



Dear Margrethe,

Since we haven't spoken since the appointments process, let me begin by congratulating you on your enhanced role as Commissioner for a Europe Fit for the Digital Age. I am sure that, like me, the citizens of the EU feel confident in your ability to allow them to flourish in the digital future and to counter the unaccountable power of the global digital corporations.

I am writing today on a matter that concerns your role as Commissioner responsible for competition policy. I am sure you are aware of the UK government's rescue package for the airline company FlyBe, which was agreed last night. While the details have not yet been released, I would alert you to several aspects which are of concern.

First, it appears¹ that the government has agreed to allow this company, uniquely, to delay the payment of taxes to support its financial position. Given that the existing shareholders agreed to put extra capital into the company on the basis of this concession, we have to assume that it is of considerable financial value.

Providing support for one company that puts other companies at a competitive disadvantage is precisely what EU competition policy is designed to prevent. Given that FlyBe was already the subject of a rescue deal just a year ago, this government aid appears² to be of the kind that supports failing companies to save political embarrassment, something that the state aid rules are designed to guard against. Could you also confirm if the rescue plan is consistent with the EU's Rescue and Restructuring Guidelines³.

The British government has used the FlyBe case as an opportunity, or perhaps excuse, to review and potentially reduce Air Passenger Duty. The government have cited state aid rules as the reason they need to reduce air taxes for all British aviation companies rather than just FlyBe. Perhaps you could confirm that the socially necessary routes served by this airline, particularly to islands where ferry services cannot run in poor weather, could be exempt from state aid rules without the need for a board-brush approach?

¹ <https://www.bbc.com/news/business-51113895>

² <https://www.ft.com/join/licence/f7d7e19d-18c5-480f-b8a7-8d836bbdc3ab/details?ft-content-uuid=cd8be0e6-369e-11ea-a6d3-9a26f8c3cba4>

³ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0731\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52014XC0731(01))



During your appointments process we discussed the interaction of competition policy and EU climate commitments under the Paris Agreement. As we move through the sustainability transition, energy-intensive companies will become uncompetitive and cease trading and I believe we agree that government intervention should be used to support, not to impede, the transition process. As FlyBe is a carrier that serves primarily the domestic market, a climate-sensitive transport policy would suggest replacing its services with improved rail links and government intervention should tend in this direction rather than seek to underpin uncompetitive and unsustainable internal flights.

I would be grateful for your early attention to this matter and will share with you any further detail that the government makes available.

With best wishes,

Molly