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Subject: State Aid SA. 56599 – Greece
Modification of the Superfast Broadband (SFBB) Project

Excellency,

1. PROCEDURE

- (1) On 6 April 2020, Greece notified to the Commission, in accordance with Article 4.2.(b) of Commission Regulation (EC) N°794/2004¹, an extension of the duration of an authorised aid scheme as well as the alteration of its scope to enable all enterprises to benefit from vouchers under the scheme. The original aid

¹ Commission Regulation (EC) n°794/2004 of 21 April 2004 implementing Council Regulation (EU) 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union.

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measure was approved by the Commission on 7 January 2019 as State aid case SA.49935² (the 2019 decision).

- (2) By letter of 27 March 2020, the Greek authorities have provided a language waiver and exceptionally agreed to waive their rights deriving from Article 342 TFEU in conjunction with Article 3 of the EC Regulation 1/1958 and to have the planned Decision on the proposed support measures adopted and notified in English.

2. DETAILED DESCRIPTION OF THE MEASURE

- (3) The present notification aims to extend the duration of the 2019 decision by 24 months and allows also enterprises to receive Superfast Broadband (SFBB) vouchers³ under the scheme.⁴ The activation of the SFBB vouchers will be possible until 31 March 2022 instead of 31 March 2020 as indicated in recital 22 of the 2019 decision. Greece also submitted a revised ex-post evaluation plan which integrates the comments of the Commission on the interim evaluation report (see recital 55 of the 2019 decision) of the ex-post evaluation plan of the 2019 decision (see recitals (46) to (60) of the 2019 decision). Greece commits to implement the comments and recommendations of the Commission in the interim and final evaluations. No other modification to the scheme is foreseen.
- (4) The Greek Authorities clarified that this extension in the time and scope of the scheme is necessary in view of the delayed deployment of the SFBB project (see recital (19) of the 2019 decision), which has not reached its full potential.
- (5) The main reasons for this delay are: (i) operators' delays in developing specific operational and commercial processes that would have allowed an efficient exploitation of the SFBB project⁵; (ii) delays in the deployment of certain private networks which were under development at the time the 2019 decision was adopted due to delays concerning the issuance of permits by local administrative authorities. Furthermore not all operators have efficiently organized their retail operations in order to streamline the provision of SFBB services, and thus have very limited or do not have any participation in the SFBB project.

² Commission Decision of 7 January 2019 in case State Aid SA. 49935 (2018/N) – Greece Superfast Broadband (SFBB) Project. See https://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=3_SA_49935

³ Vouchers are available to citizens and undertakings who wish to obtain a new SFBB service. SFBB services are broadband services, whether on a stand-alone or a bundled service offer basis, which include at least the following components: (i) the necessary terminal equipment (modem/router) for operation, and (ii) access to the Internet with download speed of at least 100Mbps readily upgradeable to 1Gbps.(see recitals (25) and (27) of the 2019 decision).

⁴ The 2019 decision was limited to self-employed persons (see recital (33) of the 2019 decision).

⁵ The Greek authorities clarified that this concerns: (i) operators' delay in developing processes/systems for the reallocation of operational resources and for the commercial exploitation of the scheme, (ii) the fact that the list of beneficiaries that have issued a voucher but have not applied for a service to a retail operator has not yet been made available to retail operators, and (iii) the lack of adequate publicity of the measures.

- (6) As laid out in the 2019 decision, recital (22), the Greek authorities had anticipated the possible extension of the duration of the measure subject to a positive evaluation of the project.
- (7) The Greek authorities submit that the requested extension will provide the operators and the competent authorities with the appropriate time in order to remedy the above shortcomings and fully develop the SFBB scheme as originally envisaged. This request is made in view of the delayed deployment of the SFBB project, which has not matured yet and has not reached its full potential.
- (8) For what concerns the inclusion of enterprises (additionally to citizens and the self-employed) among end-users able to benefit from vouchers under the scheme, Greece explained that this will not affect the budget or any other implementation aspects of the 2019 decision. Moreover, at national level, a mechanism is in place in order to insure that the cumulation rules of the *de minimis* regulation will be respected for the aid to enterprises, as it is being done already for the self-employed (see recitals (33), (43) and (63) of the 2019 decision).
- (9) The Greek authorities clarified that the legal basis has been modified to take into account the above mentioned modifications⁶ and that it contains a standstill clause. The modifications concern exclusively the extension of the duration of the authorized aid scheme and the inclusion of enterprises among end-users able to benefit from vouchers under the scheme. The amendments in the legal basis do not affect the budget of the scheme (EUR 50 million) or any other implementation aspects of the scheme that remain the same for that matter, except for a few clarifications regarding the expenditure certification and clearance procedure.
- (10) All recitals from (2) to (45) of the 2019 decision remain valid and unaffected, except for recital (20) on the legal basis, recital (22), on the duration of the project and recitals (32) and (33) concerning end-users benefitting from the scheme, which refer to elements of the measure which are altered according to the present decision.
- (11) Greece has submitted an evaluation plan which integrates the Commission's comments on the interim evaluation report submitted by Greece as part of the implementation of the ex-post evaluation plan of the 2019 decision (see recital (55) of the 2019 decision).
- (12) The ex-post evaluation plan addresses the same questions and uses the same methodology as described in recitals (46) to (54) of the 2019 decision.
- (13) An interim evaluation report will be submitted to the Commission at the latest by 31.12.2020. The interim evaluation report will be focused on the implementation of the measure in terms of effectiveness and efficiency. The final evaluation report will be submitted to the Commission by 31.12.2021. An additional evaluation report will be submitted by 31.12.2023.

⁶ Ministerial Decision No151.144/431-Γ/30.03.2020 (Diavgeia Internet Uploading Number (ΑΔΑ): 9ΑΠΠ46ΜΠΥΓ-ΑΤΖ) of the Minister of Digital Governance.

- (14) The elements described in recitals (57) to recital (86) of the 2019 decision remain unchanged. The deadlines and reports indicated in recital (87) of the 2019 decision have been altered as described in recital (13).
- (15) The beneficiaries of the measure indicated in recital (63) of the 2019 decision have been extended in order to include all enterprises as end-users able to benefit from the project.

3. ASSESSMENT OF THE MEASURE

3.1. Existence of aid within the meaning of Article 107 (1) of the TFEU

- (16) The measure constitutes State aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union (TFEU), as described in paragraphs (61) to (68) of the 2019 decision.

3.2. Compatibility of the aid

- (17) As stated above, the notified measure alters an authorised aid scheme which was approved by the Commission on 7 January 2019. According to recitals (71) to (87) of the 2019 decision, the scheme has been considered compatible with the internal market under Article 107 (3) (c) TFEU.
- (18) Aside from the duration extension, the inclusion of enterprises among eligible end-users, and the ex-post evaluation plan submitted, Greece will not alter any other conditions on which the original scheme was approved by the Commission.
- (19) The Greek authorities have designed the measure in such a way as to minimise the State aid involved. In particular, the increased in the number of eligible operators which can obtain vouchers does not affect compatibility assessment contained in recitals (71) – (79) of the 2019 decision.
- (20) Regarding the reporting obligation, the Greek authorities will submit to the Commission annual reports as set out in recital (45) of the 2019 decision. Regarding the ex-post evaluation, the evaluation plan submitted is built on the evaluation plan of the 2019 decision and fully takes into account the Commission's comments to the interim evaluation report of the 2019 decision (see recital (3)). The scheme would need to be suspended if the final evaluation report is not submitted in good time and sufficient quality.
- (21) The Commission consequently sees no reason to depart from its previous positive compatibility assessment in its decision in State aid case SA.49935. Thus, the altered scheme can be considered to be compatible with the internal market in accordance with Article 107(3) (c) TFEU.

4. CONCLUSION

The Commission has accordingly decided:

- not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107 (3) (c) of the Treaty on the Functioning of the European Union.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:
<http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Greffe
B-1049 Brussels
Stateaidgreffe@ec.europa.eu

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

CERTIFIED COPY
For the Secretary-General,

Jordi AYET PUIGARNAU
Director of the Registry
EUROPEAN COMMISSION