



EUROPEAN COMMISSION

Brussels, 10.12.2009
C(2009)10152

Subject: **State aid N 423/2009 - Cyprus**
 Broadband deployment in Cyprus

Sir,

I. SUMMARY

- (1) I am pleased to be able to inform you that the European Commission has assessed the measure "*Broadband deployment in Cyprus*" (hereafter: "the measure") and decided not to raise objections as the State aid contained therein is compatible with Article 107(3)(c) Treaty on the Functioning of the European Union (TFEU)¹.

II. PROCEDURE

- (2) By letter dated 16 July 2009, the Cypriot authorities notified pursuant to Article 108 (3) TFEU, the above mentioned measure to the Commission. By letter registered on 11 September 2009, the Commission requested additional information on the proposed measure for which the Cypriot authorities submitted answers by letter registered on 22 October 2009 and 18 November 2009.

III. DESCRIPTION OF THE MEASURE

- (3) *Objective:* The objective of the measure is to provide adequate broadband network coverage in areas which are lacking any broadband access ("white areas") in order to achieve 100% geographical broadband coverage in Cyprus by 2012. Broadband

¹ With effect from 1 December 2009, Articles 87 and 88 of the EC Treaty have become Articles 107 and 108, respectively, of the TFEU. The two sets of provisions are, in substance, identical. For the purposes of this Decision, references to Articles 107 and 108 of the TFEU should be understood as references to Articles 87 and 88, respectively, of the EC Treaty where appropriate."

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penetration in Cyprus is below average, i.e. at 21% compared to a European average of 24%². The current measure should bridge the "digital divide" in terms of access to adequate broadband services between areas with such services available and "white areas". These "white areas" should be provided with all services which are currently available in urban areas, thereby fostering the economic and social development of the targeted areas. The measure is envisaged to improve the life quality of the citizens, improve and upgrade education methods and health services, develop tourism and provide fast and up-to-date information to citizens.

- (4) *Targeted areas, mapping and consultation with operators:* The measure targets areas where no broadband services of any kind are available (white areas) and where operators have no incentives to provide such services on commercial terms³. At present, there are 151 municipalities in Cyprus with no access to adequate broadband services whatsoever. These are classified as 'white areas' and available for funding under the scheme. The Cypriot authorities provided a map of these white areas to the Commission and explained that these areas are very small and isolated and sparsely populated. The inhabitants of these areas account for approximately 3,3% of the population. Approximately 50% of the inhabitants of these areas are over the age of 50.
- (5) For funding purposes, the 151 municipalities have been grouped into five different geographical clusters. On 27 April 2009, the Department of Electronic Communications organised a public hearing attended by all electronic communication providers in Cyprus, namely Cablenet, Otenet, Cyta, Primetel, Callsat, HellasSat Consortium. This was followed by several meetings on one-to-one basis with all the operators and later on a technical team was created that consisted of all operators to determine the clusters and to formulate the proposal. The technical team had 6 meetings. The operators were given the submitted notification, a table with the 151 municipalities and the respective map, which were also made public on the government's webpage on 28 September 2009 with possibility to comment until 9 October 2009 (available at: www.mcw.gov.cy/dec/ANAKOINΩΣΕΙΣ). No comments were received. It resulted from this consultation that no investment in the white areas would take place within the next three years.
- (6) The Cypriot authorities also conducted a study which calculated the cost of broadband coverage and revenue from commercial activities for a period of six years for each of the five geographical clusters. The cost of coverage is calculated on a net present value basis at EUR 11 million, compared with expected revenues of EUR 3,5 million, based on a penetration rate (i.e. the number of expected customer subscriptions) of 18%. Thus the Cypriot government sees a need for public funding.
- (7) *Legal basis:* The legal basis is the Decision No. 69.111 by the Council of Ministers of 10 July 2009 (*Απόφαση του Υπουργικού Συμβουλίου*).

² http://ec.europa.eu/information_society/eeurope/i2010/docs/interinstitutional/cocom_broadband_july09.pdf

³ According to the Cypriot authorities, the penetration rate of satellite services is only 0,9% of all households. Further, based on current market prices, satellites are not considered an affordable option by the Cypriot authorities.

- (8) *Budget and financing instruments:* The budget covers EUR 7,5 million, financed partially or in total from the national budget. For cluster 2 it is already decided that 50% of the figure for cluster 2 below will be financed from the European Agricultural Funds⁴. The subsidies for clusters 1,3,4, and 5 may be co-financed from Structural Funds.
- (9) The subsidy will be distributed in the form of grants for broadband deployment in the five geographical clusters. The contribution for the five clusters is as follows:

Clusters	Maximum State Support (including EU funds and national contributions)
Cluster 1	EUR 1,845,109
Cluster 2	EUR 1,850,714
Cluster 3	EUR 1,171,092
Cluster 4	EUR 1,026,850
Cluster 5	EUR 1,674,135
SUM:	EUR 7,567,901

- (10) However, the winning bidders will have to finance at least 30% of the contract with their own means. In addition, the state support cannot exceed the maximum financing threshold stipulated for each cluster in the table above.
- (11) *Duration:* While the start of the measure was foreseen for September 2009, the Cypriot authorities confirmed that no aid will be granted until the Commission will have approved the measure. The scheme runs until 31.12.2013.
- (12) *Tender:* The aid will be granted on the basis of an open, transparent, non-discriminatory tender procedure in line with the national and EU public procurement rules for each of the clusters. The applicants have the obligation to submit five different proposals for all five clusters in order to ensure that all clusters will be covered by bids and the tender procedure will be carried out for each of the clusters. On the award side, however, only four of the clusters can go to one single operator⁵.
- (13) The Cypriot authorities provided a list of indicative eligibility criteria, e.g. expertise in the field, financial capacity to finance the project, being an authorised electronic communication provider and having provided public electronic communication services in the last three years. The contract will go to the most economically advantageous offer, i.e. normally to the operator with the lowest amount of aid

⁴ See Regulation 1698/2005, OJ L 277 of 21.10.2005, p.1.

⁵ Unless the participation in the tender is such that only one operator makes a bid for all five clusters.

requested⁶. The Cypriot authorities confirmed that the notified scheme will follow the weighing procedure as described in paragraph 51 (c) of the Guidelines.

- (14) *Subject of the aid*: The state support should fund the creation of passive and active backhaul infrastructure in all five clusters. The backhaul is the middle mile network between the backbone network and the small sub networks at the edge of the hierarchical network. The funding includes the investment for deploying active and passive backhaul infrastructure (including studies) and for building the point of presence (e.g. the cabinet, access node, wireless access node, etc). Connecting end users to the access facilities (last mile) will not be supported.
- (15) *Use of existing infrastructure*: Existing infrastructure should be used as much as possible and the established service provider is required under existing regulations to grant access of his copper network to third party providers.
- (16) *Minimum service requirements/technical specifications*: The tender documents will include a requirement that the infrastructure should be able to support broadband internet access with data rates of at least 2048kbps downstream/384kbps upstream for residential users and broadband internet access with data rates of at least 2048kbps downstream/512kbps for business users.
- (17) Additionally, there will be a requirement that the infrastructure should be able to support digital TV applications (program broadcasting, Video on Demand, etc). This will be an award criterion. In addition the Cypriot authorities will indicate a desired speed of 80 Mbps by 2015, which the backhaul network infrastructure should support with a view to having a future proof solution which will be able to support future NGA networks. This figure is only indicative and no award criterion.
- (18) The chosen operator is allowed to also provide retail services.
- (19) *Technology*: Optic fibres have been chosen as the most reliable transmission medium for a backhaul network, which have to transport large amount of data traffic, in order to support public demand for broadband both now and in the future. The new network infrastructure should be able to serve the future needs⁷ on capacity demand and technological changes and therefore solve the broadband gap between these communities and urban areas once and for all. It should be able to support new generation networks in the future.
- (20) The Cypriot authorities examined also the possibility of achieving the same goals by using wireless or satellite technologies and they concluded that this is not the case. It was established in the consultation process that the operators would not be able to fulfill the technical requirements stipulated by the Cypriot authorities. According to the Cypriot authorities, it was recognised by all operators that a fibre based infrastructure that will allow at least three operators to install their own fibres (see below, point (24) of this decision) and establishing a point of presence that will support all available access technology is the most future proof solution.
- (21) The Cypriot authorities explained that with the above approach, WIMAX and satellite, as well as any other access technology, can be used in the last mile network

⁶ The bid with the lowest offer should normally get more priority points in the evaluation process.

⁷ It is estimated that by year 2015 the services per household would be HD-TV (1 ~ 2 channels) 10 ~ 20 Mbps, High Speed Internet 5 – 10 Mbps, On line Gaming 5 – 10 Mbps.

to offer services to the end customer. Furthermore, through LLU (local loop unbundling), any service provider can offer services to the households and businesses in these communities by using the existing copper infrastructure of the incumbent operator, who is obliged to unbundle.

- (22) *Beneficiaries:* The direct beneficiaries of the aid will be electronic communications operators offering broadband services. Indirect beneficiaries will be electronic communication operators utilising the new network for offering retail services to end users or electronic communications operators able to build broadband infrastructure and provide broadband services due to the presence of a publicly funded infrastructure. Further beneficiaries will be business in the target areas which will use the newly offered services.
- (23) *Wholesale access:* The selected operator(s) will be obliged to provide wholesale access to the subsidised infrastructure to all electronic communications operators on equal and non-discriminatory conditions. Wholesale access will be given in the form of duct sharing, co-location and fiber access (dark and lit).
- (24) The contractor will also be obliged to provide common ducts for the same number of optic cables as he intends to install to at least two other service providers without discrimination for a period of at least 10 years. This means that two other operators will be able to install their own fibre.
- (25) *Price benchmarking:* The Cypriot authorities confirm that they will respect paragraph 51 (g) of the Guidelines. The annual rental cost for wholesale access will be calculated on the basis of current electronic communications legislation. The conclusion drawn from the most recent market analysis on broadband product pricing (markets 4 and 5) carried out by the Commissioner's Office (national regulatory authority), which resulted in the relevant decisions issued by the Commissioner in May 2009, was that broadband product pricing should be uniform throughout the country for the service provider with a strong market position. Bearing this approach in mind, the cost used to calculate wholesale prices (referring to the total costs of the operator's network in Cyprus) will take account of the part of the cost invested by the contractor from own resources and not the total cost of the infrastructure within framework of the notified scheme. In other words, the State aid is not included for the cost calculation. The wholesale pricing scheme will be clearly stipulated in the tender documents.
- (26) *Monitoring and claw-back mechanism:* The Department of Electronic Communications will be responsible for monitoring contract compliance. The signed contract will include the following measures to monitor the performance of the successful operators: claiming the performance bond, returning part or all of the support they received by that time, terminating the contact and choosing another operator to continue the project implementation. The monitoring authority will be able to take any of the above measures depending on the failure of the chosen operators to deliver the project according to the signed contract.
- (27) In order to ensure that the contractor(s) is/are not overcompensated and the state support retroactively reduced, the Cypriot authorities introduced the following clawback mechanism. If after six years of operation, the penetration exceeds 18%,

the contractor(s) shall repay the difference in the state support which it would have been obtained (i.e. less) if the higher penetration rate had been applied in the study. Once the operator(s) has/have established a customer base, he/they has/have to submit his/their subscriber number(s) to the relevant authorities on a yearly basis.

IV. STATE AID ASSESSMENT OF THE MEASURE: PRESENCE OF AID

- (28) According to Article 107 (1) TFEU, “any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market”. It follows that in order to be qualified as State aid, the following cumulative conditions have to be met: 1) the measure has to be granted out of State resources, 2) it has to confer an economic advantage to undertakings, 3) the advantage has to be selective and distort or threaten to distort competition, 4) the measure has to affect trade between Member States.

State resources

- (29) The notified measure is financed by resources of the Government Cyprus and Community funding disbursed by Cyprus. Hence state resources are involved.

Economic advantage

- (30) *Selected operators*: Through the tender process, the selected operator(s) will receive financial support which will enable it/them to enter the market and provide broadband services on conditions not otherwise available on the market. Although a competitive tender procedure tends to reduce the amount of financial support required, the aid will also allow the operator(s) to offer end-to-end services *prima facie* at lower prices than if it/they had had to bear all costs themselves and thus attract more customers than under normal market conditions. The selected operator(s) will also acquire ownership of the network as well as other tangible and intangible assets with State funds (e.g. equipment, customer relations) even after the lifetime of the projects. In view of the above, it is clear that an economic advantage will be granted to the selected operator(s).
- (31) *Third party providers*: In the areas covered by the project, there is no basic broadband connection. Third party electronic communication operators will be able to offer their services via wholesale access to the subsidized network on non discriminatory terms. They will therefore also indirectly benefit from the state resources, as they will be customers of the selected telecommunication operators.
- (32) *End users*: The measure aims at providing access to broadband. Businesses in the targeted geography will therefore ultimately benefit from the improved service.

Distortion of competition

- (33) The intervention of the State alters the existing market conditions. It will provide a selective advantage to the bidder(s) prevailing in the tender and will moreover benefit all third party providers who use the improved infrastructure to compete with other third party providers. Finally, it will alter the conditions of competition between end users in Cyprus who are likely to subscribe to the enhanced services and end users elsewhere in the European Union. Therefore, the fact that State aid is used to enhance

the existing broadband services in Cyprus will have the effect of distorting competition.

Effect on trade

- (34) Insofar as the intervention is liable to affect providers of electronic communications services from other Member States, the measure has an effect on trade. The markets for electronic communications services are open to competition between operators and service providers, which generally engage in activities that are subject to trade between Member States. Moreover, the measure has the potential to distort competition between end users located in Cyprus and elsewhere in Europe.

Conclusion

- (35) Therefore, the Commission considers that the scheme constitutes State aid within the meaning of Article 107 (1) TFEU.
- (36) Having established that the project involves aid within the meaning of Article 107(1) TFEU to the selected service provider, third party providers and businesses, it is necessary to consider whether the measure can be found to be compatible with the internal market.

V. COMPATIBILITY ASSESSMENT

- (37) The Commission has assessed the compatibility of the scheme according to Article 107 (3) (c) TFEU and in the light of the *Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks*⁸ (hereinafter the "Broadband Guidelines").

The balancing test and its application to aid for broadband network deployment

- (38) As described in points (34) and (35) of the Broadband Guidelines, in assessing whether an aid measure can be deemed compatible with the internal market, the Commission balances the positive impact of the aid measure in reaching an objective of common interest against its potential negative side effects, such as distortions of trade and competition.
- (39) In applying this balancing test, the Commission will assess 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:
 1. Is the aid measure an appropriate instrument, i.e. are there other, better placed instruments?

⁸ *Community Guidelines for the application of State aid rules in relation to rapid deployment of broadband networks*, OJ C 235, 30.9.2009, p.7.

2. Is there an incentive effect, i.e. does the aid change the behaviour of firms?
 3. 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?
- (40) The individual steps of the balancing test in the field of broadband are set out in detail in Sections 2.3.2 and 2.3.3. of the referred Broadband Guidelines.

Objective of the measure

The aid is in line with the policy of the Union

- (41) The current measure targets "*white areas*"⁹, where adequate broadband is currently not available and where there are no plans by private investors to roll out such infrastructure in the near future. Hence in line with paragraphs (37)-(40) of the Broadband Guidelines, by extending broadband coverage to such unserved areas, the Cypriot authorities pursue genuine cohesion and economic development objectives.
- (42) In addition, in the context of the financial and economic crisis affecting severely the European economies, it was further recognised by the Commission¹⁰ that broadband investments can be considered as "*smart investments*" that are able to provide short term (employment) benefits and long term (economic) advantages for the EU economies. Hence by accelerating broadband deployment, the current measure is also in line with the European interest to support fast recovery of the European economies¹¹.

Market failure and cohesion considerations, paragraphs (37) to (42) of the Guidelines

- (43) As stated in paragraph (39) of the Broadband Guidelines, State aid in the broadband sector may remedy a market failure, i.e. a situation in which private investment is less than what is optimal from the viewpoint of society as a whole. Likewise, State aid might be used as a tool to achieve equity considerations, i.e. to improve access to an essential means of communication, thereby improving social and territorial cohesion.
- (44) The economics of broadband provision are such that the market will not always find it profitable to invest in it. Due to economics of density, broadband networks are generally more profitable to roll-out where potential demand is higher and concentrated, i.e. in densely populated areas. Because of high fixed costs of investment, unit costs increase strongly as population densities drop. As a result, broadband networks tend to profitably cover only part of the population. Remoteness, such as larger distances from existing telecommunication infrastructures could also

⁹ See paras (41) and (42) of the Broadband Guidelines.

¹⁰ Brussels European Council, 19/20 March 2009 Presidency Conclusions.

¹¹ Communication from the Commission to the European Council: *A European Economic Recovery Plan*, Brussels, 26.11.2008.

significantly increase the investment costs necessary to roll out adequate broadband networks.

- (45) Typically, these underserved regions are rural areas with a low population density so that commercial providers have no economic incentives to invest in electronic communications networks to provide adequate broadband services. This leads to a "*digital divide*" between the areas which have access to adequate broadband services and those that have not.
- (46) However, availability of adequate broadband services would be beneficial from a wider economic perspective, e.g. due to the positive spill-over effects on the local economies (such as increased economic activity, job creation and retention). The availability of such services would also improve access to an essential means of communication services to all actors in society, thereby improving social and regional cohesion.
- (47) For so-called white areas, i.e. areas in which no broadband infrastructure exists or is likely to be developed in the near future, the Commission accepts that State aid follows genuine cohesion and economic development objectives, as laid down in paragraphs (41) and (42) of the Broadband Guidelines.

According to the proposed measures, State aid will only be granted to the 151 municipalities organised in five clusters for which it has been established that no adequate broadband connections at affordable prices exist and for which there are no plans of commercial investments within the next three years. As the notified measures aim at overcoming these difficulties, the Commission finds that the Cypriot authorities address a market failure and pursue genuine cohesion and economic development objectives.

Aid is the appropriate instrument

- (48) In the situation currently under assessment, no private investments have taken place in the targeted areas as the operators would not be able to recoup their investments. The current legal and regulatory framework does not provide for any means to oblige operators to make this investment. According to the Cypriot authorities, regulation is unlikely to lead to sufficient investments for the provision of broadband services to unserved areas, where profitability of investments is low. Due to absence of any infrastructure in place, ex-ante regulation was not sufficient to remedy the market failure in these areas.
- (49) Without further public intervention, reducing the "*digital divide*" between rural and urban areas does not seem possible, which could lead to the economic and social exclusion of the local citizens and undertakings. Hence in the current situation, State aid is an appropriate instrument to achieve the set objectives.

The aid provides the right incentives to operators

- (50) As set out in paragraph (50) of the Broadband Guidelines, regarding the incentive effect of the measure, it needs to be examined whether the broadband network investment concerned would not have been undertaken within the same timeframe without any State aid. According to the results of the public consultation and market

research referred to above in paragraph (4), in the targeted areas no investment would take place without public funding, hence the aid produces a change in the investment decisions of the operators. Moreover, as explained in paragraph (12), the recipients of the aid will be selected by public tender. Tenderers will submit investment plans indicating the amount of aid that they consider to be necessary to carry out the investment given the anticipated investment and operating costs and revenues. Therefore, the aid should provide a direct and appropriate investment incentive for the selected operators.

The measure is proportional

- (51) A number of elements in the tender will ensure that the State aid is limited to the amount necessary. E.g. within the context of the open tender, the Cypriot authorities will select the most economically advantageous offer and use, where possible, existing infrastructure. Operators are further obliged to participate in the project with their own investment (30% of total costs), which limits the amount of aid given to the project.

Design of the measure and the need to limit distortions of competition

- (52) As set out in paragraph (51) of the Broadband Guidelines, in assessing the proportional character of the notified measures in "white" areas a number of necessary conditions has to be met in order to minimise the State aid involved and the potential distortions of competition:

- (a) *Detailed mapping and coverage analysis, consultation with stakeholders:* The Cypriot authorities have undertaken an analysis of the existing broadband infrastructures in order to clearly identify the areas where state intervention is necessary. By consulting existing operators on their current investment and future investment plans in an open and transparent manner, the Cypriot authorities ensure that public funds are used only in areas where it is necessary and limit the possibility of crowding out private investments and distortion of competition to the minimum possible.
- (b) *Open tender process* The Cypriot authorities will select the undertakings for the construction and the maintenance of the network in full compliance with national and EU public procurement rules. Open tender procedures are considered to be effective means to minimise the aid necessary for the measure.
- (c) *Most economically advantageous offers:* Within the context of an open tender, the Cypriot authorities will select the most economically advantageous offers among those presented by the operators in an evaluation process as described in paragraph (51) (g) and footnote 55 of the Broadband Guidelines.
- (d) *Technology neutrality:* Although the current measure foresees that fibre optics will be used for the deployment of the backhaul infrastructure, it does not favour any particular technology or network platform for the provision of broadband access services to the end users, leaving it to commercial operators to come up with the most appropriate technological solutions. For the backhaul, the Cypriot authorities ensured during the consultation period involving different technology operators that no other technology would be able to provide the desired coverage with the desired technical specifications (ability to sustain future NGA networks, speeds, digital TV, introducing infrastructure competition by opening the

infrastructure to two other operators) within the provided time frame, i.e. until 2012.

- (e) *Use of existing infrastructures*: Since the targeted areas are completely unserved by broadband networks, it does not seem likely that such network infrastructure could be utilized on a broad scale. However, the Cypriot authorities still confirm that existing infrastructure will be used as much as possible and point out that the incumbent is obliged under regulatory law to provide access to this copper network.
- (f) *Open wholesale access*: The operator(s) of the new network will provide open wholesale access to all interested parties in an open, transparent, non-discriminatory manner. The Cypriot authorities specified that the wholesale access will be in the form of duct sharing, co-location and fiber access (dark and lit). In addition, two operators should be able to install their own infrastructure besides the chosen operator(s).
- (g) *Price benchmarking*: The annual rental cost for wholesale access will be calculated on the basis of current electronic communications legislation. The Cypriot authorities confirm that for any chosen operator, the prices of the offered wholesale access will be cost oriented and the same throughout the country. The costs refer to the total costs of the chosen operator(s) in Cyprus. The pricing scheme of the wholesale access services offered by the incumbent is the same. For the cost calculation, State aid will not be taken into account. The wholesale pricing scheme will be clearly stipulated in the tender documents.
- (h) *Claw-back mechanism to avoid over-compensation*: The project will be examined on a regular basis by the Department of Electronic Communications /Ministry of Communications and Works and the monitoring mechanisms implemented will ensure that if the beneficiary fails to comply with the rules, the granting authorities will be in the position to recover the aid granted. By ensuring that any extra profit generated through the operation of the networks will be clawed back, the Cypriot authorities ensure that the recipient of the aid will not benefit from overcompensation and will minimise *ex post* and retroactively the amount of aid deemed initially to have been necessary.

The distortions of competition and the effect on trade are limited, so that the overall impact of the measure is positive

- (53) The Commission concludes that the notified measure will offset a geographical and commercial handicap and is objectively justified to address the lack of broadband services in rural areas. The measure is in line with the objectives of Article 107(3)(c) TFEU as it facilitates the development of certain economic activities (broadband services) in certain remote and rural areas.
- (54) In view of the characteristics of the project and of the safeguards applied by the Cypriot authorities (see paragraph (53) of this decision), the overall impact on competition is deemed to be positive. Any distortion of competition is limited, as the investment is carried out in areas where no comparable infrastructure exists yet and where market research does not indicate that private investment will enter in the foreseeable future. The Commission in particular notes positively that the operators are obliged to participate in the project with their own investment (30% of total

costs), which limits the amount of aid. As far as competition effects on other technology providers are concerned, the market consultation has also shown that only the terrestrial fibre network can fulfil the specified technical requirements within the envisaged time frame. On the positive side, the project design includes additional elements which might foster competition. Due to the fact that only four out of five clusters can be awarded to one bidder, there will be more than one network operator in the area. This may encourage competition if in the future such operators provide retail services across their networks (via the mandatory wholesale access) In addition to the wholesale access the Cypriot authorities will also ask the winning bidder to use infrastructure elements (ducts) that will enable two other operators to install their own fibres. This will help to stimulate infrastructure competition.

- (55) The Commission concludes that the compatibility criteria set out in the Broadband Guidelines are met, hence the aid involved in the notified measure is compatible with Article 107(3)(c) TFEU.
- (56) The Cypriot authorities stated that they would like to receive the decision in the English language.

VI. DECISION

- (57) On the basis of the foregoing assessment, the Commission has accordingly decided that the aid measure "*Broadband deployment in Cyprus*" is compatible with Article 107(3)(c) TFEU.
- (58) The Cypriot authorities are reminded that, pursuant to Article 108(3) TFEU, they are obliged to inform the Commission of any plan to extend or amend the measure.
- (59) 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/community_law/state_aids/state_aids_texts_en.htm.
- (60) Your request should be sent by encrypted e-mail to stateaidgreffe@ec.europa.eu or, alternatively, by registered letter or fax to:

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Yours faithfully,

For the Commission

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