

European Commission has launched a public consultation on the revision of the Guidelines on public funding to broadband networks

The European Commission published a draft Regulation modifying the existing Regulation on public funding to broadband networks.

In its Communication on State Aid Modernisation (SAM), the Commission notes that State aid policy should focus on facilitating well-designed aid targeted at market failures and objectives of common European interest. State aid measures can, under certain conditions, correct market failures, thereby improving the efficient functioning of markets and enhancing competitiveness. Further, where markets provide efficient outcomes but these are deemed unsatisfactory from a cohesion policy point of view, State aid may be used to obtain a more desirable, equitable market outcome. In particular, a well targeted State intervention in the broadband field can contribute to reducing the 'digital divide' between areas or regions where affordable and competitive broadband services are on offer and areas where such services are not.

However, if State aid for broadband were to be used in areas where market operators would normally choose to invest or have already invested, this could significantly undermine the incentives of commercial investors to invest in broadband in the first place. In such cases, State aid to broadband might become counterproductive to the objective pursued. The purpose of State aid control in the broadband sector is to ensure that State aid measures will result in a higher level, or a faster rate, of broadband coverage and penetration than would be the case without State aid, while supporting higher quality, more affordable services and pro-competitive investments. The positive effects of the aid should outweigh the distortions of competition.

These guidelines summarise the principles of the Commission's policy in applying the State aid rules of the Treaty to measures that support the deployment of broadband networks in general. They explain the application of these principles in the assessment of aid measures for the rapid roll-out of basic broadband and very high speed, next generation access (NGA) networks. The Commission will apply the guidelines in the assessment of State aid for broadband. This will increase the legal certainty and transparency of its decision-making.

The period for this consultation is: 01.06.2012 – 01.09.2012.

The draft Communication is available in:

PDF: http://ec.europa.eu/competition/consultations/2012_broadband_guidelines/en.pdf

ODT: http://ec.europa.eu/competition/consultations/2012_broadband_guidelines/en.odt