



EUROPEAN COMMISSION

Brussels, 19.10.2009

C(2009)8127

PUBLIC VERSION

WORKING LANGUAGE

**This document is made available for
information purposes only.**

Subject: **State aid N 172/2009 - Slovenia**
 Broadband development in Slovenia

Sir,

I. SUMMARY

- (1) I am pleased to be able to inform you that the European Commission has assessed the measure "*Broadband development in Slovenia*" (hereafter: "the measure") and decided not to raise objections as the State aid contained therein is compatible with Article 87(3)(c) of the EC Treaty.

II. PROCEDURE

- (2) By letter registered on 20 March 2009, pursuant to Article 88 (3) of the EC Treaty, the Slovenian authorities notified the above mentioned measure to the Commission. By letters registered on 20 May 2009 and 12 August 2009, the Commission requested additional information on the proposed measure for which the Slovenian authorities submitted answers by letters registered on 24 June 2009 and 17 August 2009.

III. DESCRIPTION OF THE MEASURE

- (3) *Objective:* the objective of the measure in the context of a national broadband strategy is to accelerate the construction of broadband networks where these services are not adequately developed. According to the estimation of the Slovenian authorities, the current measure will help to increase broadband coverage from the current rate of 92% to 100% of the Slovenian population by the end of 2013. The notified measure will provide adequate broadband services to approximately 10% of the Slovenian households and 4% of the undertakings dispersed in approximately 40% of the territory of Slovenia. Thus the Slovenian authorities argue that the measure will provide a more uniform territorial development of electronic communications networks and services in Slovenia and thereby contribute to the competitiveness and development of the country.

- (4) Targeted areas and consultation with operators: The measure targets areas where no broadband services are available¹ and where operators have no incentives to provide such services on commercial terms. The process to identify the targeted areas was conducted as follows: (1) a market research was conducted by the Ministry of Economy to identify areas where no broadband services are currently available; (2) subsequently, the Ministry consulted commercial operators to verify whether they would be willing to provide affordable broadband services on such areas on market terms (with a minimum download bandwidth of 1 Mbps within the next 24 months); (3) after the consultation, the list of the targeted areas was published on the Ministry's website and has since been continuously updated in line with the market developments². Furthermore, during the tender procedure, the bidding will need to demonstrate with a business plan that the rollout of a broadband network on the targeted area is not feasible without subsidising part of the network with public funds.
- (5) *Legal basis:* the notified measure is based on the (i) Electronic Communications Act³ (ii) the Strategy of broadband development in the Republic of Slovenia⁴, (iii) Council Regulation (EC) No 1083/2006⁵ (iv) Commission Regulation (EC) No. 1828/2006⁶ and (v) the Decree on the implementation of procedures for the use of the European cohesion policy funds in the Republic of Slovenia in the programming period 2007-2013⁷.
- (6) *Budget and financing instruments:* The aid takes the form of grants. The overall amount of the measure is approximately €2.5 million. Subject to a Commission decision on the project, the project will be financed from the resources of the European Regional Development Fund (ERDF)⁸ up to 85% of this amount while 15% will be provided by the Slovenian Government.
- (7) *Duration:* The start of the measure is subject to the Commission's decision in regard to the financial contribution from the ERDF and the current Commission decision concerning the compliance with the State aid rules. The last date until aid can be granted under the current measure is 31 December 2013.
- (8) *Tender:* 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. All projects

¹ The Slovenian authorities consider that broadband services via satellite may be available in these areas, but such services at the moment are sold at prices which are significantly higher than those proposed by other providers in the country.

² The list of target areas is available at the following website: http://www.mg.gov.si/fileadmin/mg.gov.si/pageuploads/DEK/Novi_dokumenti_2008/Seznam_naselij_v_Republiki_Sloveniji-BELE_LISE-04-11-2008.pdf.

³ Official Gazette of the Republic of Slovenia, No. 13/07, available at <http://www.uradni-list.si/1/content?id=78325&part=u&highlight=Zakon+o>

⁴ Available at http://www.mg.gov.si/fileadmin/mg.gov.si/pageuploads/DEK/177svStrategija_.doc.

⁵ Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999. OJ L210 of 31.7.2006.

⁶ Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (OJ L, No. 371 of 27 December 2006).

⁷ Official Gazette of the Republic of Slovenia, No. 41/2007

⁸ ERDF, 2nd Development Priority: Economic Development Infrastructure, priority: 2.2 Information Society, project construction, management and maintenance of an open broadband electronic communications network in a local community.

will also be published in the Official Journal of the European Union in line with the relevant procurement Directive⁹. The Slovenian authorities will choose the most economically advantageous offer among those presented by the operators. Any local community or several local communities together can organize and publish a tender. The construction of the network shall be finished within maximum 18 months after the contract has been signed with the selected operator.

- (9) *Subject of the aid*: each municipality initiating a tender process under the notified measure may choose among the following three options:
- *Mixed public and private ownership*: private network operators receive public funds to finance the investment. The ownership of the subsidized infrastructure will be divided according to the aid intensity of the project.
 - *Combination of publicly owned and privately owned networks*: this option will apply in those areas where part of the network is built entirely by public funds. The presence of such network could sufficiently lower the entry barriers for private companies and render private investments attractive on commercial terms¹⁰.
 - *Fully publicly owned*: the construction of the network is 100% financed by public funds. The company constructing, maintaining and providing wholesale access to the network shall be selected by means of an open tender procedure. All commercial retail operators shall have access to the publicly owned infrastructure under equal conditions.
- (10) The types of funding only differ in the resulting ownership structure; by contrast, the same obligations detailed in the current decision will apply regardless of the ownership, including the privately owned networks that will be able to extend their broadband coverage by benefitting from the construction of a publicly owned network¹¹. According to the Slovenian authorities, the reason for the possible differences of ownership is primarily cost based: for instance, a publicly owned *backhaul* infrastructure would encourage private operators to build their *access* infrastructures themselves, thus reducing the overall aid amount to cover the targeted areas - in comparison with subsidising the rollout of the complete infrastructure. Regardless of the ownership structure, in all cases, after 20 years (maximum 30 years) the ownership of the subsidised networks shall be transferred to the municipalities on market terms¹².
- (11) During the invitation to tender, the granting authorities will also specify that the concerned local community shall endeavour to ease access to existing infrastructures (road, rail, energy, water and sewage infrastructure, as well as any other infrastructure, such as bridges, cableways, industrial pipelines) and ensure realisation of synergies resulting from the joint construction of other public infrastructures. The purpose of this provision is to optimise the network architecture and the technology deployed. All relevant maps, tables on existing and planned infrastructure are a constituent part of the

⁹ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (30.04.2004)

¹⁰ For instance, the Slovenian authorities envisage possibilities that a backhaul network - built by public funds and owned by the local municipality - could sufficiently reduce the entry barrier for private operators to construct and add their access networks and provide broadband retail services on the targeted areas.

¹¹ See in paragraph (9): *Combination of publicly owned and privately owned networks*.

¹² The "Build-operate-transfer" model stipulated in Article 80(1) of the Public-Private Partnership Act (OJ RS, No 127/2006). The part of the network owned by the private undertakings will be transferred back to the municipalities taking into account the actual market price of the assets and the amount of state aid received.

development plans of individual local communities, and the bidders should take this into account when drawing up the project.

- (12) *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.
- (13) *Minimum service requirements:* the tender will require the provision of minimum 2 Mbps of download speeds for any individual household. The project must also include a possibility of connecting all public institutions and undertakings within the targeted areas. Furthermore, in case local municipalities foresee the creation of business parks on the targeted area, higher minimum bandwidth can be required to satisfy the potential needs of those business users.
- (14) *Technology:* the tender will not favour any particular technology or network platform allowing tenderers to propose any suitable technological solutions.
- (15) *Wholesale access:* The tender procedure will oblige the selected operator to provide wholesale access to the subsidised infrastructure to all electronic communications operators on equal and non-discriminatory conditions¹³.
- (16) *Service provision:* The selected operator providing wholesale services on the subsidized network shall only provide retail services as well, if it creates a separate legal entity for that purpose. The Slovenian authorities consider that this condition will provide sufficient guarantee for the openness of the network and will give all retail operators equal conditions to access the subsidized network. The Slovenian authorities also argue that this condition will limit any distortion of competition on the retail broadband market.
- (17) *Price benchmarking:* Prices on the subsidized networks will be set in cooperation with the National Regulatory Authority with the objective to replicate the market conditions found on similar broadband markets. Thus the Slovenian authorities aim to achieve similar prices on the subsidized networks as the national average prices in Slovenia.
- (18) *Monitoring and claw-back mechanism:* For each project the results and effects achieved shall be the subject of annual reports to the competent Slovenian Ministry. Furthermore, the local municipalities, as granting authorities, will monitor the compliance of the selected operator with the contract. If the selected operator fails to carry out the service in accordance with the provisions of the contract, the authorities will be in the position to recover the aid. The monitoring also includes a clawback provision that will ensure that if the generated profit on the subsidized networks higher then foreseen in the submitted tender documents, all additional net profit will be divided between the parties in proportion to their investment¹⁴.

¹³ This includes, depending on the selected technology, duct access, ULL and bitstream access. Any disputes between electronic communication operators concerning the open access provision will be investigated by the National Regulatory Authority.

¹⁴ The Slovenian authorities confirmed that any profit that is generated above the market average on the subsidized networks will be considered as additional net profit and will be subject to the clawback mechanism. The average profit rates of the industry are monitored by the National Regulatory Authority.

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

- (19) According to Article 87 (1) of the EC Treaty, “*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 common 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 intra-Community trade.

State resources

- (20) The measure is financed by the resources of the Slovenian authorities and EU funds. Hence, state resources are involved.

Economic advantage

- (21) *Selected operators*: the selected operators will receive financial support which will enable them to enter the market and provide broadband services on conditions not otherwise available on the market.
- (22) *Third party operators*: the measure will enable third party operators to provide retail broadband services to end users by utilising the new, (partly) state-owned broadband infrastructure. The measure will also provide advantage to electronic communication operators that will be able to build and operate their own network infrastructure and provide broadband services by benefitting from the construction of a publicly owned infrastructure¹⁵. Thereby these operators will receive an indirect economic advantage by having access to wholesale services or benefit from the presence of public owned infrastructure at conditions that would not be available under normal market conditions without State support.

Distortion of competition

- (23) The measure supporting the deployment of a broadband network is selective in nature in that it targets undertakings that are active only in certain regions or in certain segments of the overall electronic communications services market¹⁶. Moreover, the intervention of the state tends to alter existing market conditions, in that a number of undertakings would now choose to subscribe to the services provided by the selected suppliers instead of existing, possibly more expensive alternative market-based solutions (e.g. leased lines).

Effect on trade

- (24) Insofar as the intervention is liable to affect service providers from other Member States, the measure has an effect on trade. The markets for electronic communications services (including the wholesale markets and the retail broadband markets) are open to competition between operators and service providers, which generally engage in activities that are subject to trade between Member States.

¹⁵ See in paragraph (9): *Combination of publicly owned and privately owned networks*.

¹⁶ As regards the sectoral specificity, see for instance Judgement of the Court in Case C-143/99 *Adria-Wien Pipeline and Wietersdorfer & Peggauer Zementwerke* [2001] ECR-I8365.

Conclusion

- (25) Having established that the measure confers economic advantage to the wholesale operator of the network and electronic communication operators utilising the state funded infrastructure by state resources that distorts competition and has an effect on trade between Member States, the Commission concludes that the notified measure constitutes State aid within the meaning of Article 87 (1) of the EC Treaty and it is necessary to consider whether the measure can be found to be compatible with the common market.

V. COMPATIBILITY ASSESSMENT

- (26) The areas covered by the measure are eligible to receive regional investment aid under the derogation of Article 87(3)(a)¹⁷. However, since the total aid to be granted under the scheme may not qualify as aid for initial investment within the meaning of the Guidelines on National Regional Aid for 2007-2013¹⁸ and the aid intensity of the measure could exceed the thresholds possible within the meaning of those guidelines, the Commission considers that the assessment of the compatibility of the measure with the common market needs to be based directly on Article 87(3)(c) of the EC Treaty.
- (27) The referred Treaty provision states that: "*aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest*" may be considered to be compatible with the common market. In assessing whether an aid measure can be deemed compatible with the common market under Article 87(3)(c), the Broadband Guidelines¹⁹ set out the criteria under which an aid measure can be approved.

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

- (28) As described in points 34 and 35 of the Broadband Guidelines, in assessing whether an aid measure can be deemed compatible with the common 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.
- (29) 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?
 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?

¹⁷ Commission decision in case N 434 / 2006 - *Slovenian Regional aid map 2007 – 2013*, OJ C256/2006.

¹⁸ See *Guidelines on National Regional Aid for 2007-2013*, OJ C 54/2006, p. 13.

¹⁹ *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.

- c. Are the distortions of competition and the effect on trade limited, so that the overall balance is positive?
- (30) 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

Community policy

- (31) Broadband connectivity is a key component for the development, adoption and use of information and communication technologies (ICT) in the economy and in society. Broadband is of strategic importance because of its ability to accelerate the contribution of these technologies to growth and innovation in all sectors of the economy and to social and regional cohesion²⁰. The Commission actively supports the widespread availability of broadband services for all the European citizens as laid down in the Lisbon strategy and subsequent Communications²¹.
- (32) In particular, a well targeted state intervention in the broadband field can contribute to reducing the '*digital divide*' that sets apart areas or regions within a country where affordable and competitive broadband services are on offer and areas where such services are not. By extending broadband coverage to unserved areas of Slovenia and to achieve 100% broadband coverage in the country, the measure helps achieving greater cohesion and is therefore in line with the common interest.
- (33) In addition, in the context of the financial and economic crisis affecting severely the European economies, it was further recognised by the Commission²² that broadband investments can be considered as "*smart investments*" that are able to provide short term (employment)²³ 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 economies.²⁴.

Cohesion objective and market failure considerations

- (34) 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

²⁰ See for instance Fornefeld, Delaunay and Elixmann (2008): "*The impact of broadband on growth and productivity*" - A study on behalf of the European Commission, MICUS; Katz and Suter (2009): "*Estimating the economic impact of the broadband stimulus plan*". Columbia Institute for Tele-Information Working Paper.

²¹ See for instance "i2010 – A European Information Society for growth and employment, COM(2005)229 final, 1 June 2005; "*eEurope 2005: An information society for all*" COM(2002)263 final, "*Bridging the broadband gap*", COM(2006)129.

²² Brussels European Council, 19/20 March 2009 Presidency Conclusions.

²³ See also Katz et al. (2009) in the paper of "*The Impact of broadband on jobs and the German economy*" estimate that broadband network development within the framework of the National Broadband Strategy of Germany could create 407.000 jobs between 2010 and 2014 as a result of network construction and network externalities.

²⁴ Communication from the Commission to the European Council: *A European Economic Recovery Plan*, Brussels, 26.11.2008.

telecommunication infrastructures could also significantly increase the investment costs necessary to roll out adequate broadband networks.

- (35) 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.
- (36) 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.
- (37) Since the current measure targets such "*white areas*"²⁵, 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, the Slovenian authorities pursue genuine cohesion and economic development objectives.

Aid is the appropriate instrument

- (38) As set out in paragraphs 47 and 48 of the Broadband Guidelines, a first question to be asked is whether State aid is an appropriate policy instrument to address the problem or whether there are other, better-placed instruments.
- (39) In the situation currently under assessment, despite efforts from alternative instruments initiated by the Slovenian authorities (such as development of e-Government services or other demand side measures), limited private investments have taken place in the targeted areas. Without further public intervention, reducing the "*digital divide*" between rural and urban areas seems not possible, which could lead to the economic and social exclusion of the local citizens and undertakings.
- (40) Although *ex ante* regulation has facilitated broadband deployment in urban and more densely populated areas, it is unlikely to lead to sufficient investments for the provision of broadband services to underserved areas as it presupposes the existence of broadband access infrastructure.
- (41) In view of these considerations, the Commission concludes that, in the case at hand, there is no alternative to granting public funding to overcome the lack of broadband connectivity. State aid could remedy the described market failure and would be effective in contributing to the referred equity objectives. The current measure is part of the overall national broadband strategy of Slovenia aiming to reduce digital divide caused by geographic and economic conditions and to develop information society by developing e-services and e-content (such as e-Government, e-Health, e-Learning or e-Business services) and developing broadband infrastructure.
- (42) Hence in the current situation, State aid is an appropriate instrument to achieve the set objectives.

The aid provides the right incentives to operators

- (43) 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

²⁵ See paras 41 and 42 of the Broadband Guidelines.

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 (8), 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. The different ownership structures allow municipalities to select the most adequate solution that could satisfy the objective of the measure and minimize the amount of aid of necessary. As explained in paragraph (9), the presence of a publicly owned infrastructure can incentivize private operators to invest and provide broadband services on the underserved areas. Therefore, the aid should provide a direct and appropriate investment incentive for the selected operators.

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

(44) 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 Slovenian 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 and updating the target areas accordingly and by consulting with the relevant stakeholders (such as the National Regulatory Authority) in an open and transparent manner, the Slovenian 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 Slovenian 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 Slovenian authorities will select the most economically advantageous offers among those presented by the operators.
- (d) *Technology neutrality:* The current measure does not favour any particular technology or network platform leaving it to commercial operators to come up with the most appropriate technological solutions to provide broadband services to end users.
- (e) *Use of existing infrastructures:* since the targeted areas are completely unserved by broadband networks (besides limited satellite service provision), no such network infrastructure could be utilized. On the other hand, as described in paragraph (11), the Slovenian authorities will ensure during the tender procedure that existing civil infrastructures are considered by the bidders in the design of their offers. Moreover, coordination with other civil works shall be taken into account by the tenderers in order to limit the use of public funds.
- (f) *Open wholesale access:* the operator of the new network will provide open wholesale access to all interested parties in an open, transparent, non-discriminatory manner. The condition imposed on the electronic communication operators benefitting from

State aid to keep the wholesale and retail business separate²⁶ is expected to prevent any conflict of interest, undue discrimination and any other hidden indirect advantages to the own retail service operator. Moreover, such provision should foster competition on the targeted areas by incentivizing the wholesale operator to attract retail service providers.

- (g) *Price benchmarking*: In order to ensure effective wholesale access and to minimise potential distortion of competition, wholesale prices on the subsidized network will be monitored by the National Regulatory Authority with the objective to offer similar retail access prices to those charged in non-subsidised areas. Price benchmarking is an important safeguard to ensure that the aid granted will serve to replicate market conditions like those prevailing in other competitive broadband markets.
- (h) *Claw-back mechanism to avoid over-compensation*: the project will be examined on a regular basis 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 Slovenian 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.

Conclusion

- (45) 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 87(3)(c) of the EC Treaty.

VI. DECISION

- (46) On the basis of the foregoing assessment, the Commission has accordingly decided that the aid measure "*Broadband development in Slovenia*" is compatible with Article 87(3)(c) of the EC Treaty.
- (47) The Slovenian authorities are reminded that, pursuant to Article 88(3) of the EC Treaty, they are obliged to inform the Commission of any plan to extend or amend the measure.
- (48) 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.
- (49) Your request should be sent by encrypted e-mail to stateaidgreffe@ec.europa.eu or, alternatively, by registered letter or fax to:

European Commission
Directorate-General for Competition
State Aid Greffe
Rue Joseph II 70

²⁶ See paragraph (16).

B-1049 Brussels
Fax No: +32 2 2961242

Yours faithfully,

Neelie KROES
Member of the Commission