

European Commission: Guidelines for State Aid for Broadband

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On 17 September 2009, the European Commission adopted guidelines to enable member states to ensure that their measures to promote broadband comply with the EU state aid rules. The aim is to promote the rapid and nationwide rollout of broadband networks without affecting competition.

In this connection, the guidelines contain rules on granting state aid for extending the basic provision of broadband and for rolling out next generation access (NGA) networks. The rules are based on the experience gained from more than 40 individual decisions taken in the last five years on national aid measures.

State aid under Article 87(1) of the EC treaty must accordingly be examined as to its compatibility with the provisions of Article 87(3). The Commission draws a distinction here between white, grey and black spots: In white spots - places where a broadband infrastructure neither exists nor is planned in the near future - there are no obstacles to state aid. Black spots covered by at least two broadband networks that are in effective competition with one another are not eligible for aid. In grey areas with just one broadband network operator, aid has to be precisely analysed to prevent any distortion of competition.

In this connection, the guidelines also address the subject of aid for NGA networks and state that three years is an appropriate period for an NGA network to develop in any area. If this seems unlikely, the region should be designated a "white NGA area". However, given the degree of substitution in this area the effects of aid on existing broadband networks should also be considered.

The publication of the guidelines was preceded by a public consultation conducted by the Commission in May and June 2009.

Commission Communication - Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks (text important for the EEA) (2009/C 235/04)

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