



## State aid: Commission approves € 3 billion aid scheme in Germany to support high speed internet roll-out

Brussels, 15 June 2015

The European Commission has found that the main elements of Germany's proposal for a national support scheme for the roll out of next generation access (NGA) broadband networks are in line with EU state aid rules. The € 3 billion scheme aims at providing high speed internet access throughout the country, including in rural areas. This will favour economic, social and cultural integration. The Commission concluded that overall the scheme furthers the objectives of the EU Digital Strategy whilst maintaining competition in the Single Market.

EU Commissioner in charge of competition policy Margrethe Vestager said: *"This aid scheme will make faster broadband services available also in areas of Germany where private investment is lacking. At the same time it ensures that consumers have a choice. It also shows that EU state aid rules enable Member States to work with the Commission to stimulate investment in infrastructure to create a true Digital Single Market."*

In February 2014, Germany notified plans to support NGA broadband roll-out with € 3 billion over the coming years. Private operators and municipalities can apply for funding in target areas (published [here](#)) where only basic broadband access is available and where there are no private investment plans to develop NGA for the coming three years. Its objective is to establish networks that are capable of delivering download speeds of at least 30 Mbit/s (megabits per second) and in most cases 50 Mbit/s to households and businesses. Funding can be provided for projects that engage in significant investment in networks with substantial improvement in service levels.

The Commission assessed the measure under its EU state aid rules, in particular [the 2013 Broadband State Aid Guidelines](#). The Guidelines require in particular that publicly funded networks are open to all competitors on non-discriminatory conditions. The Commission concluded that the main elements of the German aid scheme fulfil all criteria under the Guidelines.

The German scheme as notified also included as another element vectoring technology, which can be added to NGA networks and allows boosting connectivity speeds even further with moderate additional investment. However, as a side-effect, a large number of households have to be bundled together, to be served by one provider only. This means that competitors cannot gain physical access to single subscribers. The Commission is therefore concerned that vectoring may have anticompetitive effects. As the technology currently does not ensure open access to the network, which is a requirement of the Broadband Guidelines, it cannot be used in state funded projects for the time being. In any event, the scheme's objectives can be reached without the use of vectoring technology.

However, Germany announced that an access product capable of granting full access to vectored networks for competitors will be developed shortly. This product will be submitted to the Commission, which will then assess whether it fulfils the Broadband Guidelines' open access conditions. Once approved by the Commission, vectoring could then also be allowed in state funded projects.

The non-confidential version of the decision will be made available under the case number [SA.38348](#) 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](#).

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