European Commission - Press release





State aid: Commission publishes results of evaluation of EU State aid rules for deployment of broadband networks

Brussels, 7 July 2021

The European Commission has published a Commission Staff Working Document summarising the results of an evaluation of the State aid rules for the deployment of broadband networks: (i) the Broadband Guidelines and (ii) the corresponding provisions of the General Block Exemption Regulation (GBER). The evaluation concludes that, overall, the existing rules work well and are fit for purpose. However, some adjustments may be necessary to adapt the current rules to recent technological progress and to align them with the current EU policy objectives, in particular the EU 2025 Gigabit Society and 2030 Digital Compass.

The evaluation of the <u>Broadband Guidelines</u>, which started applying in 2013, and of the corresponding provisions of the GBER, which started applying in 2014, was launched in <u>June 2020</u>.

The evaluation aimed at assessing how the current framework of State aid rules for the deployment of broadband networks has performed, also in light of its main objectives (namely to facilitate the deployment of broadband infrastructures in order to address market failures, while limiting the potential distortions of competition). The evaluation also aimed to assess whether the framework is still fit purpose or whether it will need to be updated in light of recent technological and market developments.

The Commission's assessment involved internal analyses, both public and targeted consultations of stakeholders, as well as a <u>study</u> conducted by an external consultant.

The findings of the evaluation

The evaluation concludes that, overall, the Broadband Guidelines and the corresponding provisions of the GBER are broadly fit for purpose and have made an important contribution to supporting the deployment and take-up of broadband networks.

At the same time, the evaluation revealed that the existing rules need certain adjustments, including clarifications of some concepts (such as mapping, public consultation or wholesale prices), further streamlining and simplification, as well as adjustments to reflect the EU current priorities.

In particular, the evaluation has shown that the rules will need to be adapted to technological progress and to the Commission's policy objectives, in particular the EU 2025 Gigabit society and 2030 Digital Compass. In this respect, the evaluation has indicated that stakeholders would welcome an alignment of the intervention thresholds with Gigabit targets, as well as further guidance on compatible State aid measures for the deployment of mobile networks and measures aiming at stimulating demand.

Next steps

The Commission will take the results of the evaluation into account when reviewing the existing rules. Within the coming weeks, the Commission will publish a roadmap and will invite stakeholders to share their views on this document. A public consultation on the draft revised Guidelines will then take place in autumn 2021.

The Commission aims at adopting revised Guidelines that will further enable interventions by public authorities to ensure a fair digital transformation of the EU, in line with the <u>Next Generation EU Programme</u> and the <u>Digital Strategy</u>.

Background

Under the <u>Better Regulation Guidelines</u>, the Commission evaluates if specific laws, policies and spending activities have delivered, at minimum cost, the desired changes to European businesses and citizens.

The current <u>Broadband Guidelines</u> entered into force in 2013 and constituted an appropriate framework at that time, supporting Member States to reach the <u>Digital Agenda for Europe</u> and the

Europe 2020 Strategy objectives.

Building on the EU's existing 2020 broadband targets, the Commission has identified in its <u>Gigabit Society Communication</u> the connectivity needs to be achieved by 2025 in order to build a European Gigabit society.

In February 2020, the Commission published the EU digital priorities - among which the Communication on <u>Shaping Europe's Digital Future -</u> and recalled that achieving the the EU 2025 connectivity objectives remains the most fundamental building block of the digital transformation of Europe.

In March 2021, the Commission adopted the <u>2030 Digital Compass Communication</u> presenting a vision for Europe's digital transformation by 2030.

The impact of the COVID-19 pandemic on economy and society has underlined the role of broadband networks for people, businesses and public institutions as well as for the recovery from the crisis and to foster EU's resilience. In this context, under the <u>Next Generation EU</u> programme, the <u>Recovery and Resilience Facility</u> supports as a priority the digital transition and contributes to the achievement of the EU <u>Digital Strategy</u>.

IP/21/3545

Press contacts:

<u>Arianna PODESTA</u> (+32 2 298 70 24) <u>Maria TSONI</u> (+32 2 299 05 26)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email