



EUROPEAN COMMISSION

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Subject: **State aid SA.39384 (2014/N) – Germany**
 NGA Sachsen-Anhalt - modifications

Sir,

I. SUMMARY

- (1) I am pleased to inform you that the European Commission has assessed the modifications which Germany plans to introduce in the approved State aid measure "*Next generation network for commercial and accumulation areas in Sachsen-Anhalt*", as laid down in the "*Richtlinie zur Förderung des Aufbaus von Hochgeschwindigkeitsnetzen in Gewerbe- und Kumulationsgebieten in Sachsen-Anhalt*" (hereafter: "the measure") and decided not to raise objections as the State aid contained in the measure, as modified, remains compatible with Article 107(3)c of the TFEU.

II. PROCEDURE

- (2) Germany initially notified the measure to the Commission on 26 April 2013 pursuant to Article 108 (3) of the TFEU. The Commission approved the measure by decision of 13.12.2013¹ (hereinafter: the "2013 authorisation decision"). The Commission makes reference to the latter decision for a description of the measure approved in 2013.

¹ State aid SA.36601 (2013/N) – Germany - NGA Sachsen-Anhalt.

Seiner Exzellenz Herrn Frank-Walter STEINMEIER
Bundesminister des Auswärtigen
Werderscher Markt 1
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III. MODIFICATIONS TO THE APPROVED MEASURE

- (3) The modifications to the measure approved in 2013 consist of the following:
- a) an increase in aid intensity from 80% to 100%;
 - b) an increase in the overall budget of the scheme from 125 million EUR to 140 million EUR, where the annual budget stays the same as previous, 31 250 000 EUR, since the implementation of the scheme has already started.
- (4) **Aid intensity:** the aid intensity of a project will depend on the outcome of the local tendering procedure. The amount of the grant will not be the total cost of the project, but a maximum of 100% of the profitability gap, which will be calculated for each project and submitted by the tenderers to the municipality concerned in the course of the selection procedure. In case there are less than 3 bidders, external auditors will be instructed to select the most economical offer or to estimate the profitability gap and to mediate between the municipality and the bidder in negotiations concerning this profitability gap.

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

- (5) The Commission's conclusion in the 2013 authorisation decision that the notified aid measure constitutes state aid within the meaning of Article 107(1) TFEU is not affected by the now notified amendments.

V. COMPATIBILITY ASSESSMENT

- (6) The Commission's conclusion in the decision approving the scheme, that the measure notified by Germany meets the compatibility criteria set out in the Broadband Guidelines and is thus compatible with Article 107(3)(c) TFEU, is not affected by the now notified amendments.

VI. DECISION

- (7) For the same reasons set out in the 2013 authorisation decision, the Commission has decided that the aid measure "*Next generation network for commercial and accumulation areas in Sachsen-Anhalt*" as amended is compatible with the internal market, in accordance with Article 107 (3)(c) TFEU.
- (8) The Commission reminds Germany of the requirement to submit to it two-yearly reports on the application of the aid measure and to inform it pursuant to Article 108(3) TFEU of all plans to amend/extend this measure.
- (9) 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/competition/elojade/isef/index.cfm>.

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

European Commission
Directorate-General for Competition
State Aid Greffe
B-1049 Brussels
Belgium

Fax No: +32 2 29 61242

Yours faithfully,
For the Commission

Margrethe VESTAGER
Member of the Commission