European Commission: Scheme to Finance Digitisation and Extension of Terrestrial TV Network in Spain Incompatible with EU State Aid Rules

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Annabel Brody
Institute for Information Law (IViR), University of Amsterdam

On 19 June 2013, the European Commission concluded that a Spanish scheme to finance the digitisation and extension of the terrestrial television network in Spain was incompatible with EU state aid rules.

The Spanish EUR 260 million scheme was initiated in 2005 to subsidise the transition to digital terrestrial television (DTT) in remote areas of Spain as well as to help finance the operation and maintenance of the DTT infrastructure. The subsidies were allocated exclusively to operators of terrestrial platforms. Alternative transmission platforms such as satellite, cable or the internet did not benefit from the subsidies.

The Commission launched an investigation into the public funding of the DTT infrastructure in Spain following a complaint by a satellite platform operator. According to the Commission, the Spanish scheme favours the terrestrial technology giving operators of terrestrial platforms an advantage over operators using other technology. The scheme has therefore failed to support the digital switchover in a technology-neutral way and as such unduly distorts competition between terrestrial operators and operators using other technology. The Terrestrial operators in Spain must therefore repay subsidies received from the Spanish taxpayer.

The Commission has previously set out indicators on how member states should support the digital switchover in compliance with EU state aid. In its decision in Berlin Brandenburg (see IRIS 2004-6/5, IRIS 2004-9/3 and IRIS 2006-1/8), the Commission stated that the switch from analogue to digital broadcasting must be non-discriminatory and must be completed in a technology-neutral manner. The principle of technological neutrality was confirmed in the Court of Justice ruling on the Commission's decision in the Mediaset case (case T-177/07, see IRIS 2011-8/4).

The Commission has also initiated in-depth investigations into two other digitisation cases in Spain. The first case concerns technological discrimination as well as discrimination against regional and local terrestrial platform operators. The second case investigates the granting of aid to broadcasters for the change of bandwidth. These cases are still under investigation.

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State aid: Terrestrial digital platform operators in Spain must pay back incompatible subsidies

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