



Press release

Bonn, 9 July 2020
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2015 coverage obligations – first milestone of the new deadline not reached

Telefónica has not completely reached the first milestone

The Bundesnetzagentur has warned Telefónica today that an administrative fine of €600,000 may be imposed because Telefónica has not met its coverage obligations from the 2015 spectrum auction on time.

Telefónica was obliged to set up 40% of the 7,600 sites still required to meet the coverage obligations by 30 June 2020. In spite of all its recognised efforts, Telefónica has not yet been able to complete the required number of sites. If the sites are not made operational by 31 July 2020, the Bundesnetzagentur will set the penalty amount as stated in the fine warning.

Delays in implementing the 2015 coverage obligations

According to the company, the delays are largely due to the COVID-19 pandemic, which has led in particular to restrictions in the supply chains. Telefónica maintains that this, in turn, has caused delays in the network expansion.

In determining the penalty amount, all circumstances are taken into account, and in particular the fact that Telefónica was able to set up 75% of the sites required before the milestone deadline.

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2015 coverage obligations

The Bundesnetzagentur attached conditions to the assignments for the spectrum auctioned in 2015 to the effect that the mobile network operators had to ensure supply to 98% of households nationwide and to 97% of households in each federal state at a minimum transmission rate of 50 MBit/s per sector as of 1 January 2020. In addition, the main transport routes (motorways and rail routes) were to receive full coverage.

The Bundesnetzagentur's reviews on meeting the coverage obligations from the 2015 spectrum auction showed at the end of 2019 that all three mobile network operators had not fully met the coverage obligations by the deadline. All three companies were given until the end of this year as a new deadline. The Bundesnetzagentur also set intermediate goals for the three network operators.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.

