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European Commission
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Unit H2
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Review of the Communication on important projects of common European interest (IPCEI) – Ref. HT.4892 – Contribution sent by IRIDEOS S.p.A.

IRIDEOS S.p.A. is an Italian telecommunication and ICT operator, providing business customers (corporate, SMEs and public administrations) with connectivity, cloud, data centres and cybersecurity services.

IRIDEOS welcomes the proposal published by the European Commission on the review of 2014 Communication on IPCEI, which aims at aligning the text with the new European scenario in terms of policy priorities, citizens' needs, market dynamics and technology developments.

In particular, IRIDEOS supports the idea of linking the evaluation of EU-wide contribution of the candidate projects to policy objectives contained in:

- the European Green Deal, the Digital Strategy, the New Industrial Strategy for Europe, Next Generation EU and Recovery initiatives to contrast economic crisis linked to COVID-19 (see point 4 of the proposal), but also in
- the European Strategy for Data, the new European Research Area for research and innovation, the new Circular Economy Action Plan and the EU's objective to become climate neutral by 2050 (see point 15).

For the sake of clarity, IRIDEOS suggests to report the whole set of policy initiatives in both point 4 (introduction) and point 15 (criteria), in order not to create a different perception of

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importance between, on one side, policies reported (also) in the introduction and, on the other one, policies reported in the criteria section only.

Regarding the involvement of a minimum number of Member States (“MS”) in the IPCEI, IRIDEOS would like to underline that for services with a “genetic” international and cross-border footprint, the exceptional regime (*“Unless a smaller number is justified by the nature of the project”*) should always apply. This is, for example, the case of cloud services, which can be provided by a single operator based in a single MS to a multitude of customers based throughout the EU, creating a positive effect for the whole Continent.

Regarding the special regime for *“energy, transport, health or digital projects”* (point 26), IRIDEOS suggests to better clarify that if these projects are of “great importance” it is possible to qualify them as IPCEI even if they do not fit criteria set out in points 23 and 24.

IRIDEOS considers of crucial importance the provision contained in point 39, according to which, while evaluating the effect on the market, the Commission considers if *“competitors located outside the EU have received ... or are going to receive, aid of an equivalent intensity for similar projects”*. This is particularly important for cloud services that, due to their nature, can be provided to EU citizens and enterprises from any part of the Globe. For these services, the competitive pressure of extra-EU providers can be considered as proved. It should also be taken into account that public funds provided by extra-EU countries to their national undertakings (e.g. American Rescue Plan) have a direct competitive effect on EU internal market. As a result, it is unlikely that public supports to EU firms (with the below mentioned exemptions) would produce any negative effect on competition in this domain.

While evaluating the balance between positive and negative effects of the projects, great importance should also be given to “qualitative” aspects, such as the ability of the project to match not only policy targets but also policy principles (e.g. the ability of innovative cloud solutions developed within the EU to help achieving data sovereignty).



The assessment of “*the risk of market foreclosure and dominance*” (point 47) should have, in IRIDEOS’s mind, two additional applications/spill-over:

- A. when no risk of dominance or foreclosure is detected, the company (regardless of its size) should enjoy the same facilitations foreseen for SMEs;
- B. the risk should be assessed having regard also to potential horizontal or vertical leverage (e.g. if a telco incumbent obtains public funds for cloud services – where it is not dominant – the state aid can distort competition anyway, since the company can leverage on the adjacent market).

As an alternative for point A, SMEs’ facilitations should be extended also to undertakings that have the same headcount and turnover of an SME considered only the relevant market (i.e. less than 250 employees, less than €50mln turnover related to services included in the relevant market).

Finally, for the evaluation of IPCEI currently ongoing (e.g. Cloud Infrastructure and Services), IRIDEOS suggests to adopt a “*de jure condendo*” approach, applying immediately the principles contained in the draft proposal (to the extent that they do not contradict the current version of the Communication).

The present communication does not contain any confidential information and can be published in its integral version.

Kind regards.

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