

# State aid: Commission approves high speed internet solutions for rural areas in Germany

In June 2015, the Commission [approved a €3 billion German state aid scheme](#) to promote investment in high speed broadband infrastructure, especially for rural areas where private investment is lacking. In its decision, the Commission allowed the use of the so-called vectoring technology, provided Germany offered virtual access products to replace the physical access lost due to the use of vectoring.

Vectoring technology allows increased broadband speed over the existing copper network beyond the highest levels normally achieved via very high speed digital subscriber lines (VDSL). This is achieved at comparably low costs. However, as a side-effect, competitors are no longer able to gain physical access to individual copper lines leading to the customers, and are therefore prevented from providing their own high speed internet products to them.

The introduction of an adequate **virtual unbundled local access (VULA)** product can compensate the negative effects of vectoring. A VULA product requires the network operator to transport competitors' data traffic at conditions similar to those the competitors would have had with physical access to the copper lines. This preserves the possibility for competitors to make own diversified high speed internet offers to their customers even when vectoring is used by the network operator.

In September 2016, Germany notified to the Commission three VULA products proposed by Deutsche Telekom, DNS:Net and NetCologne for their respective broadband roll-out projects under the national next generation access (NGA) scheme.

The Commission has thoroughly examined the three proposed VULA products, to assess whether they would adequately compensate the negative effects of vectoring and ensure open access to the network, as required by the [2013 Broadband State Aid Guidelines](#).

After several amendments to the notified products, the Commission has found that the proposed VULA products offered by the three companies fulfil the requirements of providing adequate virtual access to the network.

In particular, the VULA products cover the stretch of copper network leading to final customers. This is in line with the Commission's June 2015 decision, considering that in the relevant rural areas vectoring technology removes physical access to the copper network at this point in the network.

On this basis, the Commission concluded that the three proposed VULA products fulfil the requirements set out in its approval decision of June 2015. This

in turn allows vectoring technology to start being used in state-funded high speed broadband networks in Germany.

The non-confidential version of the decision will be made available under the case number [SA.46805](#) in the [State Aid Register](#) on the [DG 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 [State Aid Weekly e-News](#).

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## [State aid: Commission approves €45 million Czech support scheme for refuelling and recharging stations for low emission vehicles](#)

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“The Czech scheme is yet another good example of how Member States can contribute to the fight against global warming. The scheme will promote alternative fuels and reduce harmful car emissions, and will encourage consumers and businesses to use greener transportation, without distorting competition”*.

The scheme provides support of €44.5 million over six years for the construction of publicly accessible recharging and refuelling stations for vehicles running on alternative fuels such as electricity, compressed natural gas, liquefied natural gas and hydrogen. The infrastructure network will cover the entire country. Companies already active in the alternative fuels sector can apply for this support, which will be awarded in four separate calls for tender, through an open and transparent procedure.

The aid measure was assessed by the Commission under the Treaty on the Functioning of the European Union, which allows Member States to support the development of certain economic activities – in this case improving energy efficiency and reducing CO<sub>2</sub> emissions. This is in line with EU energy and climate goals.

The Commission considered the public support appropriate as the Czech Republic demonstrated that the aid was necessary to incentivise operators to develop the national network at the required pace and density. The measure will encourage a significant uptake of vehicles running on alternative fuels, and therefore make an important contribution towards meeting the common interest of reducing emissions and improving air quality. The measure is also in line with the [European Strategy for low-emission mobility](#), particularly in terms of speeding up the deployment of low-emission alternative energy for transport and contributing to the decarbonisation agenda. Energy efficiency is key to Europe’s clean energy transition and a central policy for achieving

the Paris Agreement objectives.

The Commission concluded that the scheme's contribution to EU environmental goals clearly outweighs any potential distortion of competition brought about by the public financing and approved the Czech plans under EU state aid rules.

The non-confidential version of the decision will be made available under the case number SA.45182 in the [state aid register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. The [State Aid Weekly e-News](#) lists new publications of state aid decisions on the internet and in the Official Journal.

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## **Daily News 11 / 08 / 2017**

### **State aid: Commission approves high speed internet solutions for rural areas in Germany**

The European Commission has endorsed under EU state aid rules three German virtual access products that will allow the use of so-called vectoring technology in state funded high speed broadband networks. This will boost connectivity in rural areas, whilst maintaining competition in the Single Market. In June 2015, the Commission [approved a €3 billion German state aid scheme](#) to promote investment in high speed broadband infrastructure, especially for rural areas where private investment is lacking. Vectoring technology allows increased broadband speed over the existing copper network beyond the highest levels normally achieved via very high speed digital subscriber lines (VDSL). This is achieved at comparably low costs. However, as a side-effect, competitors are no longer able to gain physical access to individual copper lines leading to the customers, and are therefore prevented from providing their own high speed internet products to them. The introduction of an adequate **virtual unbundled local access (VULA)** product can compensate the negative effects of vectoring. In September 2016, Germany notified to the Commission three VULA products proposed by Deutsche Telekom, DNS:Net and NetCologne for their respective broadband roll-out projects under the national next generation access (NGA) scheme. The Commission concluded that the three proposed VULA products fulfil the requirements set out in its approval decision of June 2015. This in turn allows vectoring technology to start being used in state-funded high speed broadband networks in Germany. A full press release is available in [EN](#), [DE](#), [FR](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)*

**International Youth Day 2017: Celebrating young people's contribution to peace**

The European Commission joins the celebration of this year's International Youth Day ([#YouthDay](#)), the theme of which is 'Youth Building Peace', focussing on young people's contributions to conflict prevention and transformation as well as inclusion, social justice, and sustainable peace. Commissioner Tibor **Navracsics**, responsible for Education, Culture, Youth and Sport, said: *"We can only achieve sustainable peace and build cohesive and resilient societies if we all work together. Young people have demonstrated, time and again, that they are willing to show solidarity and contribute to their communities. We need to harness this energy."* Commissioner Neven **Mimica**, responsible for International Cooperation and Development, added: *"Young people are at the heart of development. Our goal is to empower them to change the world for the better. Thanks to EU support, in the last decade, almost 14 million more boys and girls benefited from primary education. We will also continue supporting young people as champions of peace-building and countering violent extremism in their communities such as through the 'One Young World Peace Ambassadors' initiative launched today."* International Youth Day is also an important moment to recall the many different ways in which the Commission is acting to support our young Europeans. With the [European Solidarity Corps](#), for example, the Commission put in place a unique opportunity for young people between 18 and 30 to take part in a wide range of solidarity activities across the EU. Since its launch last December, over 34 000 young people have signed up, and hundreds have already started their projects. This year, we also celebrate the 30<sup>th</sup> anniversary of Erasmus, one of the biggest success stories. To date, the current programme, [Erasmus+](#), and its predecessors have given 9 million people across Europe, the chance to study, train, volunteer or gain professional experience abroad, creating an open-minded generation aware of European and global challenges. *(For more information: Carlos Martin Ruiz De Gordejuela – Tel.: +32 2 296 53 22; Johannes Bahrke – Tel.: +32 2 295 86 15; Daniel Puglisi – Tel.: +32 2 296 91 40; Julia Bräuer – Tel.: +32 229 56184)*

### **Aides d'État: la Commission autorise une aide de 45 millions d'euros en faveur de stations de ravitaillement et de recharge pour les véhicules à faibles émissions**

La Commission européenne a constaté que le projet de la République tchèque consistant à soutenir la création d'un réseau de stations de ravitaillement et de recharge pour véhicules à faibles émissions était conforme aux règles de l'UE relatives aux aides d'État. La mesure contribue à la réduction des émissions de CO<sub>2</sub> sans fausser indûment la concurrence dans le marché unique. Le régime en question prévoit une aide de 44,5 millions d'euros sur six ans en faveur de la construction de stations de recharge et de ravitaillement accessibles au public et destinées aux véhicules utilisant des carburants de substitution tels que l'électricité, le gaz naturel comprimé, le gaz naturel liquéfié et l'hydrogène. Le réseau d'infrastructures couvrira l'ensemble du territoire national. La mesure d'aide a été appréciée par la Commission au regard du traité sur le fonctionnement de l'Union européenne, qui autorise les États membres à soutenir le développement de certaines activités économiques, en l'occurrence l'amélioration de l'efficacité énergétique et la réduction des émissions de CO<sub>2</sub>. Ces activités concordent avec les objectifs de l'UE en matière énergétique et climatique. La Commission a conclu que la

contribution du régime aux objectifs environnementaux de l'UE l'emporte nettement sur toute distorsion potentielle de concurrence induite par le financement public et a autorisé le projet de la République tchèque en vertu des règles de l'UE relatives aux aides d'État. M<sup>me</sup> Margrethe Vestager, commissaire chargée de la politique de concurrence, a déclaré à ce sujet: «Le régime tchèque est un autre bon exemple de la manière dont les États membres peuvent contribuer à la lutte contre le réchauffement climatique. Il favorisera les carburants de substitution et réduira les émissions nocives des véhicules. Il encouragera également les consommateurs et les entreprises à utiliser des moyens de transport plus verts, sans fausser la concurrence.» Un communiqué de presse est disponible en line en [EN](#), [CS](#), [DE](#), [FR](#). (Pour plus d'informations: Ricardo Cardoso – Tél.: +32 229 80100; Maria Sarantopoulou – Tél.: +32 229 13740)

### **Mergers: Commission clears acquisition of Holland & Barrett by Letterone Investment**

The European Commission has approved, under the EU Merger Regulation, the acquisition of Holland & Barrett of the UK by Letterone Investment of Luxembourg. Holland & Barrett sells health and wellbeing products such as vitamin supplements and health foods online and also through its network of high-street shops. Letterone Investment invests in the telecoms and technology, healthcare and retail sectors. The Commission concluded that the proposed acquisition would raise no competition concerns because the companies' activities do not overlap and they are not active on related markets. The operation was examined under the simplified merger review procedure. More information will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8582](#). (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Sarantopoulou – Tel.: +32 229 13740)

### **Commission boosts consumer protection for insurance products**

The Commission has today laid down rules for an Insurance Product Information Document (IPID), which will have to accompany all non-life insurance policies from 2018. These new rules will allow consumers to have all information necessary to make an informed decision when buying insurance products, such as car, travel or house insurance. This type of key information document already exists for life insurance policy and other investment products under the [Regulation on Key Information Documents for Packaged Retail and Insurance-based Investment Products \(PRIIPs\)](#). The implementing rules adopted today, in the form of an implementing technical standard (ITS), stem from the [Insurance Distribution Directive \(IDD\)](#) which must be applied in the EU Member States in February 2018. The IDD aims to create a level playing field between insurance distributors across the European Union. It will guarantee that customers get the same standards of choice and service when buying insurance, regardless of the Member State in which the insurance was bought. The Directive will ensure appropriate standards of transparency by setting out the necessary information to be provided to consumers before they sign up to an insurance contract. Further implementing rules for the IDD will be adopted

in the coming weeks. These will cover [product oversight and governance](#) (for all insurance products) and various [conduct of business rules](#) (for life insurance products). These draft rules are currently under public consultation on the Commission's Better Regulation portal, until 17 August. More information on the implementing rules adopted today is available [here](#). (For more information: Vanessa Mock – Tel.: +32 229 56194; Letizia Lupini – Tel.: +32 229 51958)

[Upcoming events](#) of the European Commission (ex-Top News)

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## **ESMA publishes the responses to its Consultation on trading obligation for derivatives under MiFIR**

10 August 2017

MiFID – Secondary Markets

The European Securities and Markets Authority (ESMA) has published today the responses received to its Consultation on trading obligation for derivatives under MiFIR.

To view the responses, please click the button below.

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## **ESMA agrees first position limits under MiFID II**

ESMA's opinions agree with proposed position limits by the Autorité des Marchés Financiers (AMF) regarding:

- [Rapeseed](#);
- [Corn](#); and
- [Milling wheat](#).

ESMA found that the proposed position limits for rapeseed, corn and milling wheat by the AMF are consistent with the objectives established in MiFID II

and with the methodology developed for setting those limits.

As of 3 January 2018 and MiFID II application, limits will apply to the net position a person can hold in commodity derivative contracts. NCAs have to set position limits for commodity derivatives and notify ESMA of the specific position limits they plan to introduce for liquid contracts.

ESMA will continue to assess the notifications received and issue opinions in order to ensure that the position limits are set in accordance with the MiFID II framework.