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Improved Broadband Supply in Rural Regions

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Agricultural Situation

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Report Highlights:

As a priority of its rural development program, the German Government continues to support the installation of broadband services in rural regions. This is seen as critical to further economic prosperity and bringing new technology to underserved populations. There are several programs supporting these activities available from several German Ministries. The implementation of digital technology in radio and TV broadcasting provides room for broadband use in existing cable systems.

General Information: Improved Broadband Supply in Rural Regions

The German Government continues to view providing low cost access to broadband internet connections as an important component of its rural development policy. In particular, communities in the former East Germany are still undersupplied with broadband service. While the Federal Ministry of Economics and Technology (BMWi) reports that 98 percent of the German households have already access to the broadband technology, more than 600 rural communities are still cut off this service.

There are several different projects have been launched across the German Government to improve the situation. BMWi has programs to improvement of the regional economic structure. In addition, the Federal Ministry for Agriculture, Food and Consumer Protection (BMELV) operates programs to improve agricultural structures, which are funded through 2010. These programs are also supported through the European Regional Development Fund (ERDF) and the European Development of Rural Regions (ELER). Finally, the German state of Schleswig-Holstein with an own program to increase rural broadband coverage. This is particularly interesting because its current Minister President Peter Harry Carstensen, is the former head of the Bundestag Committee on Agriculture.

More specifically in 2008, BMELV launched a three-year program supporting the improvement of the so-called passive infrastructure, i.e., laying empty cable channeling. Under this program, telecommunication companies can also apply for deficit financing which covers the difference between investment costs and business returns for terrestrial and radio-based broadband. The provided budget amounts to €10 million per year. This federal program will be supplemented by funds provided from the federal states and by the communities.

In March 2009, the German Federal Cabinet proposed to alter the German radio frequency assignment plan. With the introduction of the digital technology in radio and TV broadcasting significant portions of the radio frequencies have become available for different use. This so-called digital dividend should be made available for broadband use in rural regions.