

Press release

13 December 2018

## **The Court of Justice of the European Union shuts down financing of the Fehmarn tunnel**

*The Court of Justice of the European Union (CJEU) has today cancelled the approval of the Fehmarn connection's financing model, which was forced through by the EU Commission in 2015. Without an approved financing model for the Fehmarn tunnel, the project has practically come to a stop. The CJEU has thus found for Scandlines in its appeal case.*

In July 2015, the EU Commission forced through an approval of the Fehmarn project's financing model without opening a formal procedure and thus without involving the private and public companies – including Scandlines – that had filed complaints about the model.

Simultaneously with one of the other complainants, Scandlines decided to refer the EU's approval for the CJEU to direct the EU Commission to open a real state aid case and complete proper legal processing and assessment of the case. That will enable a real consideration of the state aid and its scope and limits on an open and informed basis. The CJEU has now found for Scandlines.

“We are satisfied with the ruling of the Court of Justice of the European Union. The approval of the state aid model has now been cancelled and the Fehmarn project stopped. Scandlines is not against a Fehmarn connection established with state aid. State aid may be necessary when completing such large-scale projects. However, we do expect correct procedure, which entails transparency and fair competition. The aid must therefore be accurately and realistically defined, and it must be based on consistent assumptions and safeguarded against abuse. It is decisive for us that the tunnel cannot use the state finances as it sees fit to impose taxpayer-financed price pressure when traffic volumes do not live up to the optimistic prognoses and the ferries appear competitive. For the Commission, this is basically a ‘do-over’ with a three-year delay. It is better late than never, but it is thought provoking that we as a private company have to spend time and money on ensuring that the EU Commission complies with applicable rules,” says Søren Poulsgaard Jensen, CEO of Scandlines.

In addition to the inadequate active consideration, a highly contributory reason for Scandlines' complaint is that the Commission, accommodating a wish from the Danish state – approved state aid for at least 55 years following the opening of the tunnel, which in reality is an undertaking to provide state aid for an indefinite period to this high-risk project. This unprecedented long and indefinite period is in stark contrast to the payback time, 36 years, which Femern A/S and the Danish state propagate nationally when the project's solid character is accentuated and the socio-economic value of the Fehmarn investment is presented to legitimise the project.

“For years, the system has displayed arrogance of power in the attempt to railroad a Fehmarn approval through in Germany and Denmark, referring to it as a ‘politically desirable’. With the ruling of the Court of Justice of the European Union, the EU Commission's attempt to apply the same methods has now been met with a crystal clear message that the law is the law, and that rules should be complied with. My many colleagues and I are very pleased with that,” says Søren Poulsgaard Jensen.



## **About Scandlines**

*Scandlines stands as a symbol of a historical and close cooperation between Denmark and Germany since 1872. Under the name Scandlines, two ferry routes are marketed with high capacity and frequency as well as with a green vision for the future.*

*The core business is to provide an efficient and reliable transport service for both passengers and freight customers. The main focus for all activities in Scandlines is to create value for our customers on board the ferries as well as in our shops.*

*With more than 42,000 departures on 8 ferries, in 2017 Scandlines transported 7.6 million passengers, 1.8 million cars and more than 650,000 freight units and 38,000 busses on the routes Puttgarden-Rødby and Rostock-Gedser.*

Read more about Scandlines at [www.scandlines.com](http://www.scandlines.com)

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