

## European Commission: Aid to finance digitisation and extension of terrestrial television in Spain incompatible with EU law

**IRIS 2014-10:1/2**

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On 1 October 2014, the European Commission concluded that subsidies granted in the Spanish region of Castilla-La Mancha to fund the digitisation and extension of the terrestrial television network in remote areas were incompatible with EU state aid rules. The Commission also ordered the recovery of such aids worth EUR 46 million. This decision follows the conclusions already expressed in a decision of 19 June 2013, which referred to the national scheme to finance digital terrestrial television transition in Spain (see IRIS 2013-7/5).

According to the Commission, the measure violated the principle of technological neutrality to the extent that public funds are only made available to one specific transmission platform therefore discriminating alternative ones like cable, satellite or the Internet. In addition to this, the Commission concluded that the Government of Castilla-La Mancha also engaged in discriminatory treatment between different terrestrial operators, as the subsidies were directly granted to two specific companies without any previous open tender.

The Commission had previously established the criteria for member states to support digital switchover in line with EU State aid rules in its decision on digital transition in Berlin Brandenburg (see IRIS 2004-6/5, IRIS 2004-9/3 and IRIS 2006-1/8). The principle of technological neutrality was confirmed by the Court of Justice in the Mediaset case T-177/07 (see IRIS 2011-8/4).

*European Commission, 'State aid: Commission orders recovery of incompatible aid from certain terrestrial digital platform operators in Castilla-La Mancha', IP/14/1066, 1 October 2014*

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