

Supplementary Information Sheet on State aid to broadband

This supplementary information sheet should be used for notifications of aid covered by the Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks¹ ("Broadband Guidelines").

1. GENERAL CONTEXT

- 1.1. Please describe as accurately as possible the purpose of the aid scheme and its scope.
- 1.2. Please provide a general overview of the broadband market in the country/region concerned and of the areas targeted by the aid measure.

This overview should contain information on the current level of broadband coverage, internet penetration (number of connected households, enterprises), major trends on the (national or regional) broadband market, rural/urban divide in terms of broadband coverage, competitive situation in the electronic communication markets, overview of the national regulatory framework and of existing regulatory obligations for electronic communication operators, any other relevant information useful to clarify the general context of the aid measure.

- 1.3. Please explain what other instruments have already been implemented to increase broadband coverage and penetration.

For instance, prior state aid broadband measures, their state of implementation and their results, regulatory initiatives, demand side measures, tax incentives, etc. Please state why these measures were not sufficient to achieve the desired broadband development and why state aid is necessary in the current situation.

- 1.4. Please explain how the aid measure fits into a national broadband strategy and the EU objectives (such as the EU2020 strategy and the Digital Agenda²).
- 1.5. Please explain the anticipated benefits of the aid measure (e.g. economic and social benefits, increased broadband coverage and internet penetration, etc).

¹ OJ C 235 of 30.9.2009, p. 7.

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

2. DESCRIPTION OF THE AID MEASURE

- 2.1. Please explain what type of areas the measure will target within the meaning of Sections 2.3.2 and 3.3 the Broadband Guidelines (for instance, traditional broadband "white areas", "white NGA areas", etc.). Substantiate your classification of the areas on the basis of verifiable data and available evidence.**
- 2.2. Please describe as accurately as possible the subject of the aid measure. For instance whether the aid measure aims to support basic broadband access networks (such as ADSL, mobile, satellite etc.), next generation access ("NGA") networks, backhaul transport networks ('middle mile'), ducts and/or other passive infrastructure elements, etc.**
- 2.3. Please submit a map depicting the existing infrastructures in place in the country/region concerned, including also any new infrastructure(s) planned by commercial operators in the near future.**
- 2.4. Please explain if there are any minimum service requirements that the subsidized network has to comply with (such as minimum bandwidth, sustained services, etc.).**

Please describe as accurately as possible the budget, the funding instruments, the source of public funding and the maximum aid intensity of the aid

- 2.5. Please describe the direct and indirect beneficiaries of the aid measure if possible at this stage in line with paragraphs 14 and 15 of the Broadband Guidelines.**
- 2.6. Please report the position of the national regulatory authority ("NRA") on the proposed aid intervention and, where available, the opinion of the national competition authority.**
- 2.7. Please explain how the aid measure will incentivise the selected company(ies) to carry out an activity that it (they) wouldn't do without the aid and how the selected company(ies) would encourage other operators to use the subsidized network to increase offers to end users.**

3. GENERAL COMPATIBILITY CRITERIA

Please explain in detail how the notified aid measure complies with the conditions specified in paragraph 51 (a) to (h) of the Broadband Guidelines.

- 3.1. Please provide information and submit the results of the detailed mapping and coverage analysis your authorities have undertaken to clearly identify**

the target areas. Please explain in detail the process and the results of the open transparent public consultation that allowed all interested stakeholders to comment on the planned aid measure. Please submit the relevant internet links on which the information on the measure has been published.

- 3.2. Please provide information on the selection/tender process(es) related to the aid measure. Please submit the tender documents where available.
- 3.3. Please provide information on how the most economically advantageous offers are to be selected (including the selection criteria and the relative weighting which is given to each of the criteria chosen).
- 3.4. Please confirm that the aid measure is technology neutral and bidders are entitled to propose to use or combine whatever technology they deem most suitable to achieve the objectives set by the public authorities.
- 3.5. Please explain how your authorities encourage bidders to have recourse to any available existing infrastructure so as to avoid unnecessary and wasteful duplication of resources. Please explain what initiatives your authorities have undertaken to reduce the aid necessary to implement the measure (such as ease of access rights in case of public infrastructures (e.g. roads, sewers, public facilities), coordination of civil works, etc.).
- 3.6. Please explain what type of 'wholesale access' provisions will be offered on the subsidized network, how many third party operators you envisage will be able to use the infrastructure at different access levels (both at passive and active levels), and how long the access obligations will be maintained.
- 3.7. Please explain how access prices will be benchmarked and provide information on the role of the national regulatory authority ("NRA") in price benchmarking.
- 3.8. Please explain in detail how the monitoring of the aid measure will take place: which public authority will undertake the monitoring, timing of monitoring, what aspects of the measure will be subject to monitoring, which performance criteria will be analyzed.
- 3.9. Please explain in detail the claw-back mechanism applied to the aid measure, its characteristics and duration.

4. SPECIFIC COMPATIBILITY CRITERIA

Subject of the aid: basic broadband networks

If the aid measure aims to support *basic broadband network* in basic broadband "*grey areas*", please provide information on the following aspects of the aid measure.

- 4.1. Please supply information and data to demonstrate that (i) no affordable or adequate services are offered to satisfy the needs of citizens or business users and

that (ii) there are no less distortive measures available (including ex ante regulation) to reach the same goals by providing evidence on the aspects as described in paragraph 46 of the Broadband Guidelines.

Subject of the aid: NGA networks

If the aid measure aims to support NGA networks in basic broadband "grey areas", please provide information on the following aspects of the aid measure.

- 4.2. Please supply information and data to show that (i) the broadband services provided over the said networks are not sufficient to satisfy the needs of citizens and business users in the area in question (also taking into account a possible future upgrade) and (ii) there are no less distortive means (including ex ante regulation) to reach the stated goals as described in paragraph 73 of the Broadband Guidelines.

If the aid measure aims to support NGA networks in basic broadband "black areas", please provide information on the following aspects of the aid measure.

- 4.3. Please provide information to demonstrate the necessity of state intervention (such as historical pattern of the investments made by the existing network investors over the last years, evidence that upgrading their broadband infrastructures to provide higher speeds in response to users' demands was not satisfactory) in line with paragraph 78 of the Broadband Guidelines.
- 4.4. Please supply information and data to show that the existing networks are not or would not be sufficient to satisfy the needs of citizens and business users in the areas in question and that there are no less distortive means (including ex ante regulation) to reach the stated goals by providing evidence on the aspects detailed in paragraph 75 of the Broadband Guidelines.

Additionally to the previous points, if the measure aims to support NGA networks in areas that are NOT basic broadband "white areas" (i.e. they are basic broadband "grey areas" or basic broadband "black areas"), please provide information and evidence that the notified aid measure complies with the following criteria set in paragraph 79 of the Broadband Guidelines.

- 4.5. In exchange for receiving state support, the beneficiary should be required to provide third parties with effective wholesale access for at least seven years. In particular, the access obligation imposed should also include the right to use ducts or street cabinets in order to allow third parties to have access to passive and not only active infrastructure.
- 4.6. In setting the conditions for wholesale network access, Member States should consult the relevant NRA. NRAs are expected in the future to continue either to regulate ex ante or to monitor very closely the competitive conditions of the overall broadband market and impose where appropriate the necessary remedies provided by the applicable regulatory framework.
- 4.7. Whatever the type of the NGA network architecture that will benefit from State aid, it should support effective and full unbundling and satisfy all different types of network access that operators may seek (including but not limited to access to ducts, fibre and bitstream). In this respect it should be noted that "multiple fibre" architecture allows full independence between access seekers to provide high-speed broadband offers and is therefore conducive to long-term sustainable competition.

If the measure aims to support *NGA networks* in "*grey NGA areas*", please provide information on the following aspects of the aid measure.

- 4.8. Please supply information and data to demonstrate that (i) the existing or planned NGA network is not or would not be sufficient to satisfy the needs of citizens and business users in the areas in question and (ii) there are no less distortive means (including ex ante regulation) to reach the stated goals, by providing evidence on the aspects detailed in paragraph 75 of the Broadband Guidelines.

5. OTHER INFORMATION

- 5.1. Please indicate here any other information that your authorities consider relevant to the assessment of the measure(s) concerned under "*Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks*" or any other information that is relevant from competition point of view³.

³ 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.