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**Subject: State Aid SA.57357 (2020/N) – Greece
Broadband voucher scheme for students**

Excellency,

1. PROCEDURE

- (1) Following pre-notification contacts, the Greek Authorities notified the measure “*Broadband voucher scheme for students*” (hereafter: ‘the scheme’ or ‘the measure’) on 25 September 2020.
- (2) By letter submitted on 18 September 2020 already during pre-notification contacts, Greece agreed exceptionally to waive its rights deriving from Article 342 TFEU in conjunction with Article 3 of Regulation 1/1958 and to have the present decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

2.1. Objective of the Measure

- (3) The Measure is a voucher scheme which aims to cover the cost of a new or existing subscription to broadband internet access services (“broadband services”) undertaken by undergraduate first year students of the higher education faculties and departments in Greece enrolled in the academic years 2019-2020, 2020-2021 and 2021-2022 who encounter difficulties in benefiting from broadband internet services.

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2.2. Legal basis

- (4) The Greek authorities are in the process of preparing the adoption of a Joint Ministerial Decision to support the implementation of this measure “*Subsidized broadband connections to undergraduate first year students of Schools, Departments and Faculties of Higher Education of the state, during the academic year 2019-2020*”¹ of the Ministers of Education and Religious Affairs and Digital Governance.
- (5) Similar Joint Ministerial Decisions will be issued for academic years 2020-2021 and 2021-2022 in due time. The present State aid decision is an integral part of the legal basis.
- (6) The Greek authorities confirmed that a standstill clause will apply. Pursuant to the standstill clause of Article 108(3) TFEU, and to Article 3 of Council Regulation (EU) 2015/1589², new aid measures must not be put into effect before the Commission has taken a decision authorising it.

2.3. Context of the measure

- (7) The Greek authorities consider that digital devices and internet usage in the education and training process, especially in higher education, has significant benefits among students educators and academic staff, promoting the development of digital and transversal skills, facilitating interaction, providing wide resources for learning and making education more flexible and easy to access. Broadband services are considered as essential as any other educational resource. The Greek authorities consider it is not just the availability of broadband services in education and training institutions that needs attention, but also an adequate availability of broadband services at home, as a portion of learning takes place once students are at home at their residence, even more in the context of a pandemic. Internet usage can also significantly facilitate administrative procedures and communications with the higher education providers more flexibly via email, video conferences, chat rooms, bulletin boards and instant / multimedia messaging. This kind of communication including web access, email and multimedia applications enables learning activities that are attractive to students and fosters a collaborative learning environment.
- (8) The broadband vouchers scheme for students aims to support students of the higher education faculties and departments in purchasing or maintain electronic telecommunication services.
- (9) In the past years, the Greek economy has experienced a deep and prolonged recession with direct negative consequences on among others unemployment rate and available household income. Consequently students, like their parents who support them financially, are likely to face difficulties in subscribing or maintaining a subscription to electronic communications services.

¹ Pending the approval of the decree, a draft was submitted to the Commission. The full text of the decree, once adopted, will be available at the official website of the measure and published on the official journal.

² Council Regulation No 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union OJ L 248 of 24.9.2015, p.9.

- (10) In addition, in Greece, as well as elsewhere in the EU, the outbreak of COVID-19 has accelerated the digitalization of businesses and services, as well as of education systems. During the quarantine period the vast majority of higher educational services have resorted to distance learning to continue to dispense their services while traditional classes were suspended and only specific activities (e.g. laboratory courses, final exams in some cases) are carried out with physical presence. On this basis, broadband services have become a prerequisite to benefit from educational services.
- (11) Greece considers that in the upcoming months the higher education institutes will continue to rely largely on remote online learning to operate, hence it is essential that students have adequate broadband connections at their residences in order to be able to benefit of distance learning services on an equal and non-discriminatory basis.
- (12) In this context, Greece is developing comprehensive strategies to address the needs of students by providing them with equal access to modern digital technologies which will allow them to use of a range of distance learning solutions.
- (13) The Greek authorities consider that the scheme will help to achieve: (i) the reduction of the digital gap by enabling students to access the internet using tablets, netbooks, laptops, smartphones, etc.; (ii) the increase in use of e-government services by students who are facing economic difficulties; (iii) the development of students' digital skills through the use of the internet and modern digital technologies and services; (iv) the strengthening of scientific research and innovation by making the students acquainted with modern technologies as wells as digital services and applications; (v) the optimal use of digital services offered by national and international institutions in the context of e-learning and remote training (e.g. Open eClass, edX, Coursera, iTunesU, Khan Academy, MIT OCW, etc.); and (vi) continuity of distance learning services, which are essential since the suspension of physical classrooms due to the COVID-19 outbreak.

2.4. Detailed description of the measure

2.4.1. Eligibility of end-users

- (14) Eligible end-users will be undergraduate first year students enrolled in schools, departments and faculties of higher education institutes in Greece in the academic years 2019-2020, 2020-2021 and 2021-2022.
- (15) The measure will address up to fifty thousand eligible students per academic year. Requests for vouchers will be satisfied by order of request. The maximum number of eligible students may be modified by means of a future joint ministerial decision. The information needed to identify the eligible students will be obtained from the "Electronic Service for Acquisition of Academic Identity" of the Ministry of Education and Religions.
- (16) The vouchers consist of the allocation of an amount intended to cover all or part of the monthly fee of a fixed or mobile broadband internet access service incurred by the eligible students, with a maximum subsidy limit of EUR 10 per month.

- (17) The beneficiaries must meet the following cumulative conditions: 1) are first-year students admitted and enrolled for the first time in schools, departments and faculties of higher education institutes in Greece for the academic years 2019-2020, 2020-2021 and 2021-2022; 2) have not already benefited from other subsidies aiming to incentivise the subscription to broadband services (e.g. Superfast Broadband-SFBB voucher scheme³).
- (18) A voucher is granted on the basis of a request submitted by an eligible student using his academic ID and will be used as discount on the monthly bill on which the voucher number will be reported. After the expiration of the voucher the service provider will submit a request to redeem the voucher which includes, among others, proof of subscription to a broadband service and the voucher number. The request must be submitted to the competent Greek authorities before 31 December 2021 for academic years 2019-2020 and 2020-2021 and before 31 December 2022 for academic year 2021-2022. This amount may be used to cover, within the limit of the amount actually incurred, part of the price of a new or existing broadband subscription.
- (19) Greece considers that without the measure, the eligible students may face financial difficulties which would prevent them from acquiring or maintaining a broadband subscription, which is necessary to enable students to benefit from the distance learning solutions made available by the higher education institutions to cope with the COVID-19 crisis.

2.4.2. Granting authority and implementing body

- (20) The granting authority is the General Secretariat of Telecommunications and Post (GSTP) of the Ministry of Digital Governance. It is responsible for: (i) financing the measure and payment of telecommunications providers, in accordance with article 75, par. 6 of Law 4070/2012; (ii) the certification of financial related aspects of the measure (e.g. receipt of payments, etc.); and (iii) the evaluation of the measure during and after its completion. The exercise of the relevant (ii) and (iii) competences may be assigned to an external partner, if necessary.
- (21) The implementing body is GRNET – National Infrastructures for Research and Technologies, a public authority supervised by the Ministry of Digital Governance. It is responsible for: (i) organizing the implementation of the measure (e.g. issuing the call for expression of interest, the set-up of the register of telecommunications providers with which the voucher can be spent, the selection and evaluation of the broadband connections offered); (ii) the design, development and support of the information system(s) required for the implementation of the measure; (iii) the creation, staffing and operation of a help desk office to support the telecommunications providers as well as the eligible students; and (iv) the carry-on of dissemination activities to inform the eligible students, the telecommunications providers and the public opinion in coordination with GSTP.

³ SA.49935 Superfast Broadband (SFBB) Project; SA.56599 Modification of the Superfast Broadband (SFBB) Project

2.4.3. *Form and amount of aid*

- (22) The measure will allow the eligible students (see recital (14)) to benefit from vouchers to subscribe to, or to maintain broadband services which will ensure learning continuity across the country through the use of remote educational services.
- (23) The beneficiary students will use the vouchers to subscribe to, or maintain a fixed or mobile broadband internet connection for a period of 12 months.
- (24) The voucher will cover up to 100% of the monthly fee of a fixed or mobile broadband internet connection, with a maximum subsidy limit of EUR 10 per month. The final amount of a voucher will be determined by the Greek authorities on the basis of the proof of subscription presented by service provider on behalf of the student (see recital (18)).

2.4.4. *Technology neutrality*

- (25) The voucher will be used to acquire or maintain mobile or fixed broadband services without excluding or favouring any particular technology provided that it will fulfil the following criteria:
 - (a) *Mobile Broadband offers* will have to: (i) give access to at least 4G services in the area of residence of the beneficiary students; (ii) include at least 10 Gbyte/month and the use of a USB modem⁴; (iii) be able to inform the student on the amount of data used and its percentage of the amount included in the monthly subscription. Satellite services are also eligible within the subsidy limit described in recital (24).
 - (b) *Fixed Broadband offers* must: (i) connect the location of the beneficiary with at least 24 Mbps download speed; (ii) include the customer equipment needed to access the network (i.e. modem, router, etc.). Fixed Wireless Access – FWA services are considered fixed services and are therefore eligible if they meet the eligibility criteria for fixed broadband services.
- (26) The Greek authorities consider that these specifications concerning both the mobile and the fixed offers correspond to the type of connections that are commercially available and that would be as necessary as a minimum to effectively support the desired e-learning services.

2.4.5. *Eligible telecommunications operators*

- (27) Every telecommunications operator capable of providing eligible students with the broadband services mentioned above will have the possibility to be included

⁴ The provision of a USB modem stick is needed to allow students to use laptop or desktop PC to access broadband services. The SIM that is provided with the USB modem stick may also be installed in a tablet to access mobile broadband services, if needed.

in the ‘Register of Telecommunications Providers’ which lists the operators with whom the voucher can be spent. GRNET will assess and select the telecommunications offers and will register operators in the Register of Telecommunications Providers.

- (28) The Greek authorities clarified that there will be no discrimination based on the origin of the telecommunications operator or of the products and services concerned.

2.4.6. Duration

- (29) The aid will be paid as from the approval of the scheme by the Commission and the last date until which aid may be granted is 31 December 2023.

2.4.7. Budget

- (30) The total budget of the measure amounts to about EUR 20 million. This budget will cover the value of the vouchers as well as the administrative costs involved in the implementation of the scheme by the Greek authorities (e.g. cost of implementation and operation of the information system(s), the dissemination activities and the accounting/logistics support provided by GRNET).

3. ASSESSMENT OF THE MEASURE

3.1. Existence of the aid

- (31) There is State aid within the meaning of Article 107(1) TFEU when there is an intervention by the State or through State resources in any form whatsoever which confers a selective economic advantage on the recipient, distorts or threatens to distort competition and is liable to affect trade between Member States.

3.1.1. State resources

- (32) The scheme is set-up by the Greek authorities, is based on the legal basis mentioned in recitals (4) and (5) and funded directly from the budget of the Hellenic Republic. The vouchers under the scheme will be disbursed by a public entity to the eligible telecommunications providers that thereby will receive partial reimbursement of connectivity costs. Hence, these funds can be considered as State resources and the measure is imputable to the State.

3.1.2. Economic advantage and selectivity

- (33) Article 107(1) TFEU only applies to public support granted to recipients carrying out an economic activity. The recipients must therefore be undertakings⁵ performing an economic activity⁶ and offering goods or services on a market in order for State aid rules to apply. On the other hand, Article 107(2)(a) TFEU states that State aid may also be granted to consumers.

⁵ As defined by the European courts case-law. See in particular judgment of 12 September 2000, *Pavlov and Others*, joined Cases C-180/98 to C-184/98, ECLI:EU:C:2000:428, recital 74.

⁶ Judgment of 12 September 2000, *Pavlov and Others*, joined Cases C-180/98 to C-184/98, ECLI:EU:C:2000:428, recital 75.

- (34) The eligible consumer end-users are natural persons, i.e. students who will use the vouchers to procure or maintain broadband services which will allow them to benefit from distance learning services.
- (35) The aid is granted in consideration of the economic situation of students that according to the Greek authorities, without the measure may not be in the position to acquire or maintain broadband services and this would prevent them from benefiting from remote learning services made available by the higher education institutions including during the COVID-19 crisis (see recital (19)). Indeed, students have generally a limited income or no income as they are dedicated to their studies and therefore could encounter difficulties in subscribing to broadband services.
- (36) Consequently, in the context of the measure the eligible students cannot be considered as undertakings performing an economic activity falling within the scope of Article 107(1) TFEU and thus assistance to them falls outside the scope of State aid rules.
- (37) In cases where the aid is granted to consumer end-users, the case law of the European courts confirms however that advantages granted indirectly to undertakings may constitute State aid within the meaning of Article 107(1) of the Treaty⁷.
- (38) The scheme provides for the vouchers to be directly paid to the eligible telecommunications providers serving the students (i.e. mobile and fixed telecommunications operators). Telecommunication providers are considered undertakings and thus fall within the scope of State aid rules. Participating eligible telecommunications operators under the scheme are able to receive all or part of the monthly fees due by the eligible students, who without the intervention of the State may have been unable to subscribe or maintain a broadband service subscription, may have postponed such subscription or may have renounced it due to economic considerations. The measure will therefore pursue its social objectives by contributing effectively to overcome the digital divide to the benefit of students, at a time where their access to remote educational services is crucial. At the same time, the measure may stimulate the demand or maintenance of broadband services by lowering their costs for the eligible students. Thus, the scheme may strengthen the market position of telecom providers, thereby providing them with an economic advantage. That advantage is selective because it is only available to telecommunications providers as opposed to other businesses that supply services, and amongst telecommunications providers it is only open to those which can ensure offers that fulfil the eligibility criteria identified in the scheme (as described in recital (25)). The offers of telecommunications providers are assessed and selected by the Greek authorities and the eligible operators are included by the Greek authorities in the Register of Telecommunications Providers.
- (39) It follows that the aid granted via the voucher scheme confers an indirect selective economic advantage to the telecommunications providers able to provide the eligible services to consumers.

⁷ Judgment of 4 March 2009, *Italy v Commission*, T-424/05, ECLI:EU:C:2007:367, recital 108; judgment of 28 July 2011, *Mediaset v Commission*, C-403/10 P, recital 81.

3.1.3. *Distortion of competition and impact on trade*

- (40) State measures fall within the scope of Article 107(1) of the Treaty in so far as they distort or threaten to distort competition and affect trade between Member States. According to the case-law of Union courts, the concept of “effect on trade between Member States” is linked to the notion of distortion of competition and both are often inextricably linked. In this regard, the Court has stated that “*In particular, where State financial aid strengthens the position of an undertaking as compared with other undertakings competing in intra-Community trade, the latter must be regarded as affected by that aid*”⁸.
- (41) The measure applies to the telecommunication sector, which is subject to intra-EU and international competition. As the scheme gives an economic advantage to the participating eligible telecommunication providers, the measure may distort competition between European operators benefitting from the measure and those who do not.
- (42) Regarding trade between Member States, the Commission notes that intra-Union trade should be considered affected once a national measure reinforces the position of an undertaking as regards its competitors. It is not necessary that the beneficiary undertaking takes part itself in intra-Union trade. The circumstance that an economic sector, such as that of telecommunications services, has been the object of a significant process of liberalisation at the level of the Union, which has accentuated competition, gives rise by its nature to a real or potential effect of aid, such as the scheme, on trade between Member States.

3.1.4. *Conclusion on the existence of aid*

- (43) In view of the above, the Commission considers that as the measure is imputable to the State, involves State resources, provides a selective advantage to certain beneficiaries engaged in an economic activity, distorts or threatens to distort competition in the internal market and affects trade between Member States, the notified measure constitutes State aid within the meaning of Article 107(1) of the TFEU.

3.2. **Compatibility the aid**

- (44) It is necessary to examine the scheme's compatibility with respect to the indirect aid to the participating eligible telecommunications providers in the light of Article 107 TFEU.
- (45) The measure provides for vouchers to support students to procure or maintain fixed and mobile broadband services. Hence, the measure targets individual consumers (see recital (14)). Article 107(2)(a) of the TFEU states that: “*aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination related to the origin of the products concerned*” shall be compatible with the internal market.

⁸ Judgment of 4 April 2001, *Regione Friuli Venezia Giulia v Commission*, T-288/97, ECLI:EU:T:2001:115, recital 41.

3.2.1. Aid to individual consumers

- (46) The vouchers are granted exclusively to students, who are individual consumers (see recital (14)).

3.2.2. Aid of social character

- (47) The measure has a social character as it is reserved for students who are a particular categories of individual consumers whose circumstance justifies the payment of aid for social reasons. The measure responds to a social necessity to ensure that students have access to suitable broadband services to enable distance and online learning. Greece has clarified that as an effect of the economic recession that Greece has suffered in the recent years and of the further economic consequences triggered by the COVID-19 outbreak, the unemployment rate has increased and the available household income has decreased (see recital(9)). It is, hence, likely that without the measure students may face difficulties to bear the costs of acquiring the broadband services which consequently may prevent them from benefiting from remote online learning. To the extent that the scheme aims at ensuring that students can access suitable broadband services to answer distance online learning needs, it reflects both short-term and long-term social concerns.

3.2.3. Aid, which does not discriminate regarding the origin of the products or the services

- (48) As explained in recital (25), the measure is technological neutral since students may purchase fixed or mobile broadband services of adequate quality irrespective of the underlying technology. As described in recital (27) the aid can be used to acquire or maintain broadband services from any telecommunications operator capable of providing the broadband services described in recital (25) without any discrimination on its origin or on the origin of the products.
- (49) In the light of all the foregoing, the Commission concludes that the indirect aid to the participating eligible telecommunications providers can be deemed compatible with the internal market pursuant to Article 107(2)(a) 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(2)(a) of the Treaty on the Functioning of the European Union.

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Your request should be sent electronically to the following address:

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Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

