



European Commission

Competition

RTR-GmbH

Finanzierung des Ausbaus von breitbandigen Anschlussnetzen

Vienna, 26 May 2009

Public support of broadband networks against the background of the EU State aid rules





Broadband policy in the EU

- Broadband is of strategic importance
 - To stimulate growth and innovation
 - To promote social and regional cohesion
- European Economic Recovery Plan (Nov. 08)
 - €1 billion to help rural areas
 - Support the economy in the short run
 - Create essential infrastructures for sustainable economic growth in the longer run



State aid discipline

- State funding can compensate for market failures
- Concretely: ensure coverage in low density areas and/or speed up roll out of NGNs
- But:
 - Avoid crowding out
 - Minimum aid necessary
 - Positive effects > distortion of competition



Rules of thumb

- White/grey/black areas
- Double test
 - Is there aid? (Art. 87(1) ECT)
 - If so, is the aid compatible with the common market? (Art. 87(3) ECT)



Is there aid?

- Where a public authority (partly) funds the roll out of broadband networks, there is in principle aid
- Exceptions:
 - Market economy investor principle (Amsterdam case)
 - Service of general economic interest (subject to strict criteria laid down in the Altmark case law)



Is the aid compatible with the common market?

- Objective of the measure (why?)
- Design of the measure (how?)
- The specific case of very high speed/fibre networks (NGAs)
- Initial investment in assisted areas – see Regional Aid Guidelines



The Commission's checklist

- Mapping exercise and market consultation
- Open tender
- Most economical offer
- Technology neutrality
- Wholesale open access, no need for SMP
- Benchmarking pricing
- Claw back mechanism



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Commission Broadband decisions are published at:

http://ec.europa.eu/competition/sectors/telecommunications/overview_en.html

Thank you for your attention!