



State aid: Commission invites comments on State aid rules for the deployment of broadband networks

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The European Commission has launched a [public consultation](#) inviting Member States and other stakeholders to provide their views and comments on the existing EU State aid rules on public support for the deployment of broadband networks. The public consultation is part of an overall evaluation by the Commission of the relevant rules with a view to assess whether they are still fit purpose or whether they will need to be updated in light of recent technological and market developments. All interested parties can respond to the public consultation until 5 January 2021.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"Europe's digital transformation depends on high quality networks. These are crucial for connecting the regions in the European Union, and contribute to a more competitive and sustainable social market economy. The public consultation will help the Commission assess whether the existing State aid rules on public support for the deployment of broadband networks are still fit for purpose and are equipped to meet the challenges of Europe's digital future"*.

The [2013 Broadband State aid Guidelines](#) enable Member States to provide support for the deployment of broadband networks, subject to certain conditions. In particular, they allow for public investments where a market failure exists and where these investments bring a significant improvement to the market in terms of service availability, capacity, speeds and competition (step change). This ensures that public interventions focus on areas that would otherwise be left behind due to the absence of commercial interest to invest and that support "state of the art" technologies. At the same time, the Guidelines also aim at protecting private investments by providing that no public intervention can take place where private operators have invested or credibly plan to invest and fostering fair competition through competitive selection procedures, technological neutrality and open access requirements for the benefit of all European citizens and businesses.

Separately, the [General Block Exemption Regulation](#) ("GBER") exempts Member States from having to notify aid measures supporting the deployment of broadband networks in areas where no infrastructure of the same category exists or is credibly planned in the near future, provided that certain conditions are met.

Since the adoption of the Broadband State Guidelines in 2013 and of the relevant GBER rules in 2014, broadband technologies have significantly improved and users' needs have increased, requiring larger bandwidth as well as an improvement of the networks in terms of other parameters such as latency, availability and reliability.

The purpose of the public consultation is to assess whether the Broadband State aid Guidelines and the relevant GBER provisions have met their objectives, what effect they have had on the market and on competition, and whether they need to be updated in light of recent technological and market developments and the new [EU digital policy goals](#). In the consultation, the Commission aims at assessing the effectiveness, efficiency, coherence, relevance and EU added value of the existing rules, in line with the Better Regulation requirements.

All details about the public consultation are available [online](#).

Next steps

The consultation will be open until 5 January 2021.

The consultation is part of an overall evaluation by the Commission of the Broadband State aid Guidelines and the relevant provisions of the GBER, which will be carried out under the Commission's [Better Regulation rules](#). In addition to the public consultation, the evaluation will involve internal analyses by the Commission as well as the conclusions of a [study](#) prepared by an external consultant. The Commission will summarise the results of the exercise in a Staff Working Document, which will be made public. The evaluation will provide the basis for a future Commission decision on whether an update of the current rules is necessary.

Background

Under the [Better Regulation Guidelines](#), the Commission evaluates if specific laws, policies and spending activities are fit for purpose and have delivered, at minimum cost, the desired changes to European businesses and citizens. The evaluation findings help the Commission decide whether EU actions should be continued or changed.

The existing [2013 Broadband State Aid Guidelines](#) allow for public investments where a market failure exists and where these investments bring a significant improvement (step change). This is also subject to certain other parameters to protect competition and private investment incentives.

Between 2014 and 2019, Member States spent approximately €30 billion in public funding, in compliance with EU State aid rules, to fill investment gaps in broadband infrastructure deployment and to reach the objectives set out for 2020 by the [Digital Agenda for Europe](#). As a result and according to the [Digital Economy and Society Index](#), by mid-2019, already 86% of households in Europe had access to fast broadband of at least 30 megabits per second (Mbps) download speed, and 30% benefited from Gigabit connectivity.

Building on the EU's existing 2020 broadband targets, the Commission has identified in its [Gigabit Society Communication](#) the connectivity needs to be achieved by 2025 to build a European Gigabit society, where very high capacity networks enable the widespread use and development of products, services and applications in the Digital Single Market. The identified connectivity needs are: (i) all European households should have access to internet connectivity offering download speeds of at least 100 Mbps, upgradable to Gigabit speed, (ii) all main socio-economic drivers such as schools, transport hubs and main providers of public services as well as digitally intensive enterprises should have access to internet Gigabit connectivity with download and upload speeds of at least 1 Gbps; (iii) uninterrupted 5G coverage for all urban areas and all major terrestrial transport paths should be ensured.

In February 2020, the Commission published the EU digital priorities among which the Communication on [Shaping Europe's Digital Future](#) and recalled that connectivity to achieve the EU 2025 objectives remains the most fundamental building block of the digital transformation of Europe.

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