

## Lower Austria - a holistic solution to supply the entire rural area with sustainable FTTH, Austria

The nÄŒGIG project is deploying open fibre access (FTTH) to the entire rural area of Lower Austria. This will ensure that there is a chance for economic growth, new companies and start-ups, young families moving into rural areas and therefore prosperity in the rural regions of Lower Austria. The project was selected for the finals of the European Broadband Awards 2022.



After successfully implementing the pilot phase with 35.000 households passed, in the second and the third phase with private partners, the project is deploying FTTH to further 100.000 and 200.000 households respectively. After deploying the second phase (until 2022) the plan is to seamlessly deploy next 200.000 households on the same basis (PPP project). By this, all rural areas of Lower Austria will be covered by an open fibre access network (wholesale-only FTTH). The covered households in the rural areas constitute more than 55% of all Lower Austrian households. It is expected that in the meantime, private telecommunication companies will start to deploy FTTH networks in more dense areas. If this is not the case, the nÄŒGIG project could also be in charge to cover also more dense areas where the market is not deploying FTTH.

To implement the project, the Government of Lower Austria developed a finance-structure that creates a win-win situation both for public and private side:

- full control of public side of areas to be developed and rolled out (within the financing parameters)
- no "cherry picking" - focus on rural areas
- public side continuous involvement in the project by holding 25,1% shares of network-SPV
- only fully developed projects (including contracts for construction, material, 42% take-up-rate, etc.) are handed over from public to private side for implementation
- investor can benefit from any upside sale within the project

- fibre roll-out is high political priority for project partner Lower Austria - this ensures full commitment of the Government of Lower Austria.

The private market capital is entering the project based on 3LOM (Three-layer open model) and the wholesale-only business model. This will secure the long-term viability of the business location of Lower Austria, ensured by open, non-discriminatory network access in undersupplied rural areas of Lower Austria and "competition at the service providers" level.

The finance model allows a joint financing by Lower Austria and investors while ensuring that all important parameters for an open and public network are fulfilled and kept. This primarily includes focus on rural areas, roll out only if a specific demand (at least 42%) is given and close cooperation with local municipalities.

Estimated total project costs are EUR 1,5 billion. Private funds provide EUR 800 million and public funds estimated up to EUR 710 million (state and federal government aid and partly EU Recovery Funds).

For more information visit the [project website](#).

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