

State aid: Commission approves Bavarian project for Gigabit broadband networks

Commissioner Margrethe **Vestager**, in charge of competition policy said: *“The 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.”*

Germany notified to the Commission the Bavarian gigabit project, which aims to develop a new, publicly financed very high capacity connectivity infrastructure that will deliver a faster internet for households, companies and public institutions. The project represents a first step towards a future larger roll-out of such infrastructure in Germany.

The new network will be capable of offering speeds of 200 megabits per second (Mbps) for households and 1 gigabit per second (Gbps) for companies and public institutions. These broadband speeds are far above those that users currently have in the target areas.

The Commission has examined the Bavarian gigabit project and found that the new networks will bring about a significant improvement – a ‘step change’ – in connectivity. The Bavarian gigabit project is in line with the strategic objectives of the [Gigabit Communication](#), as it allows for public investment in areas where the new 2025 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 German authorities will take existing and planned investments by market operators into account in the following way:

- The infrastructure will connect customers that don't have access to certain minimum speeds yet: 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.

The aid will be awarded on the basis of open, transparent and non-

discriminatory tenders, with all technologies being able to compete for provision of the service. On this basis, the Commission has approved the Bavarian gigabit project under the [Broadband State aid Guidelines](#). The project will contribute to the EU strategic objectives set out in the Commission's [Gigabit Communication](#), which encourages investments into very high capacity networks across the EU.

Today's decision is the first time the Commission has looked at a support measure in the context of the objectives of the Gigabit Communication and, in particular, is the first support measure involving a "step change" approved by the Commission.

Background

Building on the EU's existing 2020 broadband targets, the Commission has identified in its Gigabit Communication the connectivity needs to build a European Gigabit society, where very high capacity networks enable the widespread use and development of products, services and applications in the Digital Single Market.

The existing [2013 Broadband State Aid Guidelines](#) allow for such public investments where a market failure exists and where these investments bring a significant improvement (step change). This is also subject to certain other parameters to protect competition and private investment incentives.

The six municipalities in Bavaria where the project will be deployed are Berching, Ebersberg, Hutthurm, Kammerstein, Kleinostheim and Kulmbach.

The non-confidential version of the decision will be made available under the case number SA.48418 in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).