

Ladies and gentlemen,

The 2005 State Aid Action Plan foresees amongst other things a number of procedural changes. These should help achieve that the Commission concentrates its resources on the cases most harmful to competition – or at least potentially most harmful!

The general block exemption regulation, which was adopted last year, constitutes one important element in this process. Indeed this regulation not only comprises existing block exemption regulations, but also covers aid for activities which previously had to be notified: environmental aid, aid for R&D in large enterprises, aid to promote risk capital for SMEs and aid for innovation in SMEs.

One might wonder whether other types of aid, for which the positive effects clearly outweigh their negative effects on trade and competition, should not also merit an exemption from notification. However, let us not forget that the Commission can only propose a new exemption regulation within the limits set by the Council enabling regulation.

How about aid to promote broadband in unserved rural areas? There is a well-established case practice: almost 30 decisions. None of these has been challenged in Court. However, broadband is not mentioned in the enabling regulation and none of the categories of aid mentioned therein would cover all of the aid schemes notified so far.

The alternative would be a lighter procedure - a simplified one – for aid measures that closely follow a well-established practice of favourable decisions or aid fitting into the safe harbour provisions of Guidelines and Frameworks. Aid for broadband connectivity in rural areas does not fall under a Framework or Guidelines – at least not yet – but we do have a large case practice.

How would it work? A Member State proposing to grant aid for broadband in "white" areas, should contact us before notifying. Together we would establish whether they intend to follow the line of our case practice, including a tender mechanism, technology neutrality, wholesale access, a clawback mechanism. If this is the

case, the Member State would then be informed that the simplified procedure can apply and it would notify with the usual form. The Commission would immediately publish a small notice on its website for other interested parties. The Commission can issue a short-form decision within 20 days after notification.

Of course, if the Member State proposes deviations from the established case practice, we would be in a new ball game and the normal notification procedure with a deeper assessment would apply.

Similarly, in the area of NGA, without an established case practice, the simplified procedure could not apply yet.

How far are we with these plans? We ended a stakeholders consultation in January and DG Competition is presently discussing the implementation of these plans with the other services in the Commission. It is our intention to start using the simplified procedure still before the summer break.

Thank you for your attention.