

Brussels, 20 January 2011

## State aid: Commission approves record amount of state aid for the deployment of broadband networks in 2010

***In keeping with the ambitious digital agenda goals set in the EU 2020, the European Commission has approved, under the EU guidelines for state aid to broadband, the use of over €1.8 billion public funds for broadband development to support economic recovery, inclusive growth and the long term competitiveness of the EU. The public funds are aimed to ensure that all citizens have access to high speed Internet access in the European Union, including in rural or remote areas.***

Commission Vice-President in charge of competition policy Joaquín Almunia commented: "Smart investments into high and very high speed broadband infrastructures are crucial to create jobs, increase economic performance and to unlock the competitive potential of the EU in the long term. The Commission is committed to help EU countries to accelerate private and public investments in this sector."

In 2010, the Commission adopted a record number of 20 decisions covering aid for broadband development in, among others, Catalonia, Finland and Bavaria (the complete list can be found [here](#)) authorising the use of over €1.8 billion of public funds for broadband development. This will potentially generate up to €3.5 billion of investments in the sector. The approved aid in 2010 is more than four times the amount allowed in 2009 (see table below).

The national public support was in line with the September 2009 Broadband Guidelines (see [IP/09/1332](#), [MEMO/09/396](#) and [MEMO/10/31](#)), which set out in detail the Commission's approach to state aid in this field. Public support is necessary to ensure universal coverage of broadband infrastructure thus avoiding a digital divide between urban and rural or remote areas.

The Commission has set out ambitious targets for broadband development in its EU 2020 strategy, in the Digital Agenda (see DAE webpage, [IP/10/581](#), [MEMO/10/199](#), [MEMO/10/200](#)) and further clarified the possible use of public funds in this sector in the Broadband Communication (see [IP/10/1142](#), [MEMO/10/426](#) and [MEMO/10/427](#)).

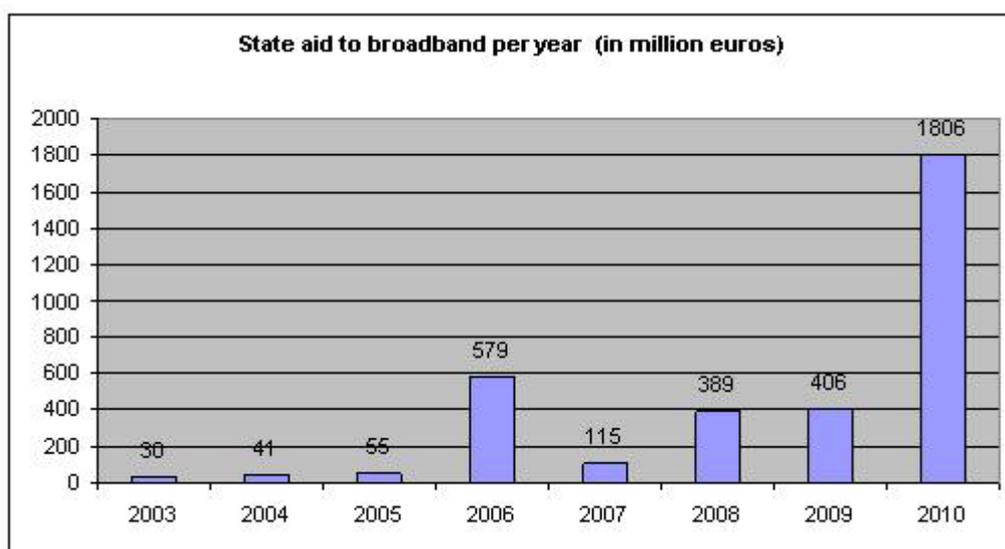
These targets can only be reached if EU and public funds complement private investments to extend current generation broadband and very high speed broadband coverage to areas where market operators are unlikely to invest on commercial terms in the near future. Adequate and affordable broadband services can bring great economic and social benefits for people living and working in such areas, for instance by providing them with the possibility of teleworking, access to e-health, e-government and e-learning services.

When assessing public support to broadband networks, the Commission makes sure public support does not crowd out private investment and allows alternative operators to get effective and non-discriminatory access to the subsidised broadband infrastructures, thereby increasing the choice and quality of the services available to citizens.

The approach has ensured that broadband networks are built in areas where nothing was available before and are made accessible to competing Internet service providers on non discriminatory terms. Thereby, state aid helps households and companies in rural areas to benefit from state-of-the-art similar services at similar prices as those established in urban areas.

The Commission will further encourage the smart use of public funds in line with the Broadband Guidelines to bring high speed and very high speed Internet access to as many Europeans as possible, as quickly as possible – to help them benefit from the advantages of a knowledge-based society.

Besides national funding, for the 2007-2013 financing period of the EU Structural Funds, a total of €2.3 billion was allocated to broadband infrastructure investments and € 12.9 billion to information society services; and a further €360 million through the Fund for Rural Development was used for broadband funding. The EIB invested in 2009 €2.3 billion (since 2000 a total of €12 billion) in broadband infrastructures.



Approved State aid for broadband per year in the EU