



Toulouse, 31st August 2012
Mr Antoine Colombani
Spokesman of Commissioner for Competition
European Commission

cc: Marisa Gonzalez Iglesias (assistant to spokesman)

Subject: ISI answer to EC consultation on the draft guidelines for broadband networks (State Aids)

Dear Mr Colombani,

The European Technology Platform ISI (Integral SatCom Initiative) is pleased to submit here its feed-back to the European Commission invitation to comment on the application of the EU state Aids rules to the public funding of broadband networks.

ISI has noted that the June 2012 DAE scoreboard reports a stable coverage of fixed broadband networks in 2011 (95%), and mentions that the satellite coverage is complete but take-up not yet widespread in underserved areas. ISI would like here to pin-point one reason for a take-up slower than what could be expected: the specificity of satellites broadband networks, compared to the terrestrial networks. Indeed, the current State Aids rules text can be ambiguous or unclear regarding the eligible elements of satellite-based solutions, which make it difficult for the often unaware local authorities to consider this solution.

ISI thus proposes to amend the draft guidelines as follows:

In page 16 of the Guidelines:

“(52) Several different technology platforms can be considered as basic broadband networks including asymmetric digital subscriber line (xDSL), cable, mobile, wireless and satellite solutions.

(53) At the current stage of the market, [...]”

ISI suggests inserting a new point

(52 bis) Satellite networks require different network architecture than the reference architecture of terrestrial networks. In satellite networks, no architectural separation exists into backhaul and access (last mile). A single link directly connects the end-user ground equipment to the backbone. As broadband satellites are now available that cover all Europe, the only element required to enable immediate access to broadband is the installation of end-user ground equipment.

Also, in page 12 of the Guidelines:

“Due to economics of density, broadband networks are generally more profitable where potential demand is higher and concentrated, i.e. in densely populated areas. Because of high fixed costs of investment, unit costs increase significantly as population densities drop.”

ISI suggests specifying:

“Due to [...] as population densities drop (this is not the case however with satellite solutions which do not depend on the density of a specific area but rather on the total number of adopters, thereby being particularly suitable to connect low-density populated areas).”

Yours faithfully,

Agnès Salvatori
Chairman of ISI Policy &

Nicolas Chuberre
ISI Chairman



Promotion Working group

About ISI: The Integral SatCom Initiative is an ICT European Technology Platform led by European SatCom industry and supported by the European Commission to address Satellite Communications (SatCom) strategic research challenges. It gathers more than 200 members organizations representing all the European SatCom industry stakeholders from 29 different countries. It includes members from manufacturing industry, network operations and service provision, SMEs, research centres and academia, European and National Institutions.