

Bavaria receives first State aid approval for gigabit connectivity investment in grey areas

For the first time, the European Commission has approved, under EU State aid rules, a project to invest in very high capacity broadband networks in six Bavarian municipalities already supplied with 30 Mbps connectivity. “It was important to the Commission that the support should lead to a ‘step change’ in connectivity - a substantial improvement in the bandwidths available after the expansion - but also that private investment should not be prevented or devalued”, explains Albert Füracker, Bavarian State Minister of Finance and Regional Identity.



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In this video interview, Mr. Füracker explains the importance of this approval, which “makes it possible for the first time to promote broadband expansion in areas that already have NGA bandwidths”:

“The creation of equal living conditions in the cities and rural areas is a constitutional mandate in Bavaria. Experience shows that in rural areas the privately financed expansion of broadband networks lags far behind that in cities. Gigabit connections are necessary to maintain existing jobs and create new ones. We also want to actively counteract the rural exodus, which is why the living environment in rural areas must remain attractive. We want to actively address the goals of the European Commission to make gigabit connectivity available by 2025.”

The new network will be capable of offering speeds of 200 Mbps for households and 1 Gbps for companies and public institutions. The project represents a first step towards a future larger roll-out

of such infrastructure in Germany. As the project's press release states, "Bavaria is a pioneer in Europe" with six pilot projects in the following municipalities:

- City Ebersberg, Upper Bavaria
- Markt Hutthurm, Lower Bavaria
- City Berching, Upper Palatinate
- City of Kulmbach, Upper Franconia
- Municipality Kammerstein, Middle Franconia
- Municipality Kleinostheim, Lower Franconia

In the European Commission's press release on the approval of the Bavarian project, Commissioner for Competition, Margrethe Vestager, stated:

Very high-capacity networks are increasingly important in our economies, for the education sector, for healthcare, for manufacturing or transport. Our decision, that for the first time endorses a public investment to achieve the connectivity targets set out in the Gigabit Communication, will help reach these targets while ensuring that competition is not unduly distorted, to the benefit of citizens and businesses.

The project enables public investment in areas where the 2025 connectivity targets are not yet met and no sufficient infrastructure is to be provided by private investors within the next three years. To avoid duplication of infrastructures, the Bavarian authorities will take into account existing and planned investments by market operators in the following way:

- The infrastructure will connect customers who do not yet have access to certain minimum speeds: 100 Mbps download for households; 200 Mbps symmetric (upload and download) or more than 500 Mbps download for companies
- The new networks will not be deployed where a very high capacity infrastructure is already in place or planned by private investors, such as fibre networks leading to the customers' premises or upgraded cable networks
- Areas where there are two or more networks providing fast broadband (30 Mbps or more) in parallel are also excluded from the project

For more information, visit the project's website.

This video is part of a series of interviews on broadband roll-out in Europe, produced for the European Network of Broadband Competence Offices (BCO Network).

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