

Federal Broadband Bureau

A centre of excellence of the Federal Ministry of Traffic and Digital Infrastructure

The Federal Funding Program (FFP) for Broadband Development in Germany



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German Federal Broadband Bureau*



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Availability of 50 Mbps for all households by 2018!

Source: coalition agreement 18. legislative period



Implementation according to coalition agreement and Digital Agenda 2014 – 2017

- Technology neutrality
- Cost reduction Directive
- Synergies (§§ 68, 76, 77 a-e TKG)
- Use of funds in areas of market failure
- Funding opportunities for the federal republic and the states (“Länder”)
- Financing program „Premium finance network deployment” (KfW bank)
- General Block Exemption Regulation
- State aid legislation (e.g. federal framework schemes empty ducts; NGA-framework legislation)
- Federal state aid program (*Federal Funding Program*)

Status Quo of Broadband Development in Germany

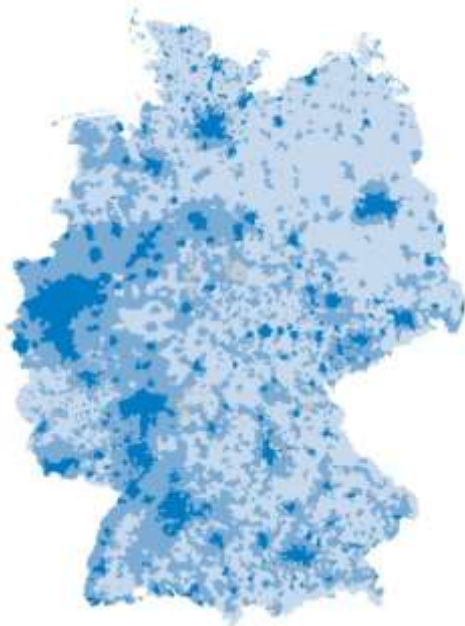


Broadband access in types of area

All technologies in percentage of households

Character	≥ 1 Mbit/s	≥ 2 Mbit/s	≥ 6 Mbit/s	≥ 16 Mbit/s	≥ 30 Mbit/s	≥ 50 Mbit/s
Urban	100,0	100,0	99,9	97,8	94,4	90,3
Semi-urban	99,8	99,7	98,2	85,6	77,5	67,7
Rural	98,8	98,4	93,1	67,6	55,1	36,2
Total	99,9	99,9	99,0	90,4	84,4	76,9

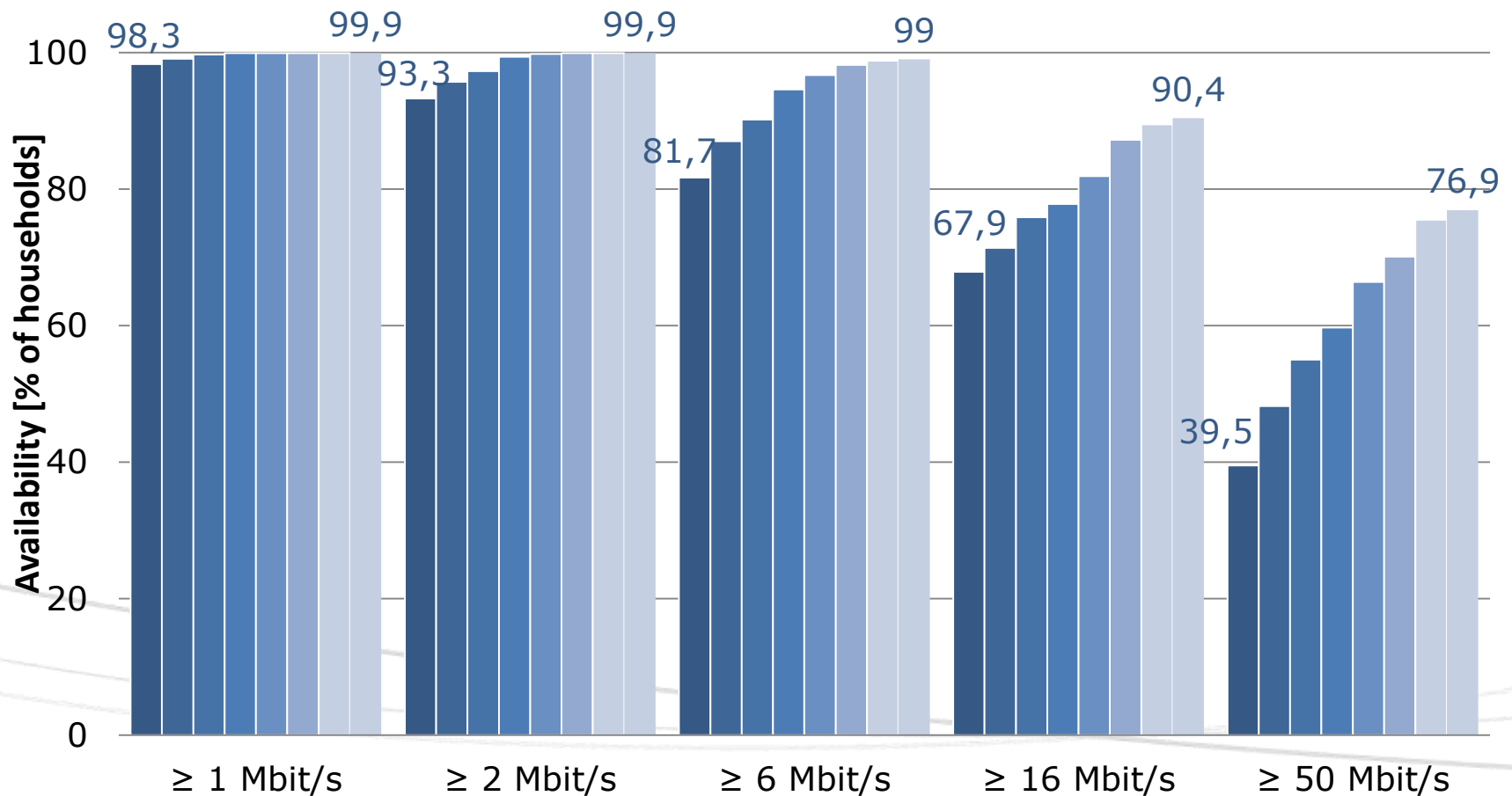
source: TÜV Rheinland / BMVI mid 2017



Number of households in types of area

Urban	approx. 21,92 Mio. households (approx. 55 %)
Semi-urban	approx. 13,57 Mio. households (approx. 34 %)
Rural	approx. 4,39 Mio. households (approx. 11 %)

Development of broadband availability in Germany between 2010 and 2015 for all technologies



Source: TÜV Rheinland / BMVI Mid 2017



The Federal Funding Program for Broadband Development



Overview of The Federal Funding Program for Broadband Development

- Budget: > 4 bln. EUR
- Partly a result of frequency auctions 2015(roughly 1,4 bln. EUR)
- Target: minimum 50 Mbit/s in underserved areas by 2018



areas participating in the funding program

The Federal Funding Program (FFP) for Broadband Development – Key Aspects

- **NGA-Rahmenregelung** (NGA-RR = German state aid measure “Scheme of the Federal Government in support of the expansion of comprehensive next generation broadband access”)
- **The overall aim is a nation-wide coverage with at least 50 Mbps, in line with our National Digital Agenda**
- Beneficiaries: Municipalities, associations of local authorities, counties, administration unions
- Filing of applications on www.breitbandausschreibungen.de
- Evaluation of applications through a scoring matrix
- Transparency obligations (www.breitbandausschreibungen.de)

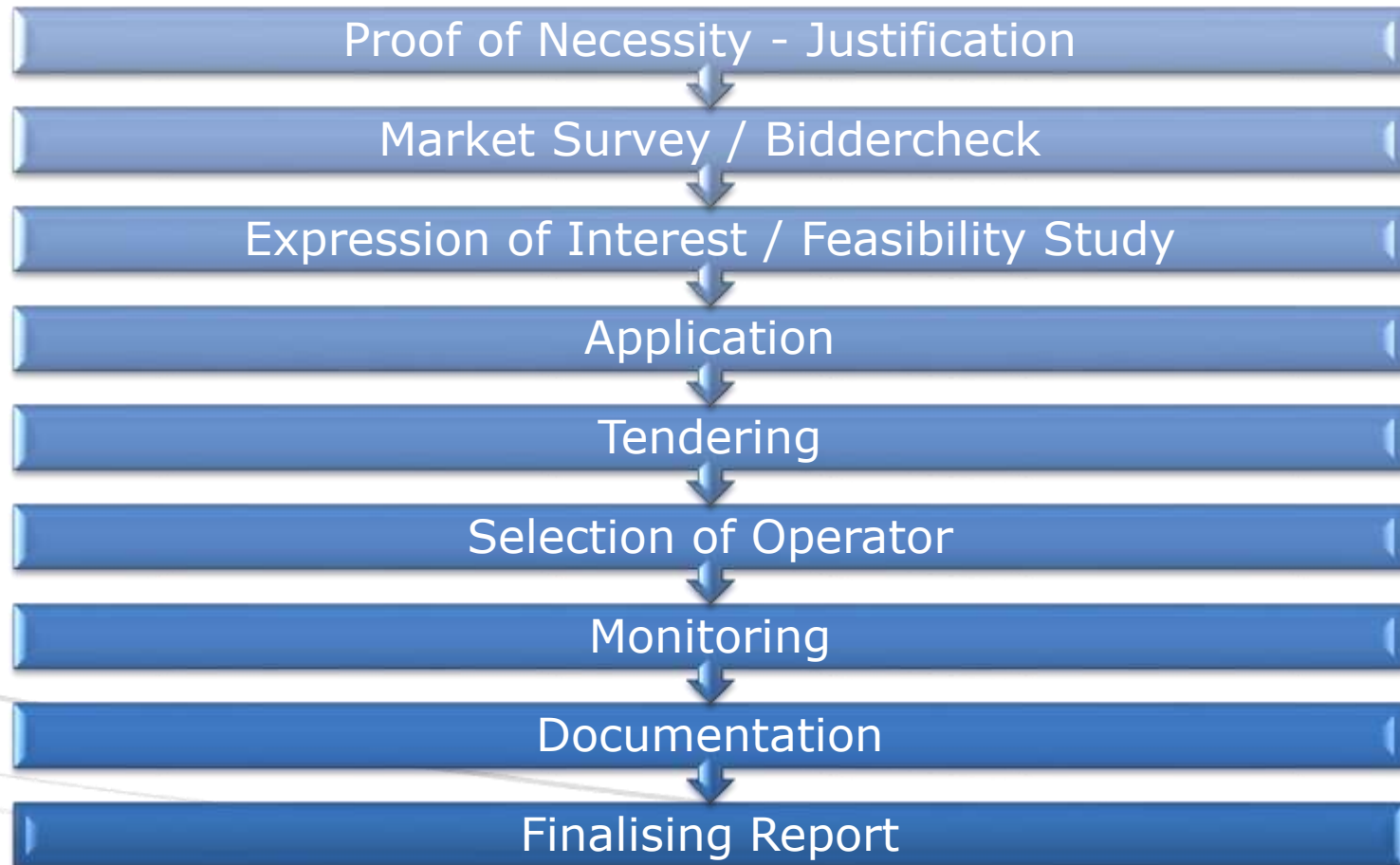
Amount of Grants

- Infrastructure:
 - Profitability-gap financing / operator model: up to 15 million EUR
 - Minimum funding limit: 100.000 EUR
 - Own share of costs: at least 10 %
 - Possibility of combination with other funding measures (i.e. EU or federal state programs)
- Consultancy:
 - up to 50.000 EUR per municipality

General Conditions for Grants

- White NGA spots
- Downlink bandwidth at least doubled
- Uplink bandwidth at least increased in similar proportion to the initial bandwidth
- Pre-check to select the more economic approach (gap financing vs. operator model)
- Decision based on processes (expressions of interest or study)
- Certified / confirmed independence of involved experts
- Documented selection

Processes and Steps



Results so far (4th Call)...

➤ **Connections to be established**

➤ Households:	2,058,911
➤ Businesses:	181,338
➤ Socio-economic drivers:	12,650

➤ **Capabilities**

➤ Connections with 50 Mbit/s (min)	2,252,899
➤ Connections of 100 Mbit/s and more	1,626,664

➤ **Investments**

➤ total investments triggered	6,469,081,860 €
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Outcomes of the Federal Funding Program

- The Federal Funding Program mainly affects rural areas, where its effects (# of connections) are most visible
- The lion's share is being used to subsidize those areas with the least developed broadband infrastructures
- The Federal Funding Program incentivizes private investment

Thank you very much for your attention!

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Backup



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Scoring

The scoring of all applications of one call follows a comparative evaluation grid.

➤ Scores follow the four aspects

- Necessity
- Success
- Efficiency
- Sustainability

The Federal Funding Programme's Current Scoring Grid

1. *Necessity*

No.	Criteria	Calibration	Score	Addressing
1.1	Average no. of inhabitants per km ²	<70 – 200	14 - 1	Economy of scale
1.2	Percentage of connections below 16 Mbps	>65% – 25%	9 - 1	Technology potential
1.3	Special geographical or topographical hardships	y/n	2	Prohibitive specifics
			25	

The Federal Funding Programme's Current Scoring Grid

2. Success

No.	Criteria	Calibration	Score	Addressing
2.1	No. of high-bitrate connections created in NGA-white spots	>20.000 – 2000	3 - 1	Additionality
2.2	Remaining white spot within the administrative entity	y/n	7	Coverage
2.3	Finalisation until 2018	y/n	9	NDA* compatibility
2.4	Including enterprise with 1 Gbit/s symmetrical	y/n	7	Comprehensiveness
2.5	Including further demand	y/n	2	Institutions etc.
			28	*National Digital Agenda

3. *Efficiency*

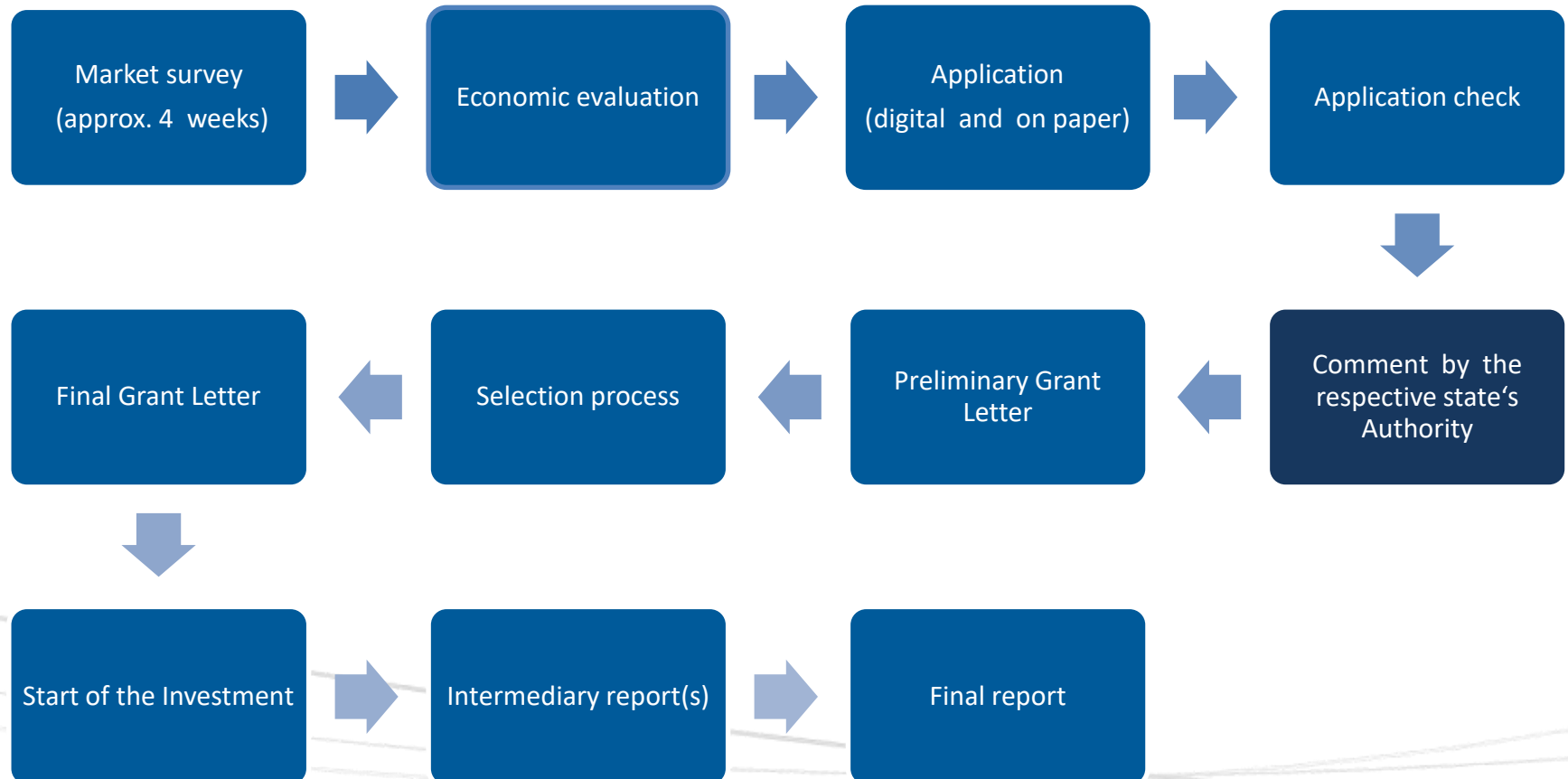
No.	Criteria	Calibration	Score	Addressing
3.1	Percentage of co-funding through the Länder	>90% - 20%	5 - 1	Incentive to pool ressources
3.2	Percentage of co-funding through private capital	>90% - 20%	5 - 1	Incentive to involve ressources
3.3	Min. 5% synergetic roll-out	y/n	3	Reducing digging costs
3.4	Min. 5% innovative digging methods	y/n	2	Technological innovation
3.5	Average cost per connection (three categories in relation to population. density, 1.1)	5.399€ - <200€	10-1	Affordability in comparison
			25	

4. *Sustainability*

No.	Criteria	Calibration	Score	Addressing
4.1	Size of the project area	Admin. entities	5 - 1	Co-operation
4.2	Networking with neighbouring utilities	y/n	2	Co-operation
4.3	Allowing for ≥ 100 Mbps	$>80\%$ - 10%	5 - 1	Risk of quick outdating
4.4	Length of deployment	>160 km – 80 km	3 - 1	Reach and Coverage
4.5	Integrating traffic/mobility	y/n	2	Future synergies
4.6	State authority's support	y/n	5	Integration of plans
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The Federal Funding Program for Broadband Development

Application under Nos. 3.1 and 3.2 of the FFP



The Federal Funding Program for Broadband Development

Application under No. 3.3 of the FFP

