



EUROPEAN COMMISSION

Brussels, 21-II-2007

C(2007) 471 final

Subject: State aid N 746/2006 – United Kingdom
NYNET North Yorkshire Advanced Broadband Project

Dear Foreign Secretary,

I. PROCEDURE

- (1) By letter registered on 15 November 2006, the UK authorities notified to the Commission the planned aid measure 'NYNET North Yorkshire Advanced Broadband' (hereafter "NYNET", "the project" or "the measure"). By letter of 14 December 2006, the Commission requested additional information which was submitted by letter registered on 19 January 2007.

II. CONTEXT

- (2) In common with many rural regions throughout the EU, North Yorkshire underwent a period of economic readjustment in recent years. In recognition of these challenges, parts of North Yorkshire were designated as Structural Funds "Objective 2" areas for the period 2000-2006. Because of its rural socio-economic profile, many parts of North Yorkshire offer limited incentives for telecommunications companies to invest in new infrastructure except in a small number of affluent, more populated areas.
- (3) In particular, due to the socio-economic profile of the region, the rollout of basic broadband such as ADSL¹ in North Yorkshire lagged behind that of more favoured regions as the commercial case for significant investment in the telecommunications infrastructure in the region was (and remains) weak. Advanced broadband over ADSL2+ is currently available in only 7 exchanges of 132 throughout the rural county of North Yorkshire, thereby entrenching North Yorkshire's economic disadvantages. Consequently, only a minority of the public sector, business, and residential users are - and will be - able to access advanced broadband services.

¹ Asymmetric Digital Subscriber Line.

The Right Honourable The Secretary of State
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- (4) In terms of wholesale service provision, BT, the incumbent, remains the dominant operator. At the retail level, other than in limited parts of the towns of Harrogate and York where there is a small amount of legacy cable provision from ntl:Telewest, all broadband services are provided by BT. Under the current UK regulatory rules, BT is required to open up its infrastructure for service providers to procure wholesale services. However, although regulation has introduced competition for retail services, it is competition based on a product set defined primarily by BT's own wholesale ADSL ISP services. As a result, in the rural areas of North Yorkshire there has not been any investment in local loop unbundling by alternative operators seeking to offer more innovative advanced broadband services. This contrasts with the situation in urban area such as Leeds or London, where alternative operators are installing their own equipment in the exchanges.
- (5) Since the rollout of advanced broadband services by commercial telecommunications companies can be expected to be driven by the need to achieve a rapid return on investment, the rollout of advanced broadband in North Yorkshire is likely to follow a similar pattern to the rollout of first generation broadband, such as basic ADSL, in which North Yorkshire lagged behind, causing economic and social disadvantage to the region.
- (6) Research carried out by the North Yorkshire authorities regarding the provision of advanced broadband services in the region showed that independent commercial players will, once again, focus on urban and other more affluent areas. Consequently, many businesses and residential users will be unable to receive the benefits of advanced broadband services provided by alternative operators. Where independent operators have invested in providing their own services, the competitive environment produces clear benefits for businesses in terms of the range of services available and the prices at which those services are made available.²
- (7) According to the UK authorities, the key reasons for the lack of investment in rural areas are, first and foremost (a) the cost of backhaul connectivity from BT, which because of the large distances in North Yorkshire, is considerably more costly than that in urban areas such as London; and (b) the low population density across much of the sub-region and consequently the low number of potential broadband subscribers. As a result, in rural areas where demand is not developed and coverage of network cost is uncertain, alternative network operators have so far decided not to invest in advanced broadband infrastructure.
- (8) The authorities expect that the creation of cost-effective backhaul connectivity will encourage independent operators to revise their current roll out plans so as to include

² In order to illustrate the high price level in remote areas compared to metropolitan areas, the authorities submitted representative pricing information. For example, a SDSL (Symmetrical Digital Subscriber Line) 2MB contended internet access service from [...] in Leeds costs GBP [...] per month, SDSL services are not available in Whitby. A 2MB dedicated internet leased line from [...] in Leeds costs GBP [...] per month, an identical circuit from [...] costs GBP [...] per month. In comparison, a 2MB dedicated leased line in Scarborough costs GBP [...] per month; a 10 MB dedicated leased line in Leeds costs GBP [...] per month, an equivalent in Scarborough costs GBP [...] per month. According to the UK authorities, these prices can result in important constraints for the business development of bandwidth-hungry businesses who might relocate existing knowledge-based jobs from remote locations or at least not further develop their business in these areas.

* [...]: covered by the obligation of professional secrecy.

rural areas that previously failed to meet the operator's criteria for return on investment.

III. DESCRIPTION OF THE MEASURE

- (9) *Objectives:* The notified measure aims to provide, for the public sector, an electronic communications backhaul network in ring configuration in North Yorkshire with a connection point to existing high speed networks in Leeds or York. The (leased) network will be made available on a wholesale open access basis to third-party operators which will add their own investments in access network connectivity in order to offer advanced broadband services to end users. Thus the project will (i) improve the standard and resilience of public sector IT provision within North Yorkshire by means of an extension and upgrade to the existing public sector corporate broadband network in the region; (ii) stimulate the development of knowledge-based industries in rural North Yorkshire by enabling commercial operators to use the network on a non-discriminatory and transparent basis to deliver competitive advanced broadband services to end users; and (iii) provide a platform for the public sector to address issues of digital social exclusion.
- (10) *Legal basis:* The measure is based on the Local Government Act 2000.³
- (11) *Target areas:* The project concerns the areas served by the North Yorkshire County Council, seven District Councils and the City of York Council.
- (12) *Operational aspects:* A Technology Partner will be selected by means of an open tender and will be responsible for rolling out and operating the planned network. The Technology Partner will be required to build/buy/activate and operate a backbone network linking approximately 12 points of presence in rural North Yorkshire. The project will create a physical ring infrastructure with points of presence that will render nearly all 132 exchanges within one 25 km "hop" of the planned backhaul infrastructure, instead of today's three or four 25 km "hops" needed to be leased from BT in order for alternative operators to provide broadband services to North Yorkshire. The project will cover both the passive and the active network architecture, i.e. the underlying physical infrastructure and the electronic/optical networking equipment needed to provide wholesale services over the network.
- (13) A public-sector Special Purpose Vehicle ("SPV") will purchase from the Technology Partner the contractual right to use the network (which will include the right to sub-license capacity on the network to service providers) for a finite period (envisaged as 10 years). The SPV (and not the Technology Partner) will market the network created under the project to public sector users and to independent operators on a transparent and non-discriminatory wholesale basis. These operators will be given the opportunity to acquire capacity on the network and to provide services to business and individual end users.
- (14) According to the UK authorities, the planned network will make it economically feasible for commercial operators to provide high speed services to rural and coastal towns which are too far from the existing high-speed infrastructure to make investment by independent operators a viable option. The project will not offer any

³ <http://www.opsi.gov.uk/acts/acts2000/20000022.htm>.

connectivity beyond a termination point in any of the existing points of presence ("PoPs") of the planned infrastructure. The commercial decision to provide the necessary further interconnecting equipment and access connectivity (copper, fibre or wireless) in order to create a retail service proposition to business and residential end users will be left to service providers.

- (15) The project seeks to utilise existing infrastructure assets owned by telecommunications companies, supplemented by minor new build aimed to make backhaul connectivity affordable for third parties (as mentioned above in paragraph 12, it is expected that 12 new Points of Presence will be build to that effect). The Technology Partner will only receive payment for specific bandwidth and services procured by the SPV over the duration of the contract.
- (16) *Procurement*: On 6 August 2005, a contract notice ("OJEU Notice") was published in the Official Journal of the European Union as a call for competition in respect of the project. According to the above mentioned publication, the successful bidder would be chosen on the basis of the economically most advantageous offer.
- (17) *Technology*: The procurement of the network is technology-neutral and based on the need to provide a defined level of service for the users⁴, rather than a prescribed means to achieve this. No detailed technical design has been prepared at this point - the final technical design will be agreed with the chosen Technology Partner.⁵
- (18) *Beneficiaries*: The direct recipient of the funding will be the Technology Partner. Indirect beneficiaries will be the SPV, public sector users⁶, the third party operators using the wholesale provision, and finally, end users, businesses⁷ (in particular SMEs) and households⁸ using the retail services provided by the third party operators.
- (19) *Budget and aid intensity*: The capital cost of the project will depend upon the technology employed and the scope and coverage of the network. The cost of

⁴ It is currently envisaged that the Project will have the following features: the capability to manage network capacity using virtual private networks; the capability to manage contention when network capacity is in demand (Quality of Service); appropriate levels of resilience; security - ensuring that data traffic is invisible to unauthorised users; authentication - management of access to restricted network services; cost-effective scalability.

⁵ The Project has so far ascertained the availability of existing core fibre/Dense Wave Division Multiplexed ("DWDM") wavelength services infrastructure that will allow bidders to meet the tender requirements. It is expected that the likely offering for third party operators will be a resilient DWDM core network with 12 Points of Presence equipped with [...] line cards supporting [...] bandwidth. This bandwidth can be upgraded if required.

⁶ Excluding central government departments and agencies, there are approximately 1,060 major public sector sites within North Yorkshire that either require, or would significantly benefit from, secure high-speed data connectivity. Of particular significance to the North Yorkshire authorities is the provision of affordable services to primary schools in remote villages. According to the authorities, discussions with North Yorkshire Police, Fire Service and Strategic Health Authority indicate a strong interest in exploring how high bandwidth infrastructure can be used to enhance service provision.

⁷ It is expected that 12,500 businesses may initially benefit from enhanced broadband provision.

⁸ An estimated 165,000 homes may initially benefit from enhanced broadband provision. It is envisaged that the emergence of social applications such as "tele-medicine" (i.e. to use a video connection to monitor patients at home) will provide opportunities for local healthcare providers to use advanced broadband services to offer enhanced services and reduce costs. Similarly, applications such as remote learning offer a whole new experience to users when high speed bandwidths are available.

constructing and maintaining the network over the contract period is estimated to be GBP [...]. The maximum amount of public funds to be allocated to the measure will be approximately GBP [...]. According to the UK authorities, this will be made up of co-financing from the European Regional Development Fund ("ERDF"), a Regional Development Agency grant and funding from North Yorkshire County Council. The aid intensity level (including ERDF funds) will depend on the outcome of the procurement exercise, but is not expected to exceed [...] of the total project costs. Wholesale revenues from third party operators will be used to pay off elements of the initial capital investment and the longer term operational costs of the SPV.

- (20) *Funding instrument:* Public funds will be paid to the selected Technology Partner in the form of a service grant.
- (21) *Duration of the measure:* The lifetime of the project has not been defined yet, as it will depend on the outcome of the procurement process. However, it is expected that the project will run from 2007 to 2016 although the majority of the capital expenditure will be incurred during the first three years of the project.
- (22) *Product or service markets affected:* It is expected that the Technology Partner will offer high-bandwidth services over fibre. Several markets, as defined in the Commission Recommendation on relevant markets⁹ for electronic communications services are affected by the measure, directly or indirectly. The most directly affected markets will be wholesale leased lines: market 13 (wholesale terminating segments of leased lines) and, to a lesser extent market 14 (wholesale trunk segments of leased lines). However, the measure also has knock-on effects on other markets, for instance wholesale broadband access and retail broadband services.
- (23) *Monitoring:* The main means of monitoring the project is the publicly owned SPV. As stated above, the SPV is created to market the network created by the project to public sector users and service providers. The SPV will also be responsible for appointing the Technology Partner and to manage the funding streams. The Technology Partner will be required to report to the SPV on a regular basis, taking into account numerous contractual and performance criteria. Although the SPV as a public law body is bound to apply and comply with all the applicable rules in relation to the tender and the award of the financial assistance, it will be the North Yorkshire County Council which controls the SPV, that will ultimately bear the responsibility for ensuring compliance by the SPV with all the relevant applicable rules, and in particular, the respect of the non-discriminatory, transparent and equal access for third parties to the infrastructure thus built.

IV. STATE AID ASSESSMENT OF THE MEASURE

- (24) According to the EC Treaty and consolidated case-law there is State aid within the meaning of Article 87(1) when:
 - there is an intervention by the State or through State resources;

⁹ Commission Recommendation 2003/311/EC of 11 February 2003 on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC.

- it confers an economic advantage on the recipient;
- it distorts or threatens to distort competition;
- the intervention is likely to affect trade between Member States.

State resources

- (25) The measure is partly financed by resources of the North Yorkshire authorities. Hence, state resources are involved.

Economic advantage

- (26) *Technology Partner*: Through the tender process, the successful bidder will receive financial support which will enable it to build a backhaul infrastructure on conditions not otherwise available to the market. Although an open tender procedure tends to minimize the potential advantage in terms of excessive profits, the fact that the Technology Partner is enabled to build and acquire ownership of a new infrastructure must be regarded as an economic advantage.
- (27) *SPV*: Although the SPV will be established as a public-sector body, the project will enable it to provide wholesale capacity to third party operators at advantageous conditions, i.e. below the current market price and, *prima facie*, to attract more customers than a private market operator under normal market conditions. Therefore, the measure confers an economic advantage to the SPV.
- (28) *Third party operators*: The project will enable service providers to buy wholesale backhaul connectivity below market rates to offer competitively-priced advanced broadband services to business and residential users. Therefore, these operators will be granted an economic advantage since they have access to wholesale capacity made available by State funding at prices which would not be available under normal market conditions without State support.
- (29) *End users*: The measure also aims at facilitating the provision of advanced broadband services to residential and business users at conditions which are currently not available in the target areas. Whereas residential users are not subject to State aid rules, it is not excluded that businesses in the targeted geography might benefit from service coverage beyond, and prices below what would be provided on a purely commercial basis. However, it is not clear at this stage that the measure in question confers a sufficiently identifiable advantage on such future business users.

Distortion of competition

- (30) The intervention by the North Yorkshire authorities alters the existing market conditions by allowing the provision of advanced broadband services by the SPV at the wholesale level, and by the service providers at the retail level. It cannot be excluded that a number of operators might have decided to enter the market by having recourse to more expensive market-based solutions. Therefore, the fact that additional wholesale capacity becomes available at a lower price than existing, albeit expensive, solutions has the effect of distorting competition in several wholesale markets. Moreover, the measure will also have an effect in downstream markets. Business users may subscribe to advanced retail broadband services provided by service providers

using the SPV's infrastructure instead of more expensive market-based solutions. Therefore, there is also a potential distortion of competition at the retail level.

Effect on trade

- (31) Insofar as the intervention is liable to affect service providers from other Member States, the measure has an effect on trade. The markets for electronic communications services (including the wholesale markets and the retail broadband markets) are open to competition between operators and service providers, which generally engage in activities that are subject to trade between Member States.

Conclusion

- (32) In view of the above, the Commission considers that the notified measure grants an economic advantage to the Technology Partner, the SPV, and third party operators. The measure is publicly funded, distorts competition and has an effect on trade between Member States. Therefore the Commission regards the notified measure as constituting State aid within the meaning of Article 87 (1) of the EC Treaty.
- (33) Having established that the project involves aid within the meaning of Article 87(1) of the EC Treaty, it is necessary to consider whether the measure can be found to be compatible with the common market.

V. COMPATIBILITY ASSESSMENT

- (34) The Commission notes that the project aims to ensure the availability of an open, carrier-neutral, advanced wholesale (backhaul) broadband infrastructure in North Yorkshire and, as such, does not fall under one of the existing frameworks and guidelines. It should be noted that some, but not all, areas covered by the project are located within areas eligible under the Objective 2 programme for 2000-2006, but that for the period 2007-2013 the entire region will be eligible under the Competitiveness and Employment Objective of the Structural Funds. Moreover, the focus of the measure is to promote broadband and not regional development as such.
- (35) The Commission therefore considers that the assessment of the compatibility of the measure with the common market needs to be based directly on Article 87(3)(c) of the EC Treaty¹⁰ which states that:

"aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest"

may be considered to be compatible with the common market.

¹⁰ See also, similar decisions for other regions of the UK: N 126/04 "Broadband for SMEs in Lincolnshire", 14.12.2004, N 199/04 "Broadband business fund", 16.11.2004, and N 307/04 "Broadband in Scotland – remote and rural areas" of 16.11.2004, N131/2005 "FibreSpeed Wales" (UK) of 22.02.2006.

- (36) In order to be compatible under article 87 (3) (c), an aid must pursue an objective of common interest in a necessary and proportionate way. In particular, the measure shall be assessed with respect to the following questions:
- (a) Is the aid measure aimed at a well-defined objective of common interest (i.e. does the proposed aid address a market failure or other objective)?
 - (b) Is the aid well designed to deliver the objective of common interest? In particular:
 - Is the aid measure an appropriate instrument, i.e. are there other, better-placed instruments?
 - Is there an incentive effect, i.e. does the aid change the behaviour of firms?
 - Is the aid measure proportional, i.e. could the same change in behaviour be obtained with less aid?
 - (c) Are the distortions of competition and the effect on trade limited, so that the overall balance is positive?

a. The support of broadband rollout is in line with the common interest

Community policy

- (37) As outlined in its Communication "i2010 – A European Information Society for growth and employment"¹¹, the Commission actively supports the widespread availability of broadband services. A fundamental building block for any modern economy is the capability of government and businesses to transact electronically, in particular over broadband networks. Such capability gives enterprises the opportunity to reach new customers, source new suppliers and improve their productivity. However, success in the e-economy is becoming increasingly dependent upon access to a cost-effective telecommunications infrastructure delivering high speed, advanced broadband services.
- (38) Through the provision of affordable and cost-effective backhaul connectivity, the notified project helps to provide access to advanced broadband services for public sector, business, and residential end users in a disadvantaged area of the United Kingdom. It is therefore in line with the common interest.

Cohesion objective and market failure considerations

- (39) Lack of broadband coverage is due, among others, to some of the typical economic problems of network industries. In particular, due to economics of density, broadband networks are generally more profitable to roll out where potential demand is higher and more concentrated. On the supply side, due to high fixed costs, unit costs escalate

¹¹ COM (2005) 229 final, 1 June 2005. The aims of the project align very closely with the policy objectives of i2010, specifically: *Objective 1* – a single European Information Space offering affordable and secure high bandwidth communications, rich and diverse content and digital services; *Objective 2* – world class performance in research and innovation in ICT by closing the gap with Europe's leading competitors; *Objective 3* – an Information Society that is inclusive provides high quality public services and promotes quality of life.

dramatically as population densities drop. Remoteness also plays a role, requiring bridging longer distances in the backhaul and in the last mile. In areas such as North Yorkshire, where demand is not very developed and coverage of cost is uncertain, private operators might find it difficult to find a source of funding for infrastructure projects, which have a long life and amortisation period.

- (40) Hence, by funding the establishment of a wholesale backhaul connectivity ring in North Yorkshire, which will be mainly used by the public sector but is opened to third party operators, the UK authorities pursue genuine cohesion¹² and economic development objectives which will allow competitive entry by service providers. This will have a positive impact on supply and competition in the geographic areas covered by the measure to the benefit of citizens and businesses.

b. Well-designed aid

Aid is the appropriate instrument

- (41) Although, as regards the supply side, it could be argued that tariff and access regulation imposed by the UK regulator OFCOM could be another instrument of state intervention, the fact remains that *ex ante regulation*, although necessary, is not a sufficient instrument to enable the supply of broadband services in remote and underserved regions. Alternative providers need to combine the use of wholesale products from the incumbent - which still may be expensive as prices are distance related - with own network investments which may not be profitable in remote and rural areas where demand is low.
- (42) Demand-side measures in favour of broadband (such as vouchers or tax advantages) could be another instrument¹³. However, these measures do not solve the illustrated problems on the supply side (absence of a cost-effective backhaul connectivity). In view of the market situation in North Yorkshire, the Commission concludes that, in this specific context, the development of a wholesale, open access backhaul ring with public support is an appropriate instrument to achieve the set objectives.

The aid provides the right incentives to operators

- (43) The public funding by the North Yorkshire authorities provides a significant and direct investment incentive for the chosen Technology Partner to roll out the required network for the public sector which is opened to third party operators. The North Yorkshire authorities have received a number of bids for the Technology Partner contract (although no final decision has been taken yet) and several network operators and service providers have already expressed an interest in using the wholesale access to provide advanced broadband services to end users. The wholesale access provision reduces the high and prohibitive backhaul costs, which represent a major entry barrier for alternative operators willing to provide broadband services to end users in the areas targeted by the project. Therefore, the measure creates a significant incentive effect for investment by retail broadband providers, which will boost the provision of advanced retail broadband services in the area concerned.

¹² Also highlighted by the fact that the measure could be supported by EU Structural Funds.

¹³ It is envisaged that, outside the notified measure, the SPV will also work together with the regional authorities to coordinate demand side activities.

Proportionality

- (44) The North Yorkshire authorities have designed the measure in a way which minimises the State aid involved and potential distortions of competition. In this respect, the Commission notes, inter alia, the following positive elements in the overall design of the measure:
- a) *Open tender*: The North Yorkshire authorities will select the Technology Partner to build, manage and operate the procured network on the basis of an open, transparent and non-discriminatory tender procedure based on the EU public procurement rules. The tender, seeking the selection of the economically most advantageous offer, was designed to minimise the cost of investment and the associated public funding, whilst still ensuring an appropriate level of service.
 - b) *Wholesale access*: The project will restrict its activities to the creation of a network for the public sector which is opened to third party operators on a wholesale basis. This will not only limit any distortion of competition in downstream markets but is also expected to lead to enhanced offers and increased competition at the retail level both with regard to the services offered and to the prices charged.
 - c) *Minimizing distortions of competition and impact on existing operators*: In preparation of the project, the authorities performed an extensive market testing and consultation exercise involving all market players. The result of this consultation is reflected in the project setup. The Technology Partner will mainly use existing infrastructure, whether owned or leased, thus avoiding the unnecessary duplication of existing networks and minimizing the overall costs of the project. To that end, the project will not substitute existing distance related Backhaul Extension Services ("BES") offered mainly by BT, but instead will most likely offer Dense Wave Division Multiplexed ("DWDM") wavelength services¹⁴ that are not distance related and therefore do not offer the same kind of network services to third parties (as far as pricing is concerned). Thus, the project will only offer backhaul DWDM connectivity to specific points of presence throughout North Yorkshire that ensure affordable cost connectivity¹⁵. Moreover, the project will not offer any retail leased line services to business customers, nor will it offer ADSL/ADSL2+/SDSL services either at wholesale or retail level.
 - d) *Pricing*: It is envisaged that wholesale pricing to service providers will be set at a level to minimise distortion of competition with equivalent wholesale backhaul offerings available elsewhere - possibly by use of a published rate card with standard prices set according to the specification of the service provided. The project, via the governance of the SPV, will seek to benchmark pricing against similar services offered in more urban areas of the UK and the EU.

¹⁴ This is the current status of the tender procedure.

¹⁵ The project provides Points of Presence in York and Harrogate merely to serve the public sector sites located in these towns and due to technical requirements.

- e) *Legal safeguards*: The SPV will have a direct contractual relationship with both the Technology Partner and Service Providers and will thus ensure that the principles of the project are strictly adhered to.
- f) *Technological neutrality*: The tender for the measure is technologically neutral, i.e., it does not favour a priori any given technology. The project required that whatever the technology to be used, the infrastructure chosen should be scalable and upgradeable to meet future requirements for higher speeds and more bandwidth.
- g) *Use of excess surplus by the SPV*: According to the authorities, any surplus generated by the SPV through marketing of capacity to third-party operators will be used (i) to offset the contribution from State funds, (ii) to reduce bandwidth charges imposed on public sector users (iii) to support the provision of digital public sector services in the most socially challenged areas; and (iv) to support other publicly funded projects¹⁶.

c. The distortions of competition and the effect on trade are limited and the overall impact of the measure is positive

- (45) The Commission concludes that the notified measure will offset a geographical and commercial handicap in a significant part of North Yorkshire and will enhance the competitive supply of advanced broadband services across the area. In view of the design of the measure, and given the specific characteristics of the North Yorkshire region, as far as the provision of advanced broadband services is concerned, the overall impact on competition is deemed to be positive. On the effect on trade, the Commission does not identify negative spill-over effects for other Member States.
- (46) On balance, the Commission concludes that the overall effect of the measure is deemed to be positive. The measure is clearly in line with the objectives of Article 87 (3) (c) EC Treaty as it facilitates the development of certain economic activities (wholesale and, indirectly, retail broadband services) in certain remote and rural areas.

Conclusion

- (47) In the light of the above, the Commission has come to the conclusion that the aid involved in the notified measure is compatible with Article 87(3) (c) of the EC Treaty.

VI. DECISION

On the basis of the foregoing assessment, the Commission has accordingly decided that any aid contained in the measure is compatible with Article 87(3) (c) of the EC Treaty.

The Commission reminds the UK authorities that any modification of the notified measure has to be submitted to the Commission.

¹⁶ The possible use of excess funds for new projects is not part of this State aid notification and not the subject of this decision.

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http://ec.europa.eu/community_law/state_aids/index.htm

Your request should be sent by registered letter or fax to:

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State Aid Greffe
Rue de Spa 3
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Yours faithfully,
For the Commission

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Member of the Commission