gerlach and Dimitrios Pikias
Chapter 17: Transport Aid

Kai Struckmann and Geza Sapi
Chapter 18: Energy and Environmental Aid

Christine Gerlach and Dimitrios Pikias
Chapter 19: Aid to Broadcasting, Culture and Sport

Stan Maes and Stephen Mavroghenis
Chapter 20: Aid in the Banking Sector

Andreas von Bonin and Elisabeth Häringer
Chapter 21: State Aid and Privatisation

Index