

## Part III.5 - Supplementary Information Sheet on State aid to broadband

*This supplementary information sheet should be used for notifications of aid covered by the EU Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks<sup>1</sup> ("Broadband Guidelines").*

### 1. Characteristics of the notified aid measure

1.1. Please describe the objective of the aid measure:

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1.2. Please explain how the aid measure fits with the national broadband strategy and the Union objectives (including for the EU 2020 strategy and the Digital Agenda<sup>2</sup>).

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1.3. Please present the rationale for public intervention and explain the anticipated benefits of the aid measure (e.g. economic and social benefits, increased broadband coverage and internet penetration rates, etc.).

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1.4. What category of network does the aid measure aim to support?

- backbone networks (or trunk networks);
- backhaul networks (or regional, or middle-mile networks);
- access networks (or last mile networks).

1.5. What elements of the network does the aid measure aim to support?

- Passive infrastructure elements;
- Active infrastructure equipment.

1.6. What type of broadband networks does the aid measure aim to support?

- basic broadband networks (providing at least 2Mbps download speed);
- next generation access networks ("NGA")<sup>3</sup>;
- ultrafast broadband networks<sup>4</sup>.

<sup>1</sup> EU Guidelines for the application of State aid rules in relation to the rapid deployment of broadband networks (OJ C 25, 26.1.2013, p. 1).

<sup>2</sup> EUROPE 2020 - A strategy for smart, sustainable and inclusive growth, COM(2010) 2020.

<sup>3</sup> For details see points 56 to 60 of the Broadband Guidelines.

<sup>4</sup> For details see points 82 to 85 of the Broadband Guidelines.

1.7. What types of areas are targeted by the aid measure? Classify targeted areas with respect to the different segment and type of network supported and substantiate the classification on the basis of verifiable data.

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Basic White     | <input type="checkbox"/> Basic Grey     | <input type="checkbox"/> Basic Black     |
| <input type="checkbox"/> NGA White       | <input type="checkbox"/> NGA Grey       | <input type="checkbox"/> NGA Black       |
| <input type="checkbox"/> Ultrafast White | <input type="checkbox"/> Ultrafast Grey | <input type="checkbox"/> Ultrafast Black |

1.8. Please provide any other relevant information useful to clarify the general context of the aid measure:

1.9. What type of investment and business model will be adopted<sup>5</sup>?

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<b>2. Process and granting of the aid measure</b>
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*Mapping, coverage analysis*

2.1. What is the scope of the aid measure in terms of territorial coverage?

2.2. Please provide information, including the date, and submit the results of the detailed mapping and coverage analysis undertaken to clearly identify the target areas:

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*Public consultation*

2.3. Please describe the process and the results of the open transparent public consultation giving the opportunity to all interested stakeholders to comment on the planned aid measure. Please submit the relevant internet links on which the information about the measure has been published:

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*Competitive selection procedure*

2.4. In case of deployment and/or operation of the subsidised network by a third-party operator, please confirm that a competitive selection procedure will be conducted in line with the EU Public Procurement Directives<sup>6</sup>. Please provide all relevant information in that respect:

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<sup>5</sup> See for an example the Commission Guide to high speed broadband investment ([http://ec.europa.eu/regional\\_policy/sources/docgener/presenta/broadband2011/broadband2011\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/presenta/broadband2011/broadband2011_en.pdf)).  
<sup>6</sup> Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, p. 1), Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65) and Directive 2014/25/EU of the European Parliament and of the Council

.....  
**2.5.** Please provide information on how the most economically advantageous offer is to be selected (including the award criteria and the relative weighting which is given to each of the criteria chosen) taking into account qualitative criteria (for instance, coverage, sustainability of the technological approach or the impact of the solution on competition) and price:  
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.....

**2.6.** Are there any minimum service requirements that the subsidised network has to comply with (such as minimum bandwidth, sustained services, minimum geographical coverage, etc.)?

yes  no

**2.7.** If yes, please describe:  
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.....

*Technological neutrality*

**2.8.** Is the aid measure technologically neutral?

yes  no

**2.9.** If the answer to point 2.8 is yes, please describe how that principle is ensured:  
.....  
.....

*Use of existing infrastructure*

**2.10.** Please submit a map depicting the existing infrastructures in place in the country or region concerned, including also any new infrastructure(s) planned by commercial operators in the near future, that is to say within a three year period:  
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.....

**2.11.** Please explain how it is ensured that the operators wishing to participate in the selection procedure provide all relevant information on any existing infrastructure they own or control in the target area:  
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.....

*Wholesale access*

**2.12.** Please explain what type of 'wholesale access' obligations will be imposed on the subsidised network (including access to passive and active infrastructure, the right to

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of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, (OJ L 94, 28.3.2014, p. 243).

use ducts and poles, dark fibre and street cabinets), and how long the access obligations will be maintained:

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.....

*Wholesale access pricing*

**2.13.** Please explain how access prices will be benchmarked:

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.....

*Claw-back and monitoring mechanism*

**2.14.** Will a claw-back mechanism apply to the aid measure?

yes                       no

**2.15.** If the answer to point 2.14 is yes, please describe this mechanism, its characteristics and duration:

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.....

**2.16.** Please explain how the monitoring of the aid measure will be organised:

- which public authority will undertake the monitoring?
- what aspects of the measure will be subject to monitoring?
- which performance criteria will be analysed?
- what will be the timing of the monitoring?

*National regulatory authority ("NRA")*

**2.17.** Please describe the role of the NRA in particular regarding: identification of target areas, wholesale access pricing including benchmarking, dispute resolution, etc.:

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**2.18.** Please report the position of the NRA on the proposed aid intervention and, where available, the opinion of the national competition authority:

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**3. Compatibility criteria**

Please explain how the notified aid measure complies with the conditions specified in Section 2.5 of the Broadband Guidelines, in particular with regard to:

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*Objective of common interest*

- (a) Is the aid measure aimed to address well-defined objectives of common interest?

yes  no

- (b) If the answer to (a) is yes, please give a description of the objectives of common interest pursued by the aid measure:

*Market failure*

- (c) Does the aid measure address a market failure or important inequalities hampering the availability of broadband services?

yes  no

- (d) If the answer to (c) is yes, please describe this market failure and provide a general overview of the broadband market in the country or region concerned and of the areas targeted by the aid measure.

That overview should contain information on the current level of broadband coverage, internet penetration rate (number of connected households, enterprises), breakdown of services availability by technology, major trends on the (national or regional) broadband market, rural/urban divide in terms of broadband coverage, comparison of retail prices with those charged for the same services offered in more competitive but otherwise comparable areas or regions of the country, available technological solutions for broadband development and provision of connectivity services, competitive situation in the electronic communication markets (structure and dynamics of the markets), overview of the national regulatory framework and of existing regulatory obligations for electronic communication operators:

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*Appropriate instrument*

- (e) Please demonstrate the appropriateness of the aid measure:

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- (f) Have any other alternative (less distortive) instruments already been implemented to enable the supply of broadband services and to overcome the lack of broadband connectivity, including *ex ante* regulation or demand stimulation?

yes  no

- (g) If the answer to (f) is yes, please describe those initiatives and explain why they were deemed insufficient to achieve the desired broadband development objectives:

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.....

(h) Have the existing network operators undertaken any private investment in the target areas over the last three years?

yes                       no

(i) If the answer to (h) is yes, please describe those investments and explain why existing broadband infrastructure is not sufficient to satisfy the needs of citizens and business users and why State aid is necessary:

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.....

*Incentive effect*

(j) Please describe the positive effects that the aid measure is expected to generate:

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.....

*Step Change*

(k) Will the aid measure ensure a 'step change' in terms of broadband availability?

yes                       no

(l) If the answer to (k) is yes, please demonstrate this by means of comparison to the existing and planned network deployment (that is to say before and after the planned intervention). In particular, please describe in detail whether and to what extent significant new investment in the broadband network will be undertaken and what new capabilities will be brought to the market in terms of broadband service availability and quality:

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(m) Please explain the expected changes in the behaviour of the beneficiary(s) of the aid measure:

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(n) Please demonstrate that similar broadband network investment would not have been undertaken within the same time frame and/or under the same terms and conditions in the absence of State aid:

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*Proportionality*

- (o) Please explain how it is ensured that the aid measure is limited to the minimum necessary:

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*Distortion of competition and effect on trade*

- (p) Please explain what potential negative effects on competition and trade the aid measure may have (for example: potential to cause crowding out of private investments or reinforcement of a dominant position) and what elements in the design of the measure<sup>7</sup> could minimize those risks:

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**4. Other information**

Please indicate here any other information you consider relevant to the assessment of the measure concerned under the Broadband Guidelines or any other information that is relevant from the point of view of Union competition and internal market rules<sup>8</sup>.

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<sup>7</sup> For instance, investment and business model selected, size and characteristics of the geographic intervention areas or measures to control projects costs.

<sup>8</sup> The list of Commission decisions on State aid to broadband are available on DG Competition's homepage: [http://ec.europa.eu/competition/sectors/telecommunications/broadband\\_decisions.pdf](http://ec.europa.eu/competition/sectors/telecommunications/broadband_decisions.pdf).