



## State aid: Commission approves €2 billion Austrian scheme under Recovery and Resilience Facility to support roll out of broadband networks

Brussels, 21 March 2022

The European Commission has approved, under EU State aid rules, a €2 billion Austrian aid scheme made available through the Recovery and Resilience Facility ('RRF') to roll out passive infrastructure for fixed broadband access networks in areas of the country where there is no current or planned network able to provide at least 100 megabits per second (Mbps) download speed. The measure is part of Austria's strategy to address the needs of citizens and businesses in the context of the digitalisation of the country. The scheme also contributes to the [EU's strategic objectives relating to the digital transition](#).

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"This €2 billion scheme allows Austria to address its digital challenges. It enables high performing broadband network to households and businesses, in particular in rural areas. At the same time, it ensures that competition is not unduly distorted."*

### The Austrian measure

The scheme will be partially funded via the RRF, following the Commission's positive assessment of the [Austrian Recovery and Resilience Plan](#) and its adoption by the Council.

The scheme will run until 31 December 2026 and will take the form of direct grants. The measure will finance the deployment of passive infrastructure (e.g. ducts, cabinets, exchanges, and dark fibre) for fixed broadband access networks offering speeds of at least 100 Mbps download and 100 Mbps upload, which is capable of supporting the provision of gigabit speeds in the future. The scheme will give priority to the financing of infrastructure in areas where end users do not yet have broadband access at download speeds of at least 30 Mbps.

The measure aims at supporting the deployment of high-performing fixed broadband networks in Austria, especially in rural areas. It is designed to stimulate the wholesale market, while ensuring competition on the retail market, in order to incentivise further private investments in the networks, with a view to reaching gigabit connectivity for all Austrian citizens and businesses by 2030.

The scheme covers two support options: (i) an "Access" programme that will support beneficiaries in all network business models, targeting in particular the vertically integrated network business model, where the beneficiary is active as physical infrastructure provider, network provider and service provider; and (ii) an "OpenNet" programme that will support beneficiaries in an open network business model, being active at wholesale level only.

### The Commission's assessment

The Commission assessed the scheme under EU State aid rules, in particular [Article 107\(3\)\(c\)](#) of the Treaty on the Functioning of the European Union ('TFEU'), which allows State aid to facilitate the development of certain economic activities or of certain economic areas. In addition, the Commission's assessment was based on the [2013 Broadband Guidelines](#), taking into account, where justified, adjustments needed to reflect technological and market developments.

The Commission found that:

- The scheme has an incentive effect for the rollout of infrastructure for fixed networks in areas in which private operators are not willing to invest due to high deployment costs, which are not balanced by forecasted revenues. The scheme will improve the availability of high-quality connections in the target areas to the benefit of citizens, businesses and the public sector. In addition, it will contribute to correcting social or regional inequalities in particular in rural areas.
- The scheme is necessary to address a market failure in the target areas, which are typically located in remote, sparsely populated and topographically difficult parts of Austria. The networks supported under the scheme will at least double the download and upload speeds of

the existing networks. Even in the case of very low existing speeds, the new networks will always meet the target speeds of 100 Mbps download and 100 Mbps upload.

- The aid is proportionate as the measure is based on thorough mapping of the current broadband networks and on public consultation processes on future deployment plans that ensure that public interventions address market failure areas without causing undue risks of crowding out private investments.
- The scheme has sufficient safeguards to ensure that undue distortions of competition are limited and do not adversely affect trading conditions contrary to the common interest. In particular, all beneficiaries of the scheme will be selected on the basis of open, transparent and competitive procedures in line with the [EU Public Procurement Directives](#). The principle of technological neutrality will be fully respected and fair, open and non-discriminatory wholesale access will be ensured.

On this basis, the Commission approved the scheme under EU State aid rules.

## Background

All investments and reforms entailing State aid, also those included in national resilience and recovery plans presented in the context of the RRF, must be notified to the Commission for prior approval, unless covered by one of the State aid block-exemption rules.

The Commission assesses measures forming part of the national recovery plans presented in the context of the RRF as a matter of priority and has provided guidance and support to Member States in the preparatory phases of the national plans, to facilitate the rapid deployment of the RRF. At the same time, the Commission makes sure in its decision that the applicable State aid rules are complied with, in order to preserve the level playing field in the Single Market and to ensure that the RRF funds are used in a way that minimises distortions of competition and does not crowd out private investments.

Broadband connectivity is of strategic importance for European growth and innovation in all sectors of the economy and for social and territorial cohesion. The measure also contributes to the EU's strategic objectives set out in the [Gigabit Communication](#), the [Communication on Shaping Europe's digital future](#), the [Digital Compass' Communication](#), and the [Commission's proposal for a decision establishing the 2030 Policy Programme 'Path to the Digital Decade'](#). The measure is further in line with the [Commission's 2020 European semester country-specific recommendations for Austria](#) on additional investment in infrastructure, including broadband and ensuring high-speed connectivity in rural areas.

## For More Information

The non-confidential version of the decision will be made available under the case number SA.63172 in the [State Aid Register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

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